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WASHINGTON PERSPECTIVE

**From Washington**

***HEOA Implementation, the Presidential Election, and Availability of Student Loans***

What are the DOE's next steps now that President Bush has signed *HEOA* into law? Sharon Bob provides this information, as well as highlighting the higher education agenda of both Senator McCain and the Democrats. Also included are highlights from recent reports and studies about the availability of student loans. p.1

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**Boggs' Response to Washington Post Article, "Career Colleges a Better Bet for D.C."**

Dr. George R. Boggs, president of the American Association of Community Colleges, provides the opposing viewpoint to Mr. Miller's article. p.6

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**Student Loan Law Hasn't Passed the Test Yet, Experts Say**

Even if things go smoothly, Congress will need to do more to make sure the federal loan program remains functional beyond this academic year. p.7



The Career College Information Source

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

IN THE STATES

**A Wild Month in California**  
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**That Provides Reasonable Regulation of**  
**the Sector**

Selected segments from the frequent SOS Save Our Sector e-mails, sent by CAPPS executive director Robert Johnson, tell the story. p.9

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**Big Ball of Red Tape**

Editorial from the *Appeal-Democrat*. p.13

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AGENCY UPDATES

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Effective August 25, 2008, Sheryl Moody has left the employment of ACICS. A search for a new executive director will begin immediately. p.14

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National College of Business and Technology faces a suit from students questioning its surgical technology degree accreditation. p.15

**For-Profit Schools Earn**  
**"A" in Enrollment**

Business is booming for Florida schools as public colleges battle funding cuts. p.16

**Fallout From Caribbean**  
**Med School's \$100 Million**  
**NYC Hospital Deal**

Grenada's for-profit St. George's University School of Medicine agreed to pay the city's Health and Hospitals Corporation about \$400 per week for each student who does a clerkship in an HHC hospital. p.17

**McIntosh College Is a**  
**Step Nearer to Closing**

The school closing is still a year away, but the resignation of Michael Hoyle is a reminder of the impending hole in the community. p.18

**Students Wanted Jobs, But Got**  
**Debt Instead**

American Career College faces a lawsuit from students claiming that the school's ultrasound program didn't provide the necessary certification for employment. p.19

COSMETOLOGY SECTOR NEWS

**Special Report: Paul Mitchell**  
**Schools**

The school group has grown in eight years to 82 schools serving 5,421 students, with 11 schools coming soon and another 10 to 12 to open in 2009. p.21

**Empire Education Group**  
**Announces National Anti-**  
**Domestic Violence Campaign:**  
**"Empire Gives Back" Supporting**  
**"CUT IT OUT"**

Empire is launching a multi-platform campaign to promote awareness of this issue, and will coordinate a national rollout of the CUT IT OUT program to all of its 87 schools. p.23

**A Look at La'James College**

Offering an associate's degree and operating in three states, the group has become a leader in cosmetology education in the Midwest. p.25

NEW PROGRAMS

**Kaplan University Launches Kaplan**  
**MyPath™ to Help Students Tailor**  
**Their Education to Maximize**  
**Career Goals**

Kaplan is among the first online universities to use business assessment tools to boost student success. p.26

PERSONNEL APPOINTMENTS  
AND PROMOTIONS

**DeVry Inc. Announces Changes to**  
**Board of Directors**

Dennis Keller and Frederick Krehbiel will retire from the board, with Keller becoming director emeritus. Harold Shapiro will become board chair and Lisa Pickrum will fill board vacancy. p.27

### **Corinthian Colleges Appoints Panetta to Board**

Leon Panetta was White House chief of staff under President Clinton and also director of the administration's Office of Management and Budget. p.30

### **Jack D. Massimino Elected Chairman of the Board for Corinthian Colleges**

Massimino also serves as the company's chief executive officer. p.30

### **Colon McLean Joins Career Education Corporation as Senior Vice President of Human Resources and Chief Human Resources Officer**

McLean most recently served as vice president of human resources for Duke Energy Corporation. p.31

### **Laureate Education Names Neal Cohen President and Chief Operating Officer; Eilif Serck-Hanssen Named Executive Vice President and Chief Financial Officer**

Cohen most recently served as executive vice president for international strategy and chief executive officer for regional airlines at Northwest Airlines. Serck-Hanssen previously served as chief financial officer and president of international operations at XOJET. p.31

### **Lincoln Educational Services Corporation Announces Addition to Board of Directors**

Charles F. Kalmbach brings over 30 years of experience in a variety of industries to the board position. p.32

## EDUCATION TRENDS

### **Court Reporters' Ranks Keep on Declining**

There are about 130 court reporting programs in the country, with most of them at community colleges or proprietary schools. p.33

## LEGAL AND REGULATORY ISSUES

### **The OIG Sends a Message to All Who Fill Out a FAFSA**

In a recent case, a parent who fraudulently omitted her husband's income in the FAFSA she filed for her sons was fined \$62,000. p.34

### **Scottsboro Woman Sentenced to 30 Months for Role in Pell Grant Fraud**

The beauty school owner who submitted falsified Pell Grant applications was fined \$107,527 and will serve 30 months in a federal prison. p.35

### **Technical College May Lose Ability to Offer Federal Financial Aid for Violating Newly Relaxed Aid Rule**

New Jersey's Star Technical Institute may lose federal funds at two campuses due to 90/10 problems. p.36

## CORPORATE SCHOOL NEWS AND REPORTS

### **APEI American Public Education, Inc.**

The company reported second quarter 2008 results with net course registrations from new students increasing 60 percent year over year. p.37

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

Apollo got a \$277 million securities fraud verdict overturned in U.S. District Court. The company also announced that its subsidiary, Apollo Group, Inc. purchased a major stake in a Mexican university, causing shares to fall 4.2 percent the next day. p.39

### **BVII Broadview Institute, Inc.**

The company, which operates Utah Career College, reported first quarter revenues of \$2,829,258. p.40

### **CDEL China Distance Education Holdings Limited**

The company reported, for third quarter 2008, net revenues of US\$4.6 million, an increase of 34.8 percent over the previous year. p.41

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

Corinthian Colleges reported both fiscal 2008 fourth quarter and year results, highlighting a 12.8 percent increase in total student population for the year. **p.44**

The company also reported that loan defaults increased to 9.1 percent of revenue in the fourth quarter vs. 6.2 percent in the prior year. **p.45**

### **DV DeVry Inc.**

The company reported record year-end results with revenues increasing 18.9 percent to \$276.8 million and operating income increasing 72.5 percent to \$30.9 million. **p.46**

### **LINC Lincoln Educational Services Corporation**

The company reported record revenue of \$85.1 million for the second quarter of 2008, an increase of 13.8 percent from last year. **p.48**

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

The company reported third quarter net revenues of \$80.6 million, a decrease of 5.3 percent from last year's third quarter. **p.50**

## ACQUISITIONS AND MERGERS

### **CIBT Further Expands in the Philippines**

The company has signed a cooperation agreement with Far Eastern University that allows CIBT and Sprott-Shaw Degree College to establish a CIBT Education Center within the facilities of Far Eastern University in Manila. **p.51**

## FINANCE AND INVESTMENT

### **For-Profit Colleges Improve Their Financial Grades**

The outlook brightens at career colleges as economic pressures spur more workers to seek specialized training. **p.52**

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