

# Contents

## CER OPINION AND ANALYSIS

### Watching Washington

Aid packages are set to increase, but who's counting to 10? p.1

## WASHINGTON PERSPECTIVE

### Secretary Spellings Delivers Remarks at Boston Higher Education Summit

The Secretary's speech focused on increased access, affordability and accountability in postsecondary education for all Americans. p.4

### Secretary of Education Drops Plans to Issue New Accreditation Regulations

Responding to the concerns of 18 key senators, Spellings announced that the Department will not seek regulatory changes on accreditation. p.6

### Guaranteed Loans: Just Plain Expensive

*Chronicle of Higher Education Op-Ed*  
By Rep. Thomas Petri (R-WI)

Petri maintains that "by any objective analytical review, the guaranteed-loan program is a failure—and a costly one at that." p.7

### HIGHEREDWATCH.ORG Roundup

Student loan issues dominate the month's news, with Congress attempting to fix the problems, the loan industry protecting its profits, and everyone blaming someone else. p.9

## ASSOCIATION UPDATES

### New Study Estimates Annual Economic Impact of Career Colleges at \$38.6 Billion

The total includes \$14.6 billion in direct institutional impact, \$4 billion in related



The Career College Information Source

The *Career Education Review* is a copyrighted and trademarked publication of The Baxandall Co., Inc., d/b/a Workforce Communications

- Michael J. Cooney .....Editor
- Terry L. Staerkel .....Production Manager
- Stacy L. Schomburg .....Production Designer
- Terri Dougherty .....Staff Writer
- Sean P. Johnson .....Staff Writer
- Barbara Schmitz .....Staff 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](http://www.workforce-com.com)  
Email: [mcooney@workforce-com.com](mailto:mcooney@workforce-com.com)

### Editorial Advisory Board:

- ❖ **Chairman**  
Stephen B. Friedheim  
Education Systems & Solutions, Dallas, TX
- ❖ Richard W. Ashley, President  
Enrollment Management Innovations, Fort Myers, FL
- ❖ Richard C. Close, Managing Director  
Jefferies & Co., Nashville, TN
- ❖ Richard R. Dumaresq, Executive Director  
PAPSA, Harrisburg, PA
- ❖ Jan Griffin, President  
Griffin Marketing Group, Indianapolis, IN
- ❖ John B. Lee, Ed.D., President  
JBL Associates, Inc., Bethesda, MD
- ❖ Robert L. Martin, President  
Imagine America Foundation
- ❖ Tom E. Netting, Vice-President  
Jefferson Government Relations, Washington, DC
- ❖ Harry Weber, President  
Weber & Associates, Greenville, SC

▶ The *Career Education Review* is archived by the University of California, Los Angeles (UCLA).

student fees and expenses, and \$3.5 billion in higher career college graduate starting salaries and other benefits. p.13

### **Imagine America Foundation Announces Release of *Guide to Career Colleges***

The compact guidebook offers students information about career colleges, financial aid and other aspects of career planning. p.15

### **Imagine America Foundation and MaxKnowledge Launch the Center for Excellence in Education**

The combined effort offers turnkey employee development programs for career college operators with the ultimate goal of increasing organizational performance and enhancing student success. p.15

### **Imagine America Foundation Announces Release of *In Service to America: Celebrating 165 Years of Career and Professional Education***

Telling a story of dramatic growth, the book examines the importance career colleges have had on our nation and its economy. p.16

## CAREER COLLEGE UPDATES

### **Dollars By Degrees**

#### ***For-profit career schools make the grade with employers***

In Connecticut, career colleges are booming as students seek specialized training in high-demand occupations. p.17

### **DeVry University Ranks #1 Nationally for Hispanic Graduates and #2 for Asian Graduates in Computer and Information Sciences**

Six DeVry state enrollments rank in the top 25 for total minority computer baccalaureates and three rank in the top 40 for total minority baccalaureates in business. p.19

### **USA Funds Recognizes Three Schools for Debt-Management Excellence**

Awards recognized International Academy of Design and Technology, West Virginia University School of Medicine, and Indiana Business College for campus innovations to help students minimize and manage education debt. p.20

### **ITT Boss Rose Fast**

#### ***Company's youthful CEO has large shoes to fill***

The 40-year-old Kevin Modany has proven his leadership skills with a 35-percent increase in first-quarter profit and a 70-percent increase in its stock price this year. p.21

### **Art School Fires Lead Union Organizer**

Tensions have flared in the midst of a unionization drive at San Diego's Art Institute of California when a union organizer is fired for classroom improprieties. p.23

### **Students Stunned to Find MTI College of Business and Technology Closed**

The school closed without notice, leaving the students facing the choice of transfer or tuition refund. p.25

### **DeVry University Issues Statement on MTI Houston's Closing**

DeVry's Houston campus will accept transfer of up to 58 credit hours of qualifying coursework. p.25

### **Vocational School Faces State Lawsuit**

#### ***Corinthian Colleges is pressed to settle claims that it has exaggerated job placement rates***

The California attorney general's office has stated that it will sue Corinthian by the end of the month if the school chain doesn't agree to a settlement. p.26

### **The Medical Field Beckons**

First students graduate from Wichita Technical Institute's medical assistant program. p.28

## NEW PROGRAMS

### **Kaplan University Launches New Criminal Justice/Legal Studies Emphasis Areas and a New Medical Coding Certificate Program**

New programs include bachelor's degrees in criminal justice/juvenile justice, legal studies/health care, paralegal studies/legal technology, and a medical coding certificate program. p.29

### **Berkeley College to Offer B.S. Degree in Accounting at New Jersey Campuses**

Graduates will be prepared to sit for the CPA exam and can transfer into an MBA program. p.29

## **Hagerstown Business College Launches New Bachelor's Degree Programs**

The business administration and information technology programs will be the first bachelor's degree programs in Washington County. p.30

### **NEW CAMPUS LOCATIONS**

## **American Career College Breaks Ground on New 64,300-Square-Foot Medical College**

The Ontario, California campus will be a joint effort of American Career College and West Coast University, and will offer vocational nursing and associate's degree in nursing programs. p.31

## **DeVry to Open Nashville Campus in September**

The university will offer associate's, bachelor's and master's degree programs in technology and business related fields. p.32

## **ITT Educational Services, Inc. Opens Kansas Location; Expands Presence into 34 States**

The Wichita campus will be the company's 91st location. p.32

### **PERSONNEL APPOINTMENTS AND PROMOTIONS**

**Roy A. Herberger, Jr.** and **Gregory Cappelli** have been elected to the Apollo Group, Inc. board of directors. p.33

**Joseph L. D'Amico** has accepted the position of chief financial officer for the Apollo Group, Inc. p.33

**Gregory S. Davis** will become vice president and general counsel and secretary for DeVry Inc. p.33

### **EDUCATION TRENDS**

## **How Dads Influence Their Daughters' Interest in Math**

Dads have a major impact on the degree of interest their daughters develop in math. p.34

## **Still Too Few Women Entering Technology**

Today, women account for less than 27 percent of computer and mathematics professionals. p.34

## **Women and Tech Just Don't Mix, Survey Finds**

The survey found that while 59 percent of undergrad degree recipients in 2006 were women, only 21 percent of computing and information science undergrads were female. p.35

## **Admittedly Unequal**

Many colleges are rejecting women at rates drastically higher than those for men in an effort to maintain a gender balance on campus. p.35

## **Dropout Rates in the United States: 2005**

The dropout rate for students living in low-income families was approximately six times greater than the rate of their peers from high-income families. p.37

## **Part-Time Undergraduates in Postsecondary Education: 2003–04**

This report found that part-time enrollment was negatively associated with persistence and degree completion. p.38

## **Postsecondary Associate Degree Programs: The Next Frontier for For-Profits?**

Associate degree programs are likely a driver of future volume growth for the for-profit sector. p.39

### **ACQUISITIONS AND MERGERS**

## **Education Futures Group Acquires Postsecondary Operating Company Certified Careers Institute Expands EFG's Reach into Mountain States**

CCI's two Utah campuses were sold by Landmark Education Services, Inc. p.40

## **Greenhill Capital Partners and Abrams Capital Invest in FCC Holdings, Inc., A Leading Private Career College**

FCC owns and operates seven Florida Career College campuses located in the high growth markets of Miami, Ft. Lauderdale, West Palm Beach and Tampa, Florida. p.41

## FINANCE AND INVESTMENT

### **Education Services— Quarterly Update**

#### *Back to the Future?*

The March quarter reporting season was one of the best in recent history with solid results reported nearly across the board, and nine of the ten publicly-traded companies posting positive earnings surprises. **p.42**

## CORPORATE SCHOOL NEWS AND REPORTS

### **APOL Apollo Group, Inc.**

The company reported fiscal 2007 financial results for the third quarter with a revenue increase of 12.2 percent year-over-year, an operating margin of 27.7 percent, and the approval of \$500 million in share repurchase. **p.43**

The SEC has completed its investigation of the company and does not plan to recommend any enforcement action. **p.44**

### **CECO Career Education Corporation**

CECO has decided to teach-out three schools—two of which it had previously put up for sale (Brooks College—Long Beach and Brooks College—Sunnyvale), and one which was part of continuing operations (International Academy of Design and Technology in Pittsburgh). **p.45**

### **COCO Corinthian Colleges, Inc.**

The improved outlook for Title IV government funding is positive for the education group

overall and Corinthian in particular. The company has substantially higher exposure than its peers to lower-income and shorter-term students. **p.46**

### **EVC Career Colleges Holding Corp.**

The company has received an expected Staff Determination Letter from NASDAQ indicating that the company does not currently satisfy the minimum share bid price, and therefore its securities are subject to delisting. **p.47**

### **LAUR Laureate Education, Inc.**

Laureate Education has accepted an increased offer from the Becker-led investor group of \$62.00 per share in cash. The tender offer represents a \$1.50 per share increase over the \$60.50 per share price provided in the original merger agreement. **p.48**

### **UTI Universal Technical Institute, Inc.**

Is the auto-tech job market in recovery? Not quite yet according to SunTrust's Mark Hughes. Job growth is expected to be delayed and sales activity at the service level to remain subdued. **p.49**

## CONFERENCE REPORT

### **NWCCF Northwest Career Colleges Federation 38th Annual Conference**

Commentary and photos. **p.50**