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WASHINGTON PERSPECTIVE

Washington News Brief

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FY 2009 Cohort Default Rates Released on February 14, 2011 p.4

Policy & Politics

Tom Netting

Akerman Senterfitt, LLP

Gainful employment, Pell Grants, 90/10, student loan issues and more—many key issues that impact the career college sector remain in play both in Congress and at the Department of Education. p.5

Coalition for Educational Success Files Suit Against GAO for Professional Malpractice in Error-Riddled Report on Career Colleges

The Coalition cites GAO negligence in regard to its faulty report on career colleges, and

seeks damages in connection with the investigation. p.9

Coalition for Educational Success Responds to GAO

Avy Stein, co-chairman of the Coalition for Educational Success, states, “The GAO continues to defend its biased and error-riddled report and stonewall requests to make available all tapes and source materials, just a few days after there are public reports that the underlying work papers and videos have been destroyed, in violation of the GAO’s own protocols and generally accepted accounting standards.” p.11

FOIA Documents Contradict Public Statements by U.S. Department of Education Officials; Department Sought and Took Advice From Wall Street Short Sellers

The FOIA-requested documents reveal more frequent meetings, in depth communications and close coordination between senior Department officials and known Wall Street short sellers than previously disclosed. p.12

CER Exclusive Analysis Reflections on the NACIQI Presentations

Our detailed report includes a summary of the issues discussed including: criticisms of accreditation, what’s working, ideas for changing accreditation, and continuing questions. p.14

Critic’s Perspective

Ed Dept. IG Shows Why Career College Group’s Claim in Lawsuit is Bogus

Stephen Burd

Higher Ed Watch

Mr. Burd maintains that an audit report that the DOE Inspector General released on the Ashford University college chain puts the lie to a key argument that the main lobbying group for career colleges made in a lawsuit it filed late last month in federal court against the Education Department. p.17

Critic's Perspective

In House Vote on Gainful Employment, Did Politics and Money Win Out Over Students and Taxpayers?

Craig Smith

American Federation of Teachers

Higher Ed Watch Guest Blog

Mr. Smith argues stopping a program that is failing students from misusing federal student aid is not limiting student access. It is protecting students, particularly low-income and minority students, from programs that are leaving students with unmanageable levels of student debt. **p.19**

EDUCATION POLITICS AND POLICY

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Q4: An 80/20 Problem

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Strayer Education: 4Q10 Is Fine;

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Industry Challenges **p.23**

STUDENT LOAN ISSUES

APSCU White Paper Shows Cohort Default Rate Performance Is About Student Socio-Economics, Not Institution Tax Status

Merely comparing CDRs by institution type presents a distorted view of reality, as most traditional schools have a high proportion of upper- and upper-middle-income students. **p.25**

EDUCATION TRENDS

The \$10,000 Question

Texas Governor Rick Perry has challenged institutions of higher education to develop

bachelor's degrees that cost no more than \$10,000, including textbooks. **p.26**

Is Completion the Right Goal?

A focus on completion over attainment, and on rates over numbers, may encourage colleges to behave in ways that may not be best for students. **p.28**

College-For-All Approach Is Indefensible and Wrong, Says Harvard Study

America has the highest college dropout rate in the industrialized world, and one reason is that we've adopted a "college-for-all" mantra that is doomed to failure. **p.30**

Seven Habits of Highly Effective For-Profit Colleges What Traditional Colleges Can Learn From For-Profits

Traditional colleges and universities can learn some powerful lessons from the meteoric rise of their for-profit brethren. **p.31**

IN THE STATES

Bill to Tighten Regulation of For-Profit Schools Advances in Legislature

The Kentucky bill would transfer the state board's oversight, reduce the size of the board and limit the number of for-profit school seats to two. **p.33**

Kentucky House Approves Bill Altering Oversight of For-Profit Education

The bill cleared the Kentucky House and has been sent to the Senate for consideration. **p.33**

CAREER COLLEGE UPDATES

Unusual Gathering of For-Profit Colleges

The presidents of 32 regionally accredited career colleges gathered to discuss their common concerns and how they might work together to address them. **p.34**

For-Profit Colleges Seek Better Graduation, Loan Default Rates

Two of the nation's largest for-profit colleges are fundamentally changing the way they recruit to

attract better students and improve graduation and student loan repayment rates. p.35

LEGAL AND REGULATORY ISSUES

University of Phoenix Cleared in Financial Aid Investigation

The program review had no adverse findings and the school had initiated or completed acceptable remedies on three financial aid issues. p.37

Leader of Federal Student Loan Fraud Ring Pleads Guilty to Mail Fraud and Aggravated Identity Theft

While this didn't happen at a career college, the nature of the crime is such that all institutions should be aware of the techniques and approaches used by the conspirators. p.38

PERSONNEL APPOINTMENTS AND PROMOTIONS

ATI Schools & Colleges reinforces commitment to quality education with appointment of **Sue Edwards** as chief compliance officer. p.39

Apollo Group, Inc. announces the hiring of **Timothy Daniels** as president of **Apollo Global**. p.40

CORPORATE SCHOOL NEWS AND REPORTS

BPI Bridgepoint Education, Inc.

The article contends that the company spends more on marketing and promotion than it

spends on education, and may now be escalating efforts to pump up its stock. p.41

CECO Career Education Corporation

Analysts believe the biggest pattern here is volatility and that it will likely continue. p.43

CPLA Capella Education Company

The company plans on cutting 125 jobs as its new student enrollments plunge. p.45

ESI ITT Educational Services, Inc.

The company asked its auditors to review training materials used to communicate with prospective students, after it found that some of its recruiting personnel used unauthorized material. p.46

LOPE Grand Canyon Education, Inc.

The company experienced higher expenses, which offset increased revenue in the 4th quarter. p.47

UTI Universal Technical Institute, Inc.

Declining new-student enrollment is expected to last for most of the fiscal year, but may rebound by the fourth quarter, when a new wave of high school graduates filters in. p.48

WPO The Washington Post Company's Kaplan Colleges

The drop in fourth quarter new enrollments signaled the start of what the company concedes will be a difficult period. p.49