

Contents

CER OPINION AND ANALYSIS

A View From Washington

Sharon Bob reviews the issues that impact career colleges that are currently under consideration in Washington. Top of the list is the proposed new definition of cohort default rate, which would result in many schools seeing their default rates increasing significantly. p.1

For What It's Worth... Report on a Special Occasion

This month Steve reports on the ATI Enterprises annual meeting, and honoring the many contributions of the legendary Larry Gilbert. p.3

WASHINGTON PERSPECTIVE

Secretary Spellings Encourages Greater Transparency and Accountability in Higher

Education at the National Accreditation Meeting

Secretary Spellings revises her stand on college accountability and directs criticism towards the regional accreditors. In her speech, she called for greater transparency and better outcomes reporting. p.6

IN THE STATES

Tennessee: State's Regulations Could Harm Students

School owner Frank Longaker comments on the Tennessee Higher Education Commission's proposed revisions to regulations governing private career colleges. p.8

Florida: Feds Probe Some Career Colleges

The *Miami Herald* reviews the recent investigations of the state's career colleges and offers CCA's president, Harris Miller, an opportunity to comment. p.9

Career Education

REVIEW

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. CooneyEditor
Terry L. StaerckelProduction 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:

- ❖ **Chairman**
Stephen B. Friedheim
Education Systems & Solutions, Dallas, TX
- ❖ Richard W. Ashley, President
Enrollment Management Innovations, Fort Myers, FL
- ❖ 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).

© 2008 The Baxandall Co., Inc.

CAREER COLLEGE UPDATES

Christmas Comes Early to 440 Students at Paul Revere Elementary School in Chicago

Northwestern Business College delivers gifts to needy kids on the city's south side. p.10

Walden University's Student Services Reach Out to Disaster Victims

As disaster strikes in Minneapolis and Southern California, Walden University reaches out to students and faculty in affected areas. p.11

Do Career Colleges Make the Grade?

The *Miami Herald* examines the dramatic growth of for-profit schools, with an extensive profile of Keiser University. p.12

Baker College Online Reports 12.5 Percent Fall Enrollment Increase

A double-digit growth pattern continues, with new student enrollment up 31.1 percent. p.14

Capella University Named One of the Top 30 Military-Friendly Institutions by *Military Advanced Education*

Approximately 17 percent of the online university's students are members of the military, their families or veterans. p.14

Brooklyn Center Approves Contract for Online High School

The board approved a deal with Insight Schools Inc., a national network of online high schools that is owned by the Apollo Group. p.15

School Draws More Transfers From Inland Community Colleges

A growing number of students are leaving community colleges and choosing to pay thousands of dollars more for the convenience offered by the University of Phoenix. p.16

International Academy of Design & Technology in Toronto Announces Plan to Teach-Out Programs

Support services will continue to be provided with the last graduation scheduled for March 28, 2009. p.18

The Strange and Continuing Saga of Myers University

With for-profit conversion and take over of troubled non-profits the focus of considerable attention, the

story of Myers University is of particular relevance. Our coverage includes the following:

Myers University is Closing, its President Says p.19

Judge Wants Myers University Sold, Not Closed p.19

UNVA Push to Buy Myers University Gains Advocate in Judge p.20

Myers University Facing Sale Today; President in Jail p.20

New Myers University Board Names UNVA Officials to Leadership Posts p.20

Myers University: From Boom to Bust p.21

NEW CAMPUS LOCATIONS

DeVry University Announces First Kentucky Location

DeVry will open a new location in Louisville, its first in Kentucky, and will begin offering classes in March 2008. p.23

ITT Educational Services, Inc. Opens Third ITT Technical Institute in North Carolina

The new college in Morrisville, N.C. will be the company's 97th location. p.23

PERSONNEL APPOINTMENTS AND RESIGNATIONS

Appointments:

Christopher Walck, formerly the executive director of NACCAS, has been named the new director of government relations for John Paul Mitchell Systems. p.24

Richard "Dick" Daigle has been appointed campus president for Advanced Technology Institute. p.24

Dr. Philip R. Day has been named the new CEO and president of the National Association of Student Financial Aid Administrators (NASFAA). p.24

Resignations:

Malcolm Bonawits has resigned from the board of the National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS). p.25

James Howard, the COO of Steiner Leisure has resigned. p.25

EDUCATION TRENDS

New GAO Report Examines College Enrollment Among Minority Students

Report Also Looks at Tuition Increases by Type of College

The report found that overall, college enrollment among Hispanic students grew by 25 percent between 2000–01 and 2006–07; among African-American students, it grew by 15 percent, and among white students, it grew by 3 percent. **p.26**

LEGAL AND REGULATORY ISSUES

Former CFO for Apollo Testifies Says U.S. Education Report was Withheld to Avoid Media

Kenda Gonzales testified in a securities class-action trial against the owner of the for-profit University of Phoenix. **p.27**

Student Sues Career School Over Lost Dream

The student case deals with alleged misrepresentation regarding the school's new electrician program. **p.29**

CORPORATE SCHOOL NEWS AND REPORTS

CECO Career Education Corporation

American InterContinental University announced positive results in its accreditation review. The university has been removed from probationary status and now is in good standing with SACS. **p.31**

COCO Corinthian Colleges, Inc.

Corinthian Colleges has entered into an agreement to sell 12 Canadian schools. The company will retain 17 schools in the province of Ontario. **p.32**

DV DeVry Inc.

DeVry Inc. announced 2007 fall enrollment at DeVry University. Positive trends in both new and total undergraduate enrollment continue. **p.33**

EVCI EVCI Career Colleges Holding Corp.

EVCI Career Colleges Holding Corp. announced its decision to close Interboro Institute. The adverse

effect of new admissions testing requirements could not be overcome. The company plans to transfer its degree programs to EVCI's other New York college, Technical Career Institutes. EVCI also announced definitive agreements with ComVest for additional financing. **p.34**

ACQUISITIONS AND MERGERS

Career Training Institute Sells Six Schools to Education Affiliates

The central Florida schools have over 1,450 students. **p.35**

INTERNATIONAL CAREER EDUCATION

CIBT Education Group Acquires Spratt-Shaw Community College

SSCC is the largest private career college in British Columbia with 17 campuses in Western Canada as well as international locations. **p.36**

ChinaCast Education Corporation Announces Agreement to Acquire the Foreign Trade & Business College of Chongqing Normal University

FTBC has an on-campus student capacity of 15,000 students, which it could reach in 2011. **p.38**

FINANCE AND INVESTMENT

Education Management Plans to Go Public

The company plans an initial public offering, but has not disclosed terms. **p.39**

Washington Post Co.: Kaplan To Be Bigger Capital Focus

The company plans to become more capital focused on its Kaplan Inc. education division in 2008. **p.39**

STUDENT LOAN ISSUES

HIGHER ED WATCH Roundup

The December roundup focuses on student loan issues policy and politics, and lists those who it felt were naughty and nice in 2007. **p.40**

CONFERENCE REPORT

**CCA First Annual Higher Education
Investment Conference:
*Seeing the Future in the Age of
Private Equity & Public Ethics***

Our coverage includes:

Opening Remarks p.43
By Jim Tolbert
CEO, Education Futures Group
Chair, Career College Association

***Upbeat Assessment of
Career College Market*** p.46
Inside Higher Ed

CCA Conference Highlights p.47
By Jerry R. Herman, Robert L. Craig,
Jason P. Anderson
Stifel Nicolaus & Co.