

Contents

WASHINGTON PERSPECTIVE

Inside Washington

HEA Passes Congress

Dr. Sharon Bob offers a detailed look at the reauthorization of the *Higher Education Amendment*—how it impacts career colleges and what it took to get it passed. p.1

Summary of the *Higher Education Opportunity Act of 2008*

Prepared by Senator Edward M. Kennedy's staff, the summary offers a very detailed look at all provisions of the Act. p.6

A Few of Our Favorite Things (From Final Higher Ed Bill)

The bloggers at *Higher Ed Watch* highlight provisions of the bill that they do like, and again continue their criticism of for-profit colleges. p.9

Our Biggest Disappointments (With Final Higher Ed Bill)

The bloggers at *Higher Ed Watch* offer their criticism of the final bill and target much of it on "Easing Restrictions on Trade Schools." p.12

Department of Ed Requests Emergency Survey on Credit Transfers

The study would seek to determine what kinds of problems students have experienced in seeking to transfer from one college to another. p.15

New Repayment Program for Borrowers May Not Help All Who Need it, Report Says

The plan may not reach many of the neediest borrowers as currently designed. p.15



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. 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:

- ❖ **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.

STUDENT LOAN ISSUES

Universal Technical Launches \$10 Million Student Loan Program

The program is for students who have exhausted traditional Title IV financial aid options or are unable to qualify for credit-based loan programs. p.16

Students Make Costly Mistakes With Financial Aid

A new study raises concerns that many undergraduates are jeopardizing their academic success because they haven't first learned how to manage money. p.17

EDUCATION POLITICS AND POLICY

Accountability Challenges in the U.S. Higher Education System are Setting Students up for a Tough Time in the Global Economy

A study finds Europe's "Bologna Process" is gaining momentum to become the dominant global model of higher education by 2020, and calls for serious reforms in American degree standards, credits and diplomas. p.19

CAREER COLLEGE UPDATES

The Loss of a School

Berean's Struggles Harm Many in City
The uncertainty about the future of the historic Berean Institute generates comment from the *Philadelphia Daily News*. p.21

Capella University Announces \$100,000 in Veterans Scholarships

The online university's 20 \$5,000 scholarships are eligible for veterans, as well as current service members and their families. p.22

College Teaches Costly Lessons

Everest University students grapple with massive loan debt for courses they can't transfer to other, less expensive schools. p.23

AIB to Freeze Tuition This Fall for Full-Timers

Full-time enrolled students are guaranteed that

their tuition will not increase over the course of their education. p.26

NEW CAMPUS LOCATIONS

DeVry University announces new Daly City, California location. p.27

Career Education Corporation will open a **Kitchen Academy** in Seattle. p.27

Education Management LLC will open a new **Brown Mackie College** campus in Tulsa. p.27

Ross University will open a branch campus (medical school) in Freeport, Grand Bahama. Analyst comment is provided by Jeffrey Silber, BMO Capital Markets. p.28

PERSONNEL

Appointments and Promotions:
Grand Canyon University names **Dr. Kathy Player** as its new president. p.30

Corinthian Colleges appoints **Richard B. Simpson, Ph.D.**, as chief academic officer. p.30

Apollo Group, Inc. appoints strategic and financial advisor **Charles B. Edelstein** as new CEO. p.30

Universal Technical Institute appoints **Eugene S. Putnam, Jr.** to executive vice president and chief financial officer. p.31

Resignations:

Career Education announces the departure of **Todd Steele**, Senior VP-International Business Development & Planning. p.32

Capella Education president and chief operating officer **Kenneth Sobaski** resigns. p.32

EDUCATION TRENDS

Given Half A Chance: The Schott 50 State Report on Public Education and Black Males

The report focuses on the issues that affect Black males including: low graduation rates, high rates of placement in special education, and the disproportionate use of suspensions and expulsions. p.33

The Declining Value Of Your College Degree

A four-year college degree, which was seen for generations as a ticket to a better life, is no longer enough to guarantee a steadily rising paycheck. p.34

Dept. of Education Report Indicates 20 Percent Rise in High School Seniors Planning to Continue Education

Studies found that 79 percent of high school seniors graduating in 2004 planned to continue their education in a postsecondary institution. p.35

LEGAL AND REGULATORY ISSUES

Private College Suspended By Province

Goodwin College of Technology and Management Inc. has been ordered to cease operations in Ontario. p.36

Justice Department Reaches Agreement to Remove Barriers on Brown Mackie College Campuses

The agreement covers 19 campuses and will make these locations more accessible to individuals with disabilities by removing architectural barriers. p.37

CBS TV-11 Investigates Bogus Vocational Schools

Four vocational schools in the Dallas area have been operating as unlicensed health career schools, according to the state. p.38

Plaintiff Attorney Announces Proposed Class Action Settlement

Career Education Corporation has disclosed the \$4.9 million settlement. p.39

Class Action Case Dismissed

Corinthian Colleges, Inc. disclosed in a filing the dismissal of the lawsuit by the 9th Circuit U.S. District Court of Appeals. p.39

Buyers of Bogus Degrees Named

The Spokesman-Review (Spokane, Wash.) article made waves throughout the country as it disclosed the names of hundreds of people

working in the military, government and education that are on a list of almost 10,000 people who spent \$7.3 million buying phony and counterfeit high school and college degrees. p.40

100 Filed Suit Over Credit Issue

Students have filed a class-action lawsuit against FMU claiming that FMU deceived them about the transfer of their credits. p.43

CORPORATE SCHOOL NEWS AND REPORTS

CPLA Capella Education Company

The company has reported second quarter 2008 results: revenue increased by 22.5 percent, enrollments were up 19.0 percent and operating income was up 45.3 percent. p.44

EDU New Oriental Education and Technology Group, Inc.

The company has reported results for the fourth quarter and fiscal year ended May 31, 2008. Quarterly net revenues increased by 62.5 percent and quarterly net income increased by 214.6 percent. p.46

ESI ITT Educational Services, Inc.

The company has reported results for the 2008 second quarter with new student enrollment growth of 22.5 percent and an EPS increase of 37.9 percent. p.48

ACQUISITIONS AND MERGERS

DeVry Buys U.S. Education Corp.

The \$290 million purchase will expand DeVry's presence in healthcare education. p.50

Commentary on the purchase is provided by: J. Mark Jopling, Jopling, Inc.; Jeff Silber, BMO Capital Markets; and Andrew C. Steinerman, JPMorgan. p.51

Laureate Buys Universities in Mexico and Costa Rica

The company acquired Universidad Tecnologica de Mexico (UNITEC), which serves 36,000 students at eight campuses throughout Mexico, and Universidad Latina, which serves more than 16,000 students at 13 campuses in Costa Rica. p.52

Laureate Education Buys Two U.S. Colleges

The company has purchased Kendall College, a Chicago culinary school, and San Diego's NewSchool of Architecture and Design. p.52

Career Education Corporation Announces Sale of International Academy of Design in Toronto

RCC Institute of Technology, a division of Yorkville University, has acquired the campus. p.53

INTERNATIONAL CAREER EDUCATION

For-Profit Universities Have No Place in Canada

The closing of career colleges in Ontario and recent establishment of Meritus University

(Apollo Group, Inc.) has generated editorial criticism by the Fredericton, NB *Daily Gleaner*. p.54

FINANCE AND INVESTMENT

American Public University: A New Way of Learning

With its focus on training active duty military and returning veterans, the company is projected to be a major beneficiary of the "New G.I. Bill." p.55