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CER OPINION AND ANALYSIS

WATCHING WASHINGTON

Almost There:

Full Reauthorization of HEA Moves Ever Closer to Passage

Moving under the title *College Opportunity and Affordability Act of 2007*, the full House is expected to debate and vote on the legislation in late January or early February. The Senate has already passed its version, and is awaiting House action and a conference committee to hash out the differences. p.1

A View From Washington

Department of Education Issues Final Regulations

The Department of Education has published final regulations on student loan issues that will go into effect July 1, 2008. Two provisions of interest are prohibited inducements and preferred lender lists. p.3

WASHINGTON PERSPECTIVE

HIGHER ED WATCH Roundup

This month's roundup takes aim at Sallie Mae for speaking out of both sides of its mouth. Plus, the University of Phoenix generates considerable reader commentary. Finally, in an article titled, "Easing Restrictions on Trade Schools is a Mistake," Stephen Burd takes aim at private career colleges with a laundry list of allegations and suspicions. p.6

Lawmakers Take Aim at College Costs

With increasing costs and reduced amounts of aid, many students are depending on loans to help them meet their growing tuition bills. p.11



The Career College Information Source

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Michael J. CooneyEditor
Terry L. StaerkeProduction Manager
Stacy L. SchomburgProduction Designer
Cheryl HentzStaff Writer
Sean P. JohnsonStaff Writer
Barbara SchmitzStaff Writer

WORKFORCE COMMUNICATIONS

627 Bay Shore Drive, Suite 100, Oshkosh, WI 54901
 920-231-9950 • 1-800-558-8250 • Fax 920-231-9977

Web site: www.workforce-com.com
 Email: mcooney@workforce-com.com

Editorial Advisory Board:

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IN THE STATES—FLORIDA

**WAKE UP CALL
Career Colleges: Misunderstood
and Misrepresented**

Richard McCulloch, executive director of the School of Health Careers in Lauderdale Lakes, makes the case for career colleges in light of the recent federal raids in south Florida. p.14

STUDENT LOAN ISSUES

**Panel Likely to Back
Student Loan Changes**

The proposed legislation would make lenders and colleges adopt codes of conduct governing student loans as part of a crackdown following scandals this year in the student loan market. p.15

**Audit Finds Misuse of \$34 Million
Student Loan Subsidy**

The student loan corporation in Pennsylvania improperly exploited a subsidy program to collect \$34 million from the government. p.16

CAREER COLLEGE UPDATES

**Kawasaki's Factory Training Center
and K-Tech Professional Training
Come to PSI**

PowerSports Institute, a division of Ohio Technical College, will become the new home of the Kawasaki Factory Training Center. The PSI campus is the largest motorcycle and power sports training campus in the U.S. p.17

**Ex-CNEC (Central New England
College) Official, Edward D.
Mattar III, Plummets to Death**

Sentence Loomed for Bank Fraud

The flamboyant, controversial and financially reckless former president of the now-defunct Central New England College in Worcester, apparently leaped to his death from the 27th story of a downtown Denver apartment building. p.18

COSMETOLOGY SECTOR NEWS

**Beauty Pros Deliver Messages to
Capitol Hill; Ask for Equitable
Taxation and Access to Education**

During the Professional Beauty Federation's 8th Annual "Welcome to Our World" education event, representatives from independent and chain salons, day spas, cosmetology schools and beauty product manufacturers educated legislators about their issues of concern. p.20

**Empire Education Group Raises
\$250,000 for Kids Peace®**

KidsPeace®, the National Center for Kids Overcoming Crisis, is a private, not-for-profit charity dedicated to serving the critical behavioral and mental health needs of children. p.21

**MASFAA Recognizes Janice Dorian
with Charles Jack Sheehan
Distinguished Service Award 2007**

The award was created in Sheehan's memory to recognize distinguished service to the financial aid profession. p.21

**Frank Schoeneman Honored With
Prestigious N.F. Cimaglia Award**

The award, presented by AACCS past presidents and sponsored by Milady, is given to honor service and contributions to cosmetology education. p.22

NEW CAMPUS LOCATIONS

**North America's Largest System
of Culinary Programs, The Art
Institutes, Introduces New Name
and Curricula**

The Art Institutes system of schools will be renamed as The International Culinary Schools at The Art Institutes. The new name and look will be unveiled this fall on the *Food Network*. p.24

**New Private For-Profit Business
College Coming to Moorhead**

The Minnesota School of Business will open a new location in the Fargo-Moorhead area. This will be the ninth Minnesota location for the school. p.26

The Art Institute of Atlanta will open a new satellite campus in Decatur, Ga. p.27

ITT Educational Services, Inc. opened its second location in North Carolina. p.27

Florida Metropolitan has changed its name to **Everest University**. p.27

EDUCATION TRENDS

Eduventures Research Finds Aspects of College Continuing Education Web Sites Hindering Recruitment Efforts

Prospective adult students in the study say content, multimedia features, and search functionality are often lacking. Ninety-four percent of students surveyed stated that information on cost is an important focus of Web site visits. p.28

Students Less Engaged at Community College

Many community college students begin slipping through the cracks at school almost as soon as they first set foot on campus. p.29

Student Engagement

How to Make NSSE Scores Work for You

By reviewing the five benchmark categories, schools can compare their institutions against national averages for other institutions of their type. p.30

LEGAL AND REGULATORY ISSUES

Nearly \$400K in Fraudulent Student Loans Gets Marion Woman 4 Years in Prison

Amanda Miller admitted that over a four-year period she took out a total of 33 student loans for a total of \$378,937. p.31

Tucson Man Faces Federal Charges in Fraudulent Student Loan Scheme

Stephen Gallagher submitted over 200 student loan applications via the Internet to various financial institutions, which netted him over \$624,000. p.32

CORPORATE SCHOOL NEWS AND REPORTS

APEI American Public Education, Inc.

The parent company of online learning provider American Public University System, which operates through American Military University and American Public University, announced a 71 percent increase in total net course registrations. p.33

Analyst comment by The Motley Fool. p.34

BVII Broadview Institute, Inc.

The company, which is engaged in two business segments—education and media production—reported revenues from continuing operations for the second quarter ended September 30, 2007 of \$2,227,512 versus \$1,963,261 last year. p.35

CECO Career Education Corporation

The company reported consolidated revenue from continuing operations of \$404.4 million and consolidated net income from continuing operations of \$19.8 million. p.36

Analyst comments are provided by Jennifer Childe & Jeffrey Volshteyn, Bear Stearns & Co.; Jeffrey M. Silber, BMO Capital Markets; and Trace Urdan and Jeff Lee, Signal Hill Capital Group. p.38

Education Management LLC Reports Fiscal 2008 First Quarter Results

The company reported that at the start of the fall academic quarter in October, 2008 total enrollment was approximately 96,000 students, a 19.5 percent increase from the same time last year. p.39

EVCI EVCI Career Colleges Holding Corp.

The company reported that total revenue for the third quarter of 2007 increased 4.9 percent to a total revenue of \$12,890,000. p.40

The company reported an operating loss and a net loss for the quarter and nine months. p.40

LINC Lincoln Educational Services Corporation

The company reported third quarter starts up 10.3 percent, and a record enrollment of 19,463, an increase of 4.9 percent. p.41

Analyst comments provided by Trace Urdan and Jeff Lee, Signal Hill Capital Group; and Jeffrey M. Silber, BMO Capital Markets. p.42

UTI Universal Technical Institute, Inc.

The company reported net revenues for the fourth quarter of fiscal 2007 were \$87.0 million, a 1.9 percent decrease resulting in a net loss of \$1.3 million. p.44

Analyst comments by Trace Urdan and Jeff Lee, Signal Hill Capital Group. p.45

INTERNATIONAL CAREER EDUCATION

Acquisition and University Partnership to Broaden Kaplan Presence in China

The company has announced the acquisition of a larger stake in a Shanghai-based provider of higher education and professional training, and an agreement to provide financial education in conjunction with a major regional Chinese university. p.46

FINANCE AND INVESTMENT

Capella Education

Mathematics professor and investor Robert Blumenthal finds much to like about Capella Education. p.47

For-Profit Schools Excel Again Via Smart Cost, Retention Moves

Investor's Business Daily comments that many for-profit schools are benefiting from a sluggish U.S. economy. p.49

Heavy Demand for Publicly Held Online Colleges But No Supply

University Consultants LLC recommends smaller for-profit companies consider reverse mergers as IPO alternative. p.50

REVIEW OF ADVERTISEMENTS

Display Ads & Advertorials p.51

- Heald College
- San Joaquin Valley College
- Oklahoma College of Construction
- WyoTech
- Heavy Equipment Training Academy
- Institute for Business & Technology