



VIRGINIA CAREER COLLEGE ASSOCIATION

NEWSLETTER



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CAREER COLLEGE REGS UNDER REVIEW

Executive Order 36, issued by the Office of the Governor in 2006, requires all state agencies to review regulations once every four years. While the current regulations governing the certification of private and out-of-state postsecondary institutions were finalized in 2006, SCHEV apparently wants to get an early start on the mandatory review required in 2010.

Ms. Linda Woodley at SCHEV has selected a small group of school representatives to begin the process of reviewing a draft of changes to the existing regulations. The VCCA would very much like to share that draft with our membership but SCHEV has taken

the position that since the full State Council of Higher Education has not reviewed or sanctioned this first draft, it cannot be shared by anyone other than the working group. The VCCA has objected to that approach but to no avail. We were successful, however, in convincing SCHEV that the group needed to represent a broader cross section of our sector and as a result a few more individuals were selected to serve.

While the VCCA is currently on the outside looking in as this process moves forward, we are now fortunate to have three members of the working group who also serve on the VCCA Board of Directors.

Having accomplished that, VCCA members can be assured that the interest of degree granting, accredited institutions are now being effectively represented. The three appointees from the VCCA are: former VCCA President Dr. Rick Shurtz (Stratford University); Maxine Stine (RSHT), and Mr. Lauck Walton (Westwood College).

Your association will continue to stay abreast of this process, which we believe will have serious cost and administrative ramifications for every VCCA member. As soon as SCHEV releases its draft of changes to the current regs, we will endeavor to make you aware of them, along with our concerns.

SCHEV CHANGES POLICY ON AGGREGATING BRANCH CAMPUSES

In yet another surprise from SCHEV, many schools with branch campuses in Virginia have received a letter indicating that the past practice of allowing all campuses of the same institution to be aggregated for the purpose of paying annual certification fees based on annual student tuition was a mistake, and will no longer be allowed. The

letter, which is attached, references language in state regulations (also attached) that unfortunately seems pretty clear. For schools with numerous branches in Virginia this change will mean that annual fees will most certainly go up as instead of one school fee representing the main and branch campuses and perhaps reaching the fee cap, there

may now be numerous campuses having to pay the fee cap, not to mention the administrative cost of having to file the annual re-certification paper work for each campus. VCCA is still looking at this issue to see if there is any wiggle room and will report back to you if we determine that there is.



VCCA EVALUATES SCHEV AUDITS

The SCHEV staff has the authority to conduct random compliance audits of our sector at will, or if there is a student complaint, or DOE or accrediting commission problem that arises. The results of these audits are bundled together and presented to the full State Council of Higher Education at the end of each calendar year.

VCCA contends that the bundled audits present an inaccurate snapshot of our sector. We further believe that SCHEV should evaluate this

data taking into consideration - at a minimum - whether the audited school is accredited or not. Other criteria such as enrollment size may need to be considered as well. (VCCA believes both the state regs and SCHEV compliance activity including audits need to be developed and conducted differently for accredited and non-accredited schools.

Given that premise, VCCA staff did a breakdown of last year's audit report for our sector. A total of 49 schools were audited, 23 of which

were accredited. And while the accredited institutions representing sizeable student populations make up 47% of the audited schools, they only represented 23% of the audited findings. More than two thirds of the problems identified in the audits came from far smaller, unaccredited institutions. No surprise to us, but VCCA believes that SCHEV needs to develop a better understanding of the value of accreditation in order to allocate their limited audit resources wisely.

CCA RELEASES ANNUAL FACT BOOK

The Career College Association recently released their latest profile of career colleges and universities entitled *Fact Book 2009: A Profile of Career Colleges and Universities*. The publication presents a comprehensive look at the career college sector, as well as comparisons between public and private two and four-year institutions. It also contains important research and trending data including enrollment, student benefits and outcomes, career college student profiles, default rates, return on investment statistics and job opportunities for graduates.

The Fact Book indicates that more than two out of three Americans are either taking steps or considering action to address their employability in the current economic down-

turn. Adults over 24 years old are more likely to pursue certificate or diploma (26%) than adults in the 18-24 age group (12%). But nearly half of this younger demographic indicate a preference for a Bachelor's degree. According to the findings in the report, 44% of education seekers prefer a public four-year college or university, and 39% say they prefer a community college. 21% favored a career college and only 14% indicated a preference for a private independent four year college.

The report's Virginia findings are also illuminating. There are 65 career colleges and universities in the state. The student population in these institutions is 64% female and 51% minority. 81% of students are enrolled full time,

and 57% are over 25 years of age. Nine percent of all post-secondary students in Virginia attend career colleges.

And as expected, the survey showed that 94% of certificates and associate degrees awarded in the field of computer and information sciences came from our sector, as did 47% of health professions requiring less than a four-year degree.

For more information, and to get your copy of the entire report, go to www.imagine-america.org

STIMULUS MONEY HELPS MIDDLE AND LOWER INCOME STUDENTS

The new economic stimulus bill recently signed into law contains an estimated \$32 billion in aid to higher education. Many of the new provisions in the bill are designed to make it easier for lower-income, and in some cases middle-income students, to afford a degree or certificate.

The cornerstone higher education funding increase in the law is the increase in the maximum federal Pell Grant amount, which will go from \$4,731 currently to \$5,350 beginning this July and increase again to \$5,550 for the 2010-11 academic year. A

second expenditure will increase the federal higher education tax credit from \$2,000 to \$2,500 and now makes 40% of the credit refundable, meaning people that pay no taxes are still eligible for the credit, in the form of an additional \$1,000 for higher education from the government.

Another \$200 million in the bill is designated for federal work-study programs, which could help an additional 130,000 students pay for college, according to some reports. In the case of the work-study dollars, matching funds from schools are re-

quired, so only schools with institutional aid dollars are eligible to receive and award these funds to their students.

Other stimulus bill spending on higher education includes:

- an estimated \$15 billion for federal research, much of which will go to universities;
- parts of \$54 billion state stabilization fund (\$39 billion of which is set aside for education) for facility improvements and modernization; and
- computer expenses made allowable as a 529 college savings account expense.



PRESIDENT INTENDS TO PHASE OUT FFEL LOANS

President Obama's recently released 2009-10 federal budget outline contained a variety of proposals, including one to phase out the Federal Family Education Loan (FFEL) program by having all new student loans funded under the Federal Direct Loan Program beginning in 2010-11. The president stated this proposal would take "advantage of low-cost and stable sources of capital so students are ensured access to loans, while providing high-quality services for students by using competitive, private providers to service loans."

The release of the budget outline is the first step in the federal budget process. There is much work to be done prior

to Congress passing a budget resolution for the 2010-11 federal fiscal year. For the 2009-2010 academic year, the FFEL program will continue to make student loan funds available to all eligible borrowers across the nation.

MARK YOUR CALENDAR

October 2nd is the date of this year's VCCA Annual Fall Conference. Let your staff know so that a large contingent from your institution can take advantage of this once-a-year gathering of career school professionals. The conference will be held at the Downtown Richmond Marriott.

VCCA
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DUES INCREASE IN THE WORKS

At the March 24th meeting of the VCCA Board of Directors, it was determined to increase member dues in the 2010 billing cycle, but to announce this change now so that member institutions can budget accordingly. Effective 1/1/2010 the current VCCA dues schedule will increase 5% and the maximum dues cap will increase \$6300 to \$7000. Annual dues for Associate members will increase from \$190 to \$300. VCCA hopes that this early notice is helpful as your association looks ahead to our fiscal needs and plans accordingly. Please contact the VCCA office should you have any questions.

Survey Reveals How Families Pay for College

Nearly 40 percent of college tuition bills are financed by loans taken out by both students and their parents, while 32 percent of college costs are met by parental contributions, and 10 percent by student financial contributions. A survey, "How America Pays for College," commissioned by Sallie Mae and conducted by Gallup, also finds that 14 percent of families surveyed rely solely on loans to pay for college, 9 percent tapped a college savings account (such as a 529 plan), and 12 percent received money from relatives or friends. Of the 23 percent of costs paid for by student borrowing, more than half came from federal loans and about 20 percent came from private loans. Parents were much less likely to borrow, with only about 3 percent reporting that they had taken out federal PLUS loans.

Community Colleges Expect Enrollment Boom

The U.S. economic downturn appears to be helping the nation's 1,200 community colleges. Community colleges are expecting a strong enrollment boost this year as parents and students are looking for more affordable alternatives en route to a traditional bachelor's degree. Recent layoffs in manufacturing are also leading many individuals back to school as they look to finish diploma or associate's degree programs to become more employable when the economy starts to rebound. Additionally, in an effort to deal with the rising demand for post-secondary education, states like Virginia and California are funneling more students through the community college system for their first two years of a bachelor's program, rather than pay to expand capacity at traditional universities. Community college students who meet minimum G.P.A. requirements are automatically admitted to the U.VA. or UC systems. Given recent economic woes, students are increasingly taking advantage of such incentives.