



VIRGINIA CAREER COLLEGE ASSOCIATION

VCCA

Volume XX, Issue I
January 2011

VCCA REPORT AND BROCHURE ARE COMPLETE, DVD IS ALMOST READY, POWERPOINT IS DONE

Earlier this year the VCCA embarked on an aggressive plan to update and accurately reflect important data about our sector in Virginia. The association hired Virginia's premier economic analyst, Dr. Christine Chmura, to conduct a thorough study and generate a comprehensive report on who we are, who we serve, and how well we perform. In addition, VCCA determined that some perspective from our students was needed to complete this project, so a ten minute DVD was commissioned featuring our students' stories, in their own words. An Executive Summary brochure has also been created from the larger Chmura report, as have five different power point presentations designed for different target audiences.

All of these powerful tools will be shortly be available to VCCA members, and a large number of the each will be distributed to regulators, legislators, guidance counselors, the press and others who would benefit from learning more about our schools and students.

All of this information is currently at the printer with a delivery date of mid-January. At that time, each VCCA member will be mailed hard copies of each publication. Electronic versions will also be sent to each member institution.

This comprehensive package of information will allow our schools to accurately and professionally represent our sector to prospective students, employers and others who interact with career colleges in Virginia. We strongly encourage the broadest exposure possible using all, or any combination, of these tools.

This project was expensive, and was made possible entirely by the financial support of our member institutions.

We thank them for their continued support.

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REGS MOVING THEIR WAY THROUGH THE PROCESS

After nearly a year of meetings and review of proposed new regulations governing our sector, VCCA has signed off on, and SCHEV had approved, a final draft of revisions. These revisions are now headed to the Governor's office for review by his policy and budget staffs before being made available to the general public for comments. VCCA and SCHEV will jointly review any such comments received and endeavor to make a joint recommendation regarding any further changes to the proposal that were suggested by the public. The proposed regulations will then be finalized, formally adopted by SCHEV, and become effective sometime late this year. For an electronic copy of the proposal contact Ms. Linda Woodley at SCHEV at lindawoodley@schev.edu.

CAREER COLLEGES ENROLLMENTS EXPECTED TO SOAR

Career colleges and universities will have 42 percent of the adult -undergraduate market by 2019, nearly doubling their current share, according to a new study by the consulting company Edu-ventures. Last year approximately one-quarter of all adult undergraduates were enrolled at career colleges and universities. The study projects that, in the next 10 years, our sector will increase their share of the adult market by 14 percentage points. By that time, it is projected that career institutions will lead both public and private universities in the number of adults enrolled. They will have approximately 60,000 more adult students than will publics, and 800,000 more than privates. Currently, the postsecondary career sector educates about 7 percent of the nation's roughly 19 million students who enroll at degree-granting institutions each fall.



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2011 VIRGINIA GENERAL ASSEMBLY CONVENES ON JANUARY 12TH

A great mind once said that the Commonwealth is never in more peril than when the General Assembly is in session. For good or for bad, state legislators came to town on January 12th for a 46-day “short session”. VCCA is closely watching all legislation introduced at the session, but is particularly focused on two areas.



students in any new or expanded financial aid programs that may be proposed, and that remains a very troubling issue which VCCA continues to explore.

Secondly, VCCA has learned that a number of legislators, who have obviously been following the almost unending stream of bad press nationally

regarding our sector, are considering introducing legislation that would negatively impact our schools and students. Unfortunately VCCA will not know if these bills are going to be considered at the 2011 session until they are actually introduced. In the meantime, we remain vigilant.

First, the Governor’s Higher Education Reform Commission recently made their report, and legislation will undoubtedly flow from their recommendations. VCCA believes the recommendations of the Commission will do no harm to our sector, but continue to feed the state’s community colleges. One such example is legislation increasing the state subsidy to community colleges for non-credit courses from 5% to 30%, thereby creating incentives to expand the use of non-credit courses. What they probably won’t do is include our

Legislative updates from the session will be periodically posted on the VCCA website, in the *Members Only* section. The password for access to this information is – careers.

OTHER SECTORS MAY BE NEXT – BE CAREFUL WHAT THEY WISH FOR - FOR US!

Moody’s issued a “special comment” report warning public and private not-for-profit institutions they may face tougher scrutiny similar to that of the private-sector institutions. Moody’s stated the Department of Education could apply cost and outcome metrics, such as linking graduate debt levels to salaries, to the not-for-profit schools. If this occurs, student demand at traditional universities could suffer, slowing enrollment growth and weakening cash flow and revenues.

SCHEV PRESENTS ANNUAL REPORT ON CAREER SCHOOLS

At the March meeting of SCHEV the required annual report on Private and Out-of-State Postsecondary Educational Institutions will be presented. It will note that:

- ⇒ There are 34 in-state for profit schools operating in Virginia
- ⇒ There are 58 out-of-state for profit schools operating in Virginia
- ⇒ 15 new institutions were approved and seven were withdrawn or closed
- ⇒ Over 50,000 students were enrolled
- ⇒ Over 42,000 were 25 or older
- ⇒ Nearly half were African American
- ⇒ In-state for profits graduated nearly 3500 graduates in 2010
- ⇒ 49 schools were visited for an audit, 24 of these had no findings
- ⇒ 33% of the audits received an excellent rating
- ⇒ Number of student complaints up 73% from 2009

VETERANS EDUCATIONAL BENEFITS ATTAIN PARITY

Veterans attending certificate and diploma programs will soon be eligible for the same tuition assistance that their colleagues attending associates and baccalaureate degree programs are eligible to receive.

Under the original Post-9/11 GI Bill first enacted almost ten years ago, only veterans and their families enrolled in degree-granting programs at institutions of higher education were eligible for tuition assistance benefits. Under the new Post-9/11 Veterans Educational Assistance Improvements Act of 2010, future veterans who choose to enroll in certificate and diploma programs will have equal access to these financial benefits. The legislation passed by unanimous consent in the Senate and passed the U.S. House of Representatives by a vote of 409-3.



UPCOMING EVENTS

- June 21st – SCHEV/Career College Advisory Board. Location TBD.
- September 30th – VCCA Annual Conference, Hilton, Short Pump, VA

NGA TO FOCUS ON IMPROVING HIGHER ED

The National Governors Association (NGA) will make higher education productivity this year's focus, according to new chairman Gov. Joe Manchin III of West Virginia. Key initiatives of the NGA include agreeing on a set of common definitions and measures that their states will use to measure performance in showing educational progress and achieving outcomes. The NGA will look to publish metrics such as degrees and certificates awarded, graduation rates, transfer rates, and time and credits to degree, credit accumulation, retention rates, and course completion, among others. While many states collect such data for first-time, full-time students, the NGA will push for such data for transfer students, which often include working adults attending private sector schools. In addition, the NGA plans to examine remedial education and more efficient ways of teaching lower level courses, for adult and other non-traditional learners. The organization plans to host a national conference next winter to discuss successful practices and to work on strategies for work force development. The private career college sector welcomes the additional scrutiny and looks forward to the debate.

BENEFITS OF HIGHER EDUCATION AGAIN CITED

The College Board released the 2010 edition of its *Education Pays* series, which provides an overview of the benefits of higher education for individuals and society. The report provides well-known outcomes such as the positive correlation between higher levels of education and higher earnings for men and women of all racial/ethnic groups and the increasing wage gap between high school and college graduates. Other higher education outcomes included the higher probability of employer-sponsored health insurance and pension benefits for college graduates, which contribute to healthier overall lifestyles. According to The College Board, the median earnings for a bachelor's degree graduate in 2008 were \$55,700, versus \$33,800 for a high school graduate. The relative expected lifetime earnings by degree type (using 1.0 for high school degree) is 1.24x for associate degree, 1.66x for bachelor, 1.97x for master's, 2.58x for doctoral, and 2.74x for professional degrees. In addition, the report analyzes various socio-economic indicators of college completion including family income level and educational attainment as well as race/ethnicity.



AMERICANS DEMAND EDUCATIONAL CHOICE

A new study conducted online by Harris Interactive shows that the American people overwhelmingly believe that the government should not interfere with their educational investment choices. Specifically, 63% think that the decision of how much debt one can take out to pay for education should be left up to students, regardless of debt-to-earnings ratios.

In anticipation of new Department of Education “gainful employment” regulations obstructing students’ access to federal aid, this poll demonstrates the need to pull the emergency brake and reevaluate the proposals.

Additionally, at a time when a large majority (80 percent) wants to either increase or maintain current levels of Pell Grant funding, the federal government now may be cutting access to hundreds of thousands of potential students. These students simply want to make their own decisions where to attend school, and 76% of those polled agree that students who receive Pell Grants should have that freedom of choice.

Other findings in the poll include:

- ◆ Only 26% of those who agree that debt should be tied to earnings believe a debt-earnings ratio should be based on salary through the first three years immediately following graduation; 74% said a debt-earnings ratio should, at a minimum, encompass the first seven years of earnings;
- ◆ 74% of U.S. adults believe placement rate for an institution is an important indicator of the quality of a higher education institution; only 44% believe default rates on student loans are an important quality indicator;
- ◆ 87% said that the Pell Grant program should be funded to allow the same number, or more, low income students to attend a college or university;
- ◆ 80% of those who agree that debt should be tied to earnings said that if a debt-earnings ratio were to be established, such a ratio should be applied to both career-focused and academic-focused fields and programs.

PUBLIC AND PRIVATE COLLEGES, EXCEPT CAREER COLLEGES, SHOW DECLINES

The National Association for College Admission Counseling recently released a report, “*2010 State of College Admission*,” that found 29% of colleges experienced a decline in applications, the largest percentage since 1996. The decline occurred amid a peak number of high school graduates of 3.3 million, which is projected to decline over the next five years. The authors cite changing student behavior in light of the recession and cost sensitivity as more students looked at two-year colleges and in-state public schools.

THE HIGH COST OF FRESHMAN DROPOUTS

Approximately 30% of first-year students at four-year colleges drop out and do not return to their original school as sophomores, costing states and the federal government \$9 billion in aid, according to a new report by the American Institute of Research. The report, entitled "Finishing the First Lap: The Cost of First-Year Student Attrition in America's Four-Year Colleges and Universities," analyzed 2003-08 data from the Education Department's Integrated Postsecondary Education Data System (IPEDS). The authors conclude that the U.S. will have a hard time reclaiming world leadership in college completion without improving retention. However, critics of the study pointed out its narrow focus as IPEDS data only includes first-time, full-time students who enroll in the fall semester and return to the same school the subsequent fall term. Conversely, a transcript-based national Education Longitudinal Study suggests that 94% of first-time fall enrollees at four-years schools re-enroll in some post-secondary institution the following year, according to *Inside Higher Ed*.

CHEA ADOPTS TOUGHER STANDARDS

The Council for Higher Education Accreditation which sets standards for approximately 60 accrediting agencies (regional and national) recently released tougher standards. According to *The Chronicle of Higher Education*, the new policy requires accreditors to disclose specific reasons for denying accreditation to a college and to have financial independence from other umbrella organizations. The new rules come on as Congress and the Department of Education have pushed accreditors to do more in monitoring member colleges and universities.

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CNBC AIRS CRITICAL PIECE ON PRIVATE SECTOR SCHOOLS

CNBC aired a special report recently titled *Price of Admission: America's College Debt Crisis*, chronicling rising student debt in higher education. The piece was somewhat similar to a highly publicized PBS Frontline special report which aired in May titled *Colleges, Inc.* While the private-sector industry was not the focus, the piece interviewed some critics of the industry, as well as disgruntled former employees and students who argued that the value proposition at private-sector schools is lacking, leaving students strapped with debt. Aggressive recruitment practices and relatively higher cohort default rates were also highlighted. Sen. Tom Harkin (D-IA, a vocal critic of the private-sector industry), reiterated his comparison of burgeoning student loans to the housing bubble and the "for-profits" to sub-prime. Interestingly, he also plans to investigate why tuition prices have increased across higher education at such a fast rate.

TUITION AND AID CONTINUE TO RISE

The College Board released its annual college tuition report, showing tuition increased across sectors of higher education for the 2010-11 school year. Public four-year institutions showed the largest increase, up nearly 8% versus the prior year to \$7,605. Tuition for out-of-state public four-year colleges as well as community colleges increased 6% to \$19,595 and \$2,713, respectively. Private-sector schools increased approximately 5% to \$13,935, while private nonprofit four-year schools increased tuition the least, up 4.5% to \$27,293. The authors cautioned that even with a recovery in state funding for public schools, their basic model may not be sustainable for providing affordable education, and schools will have to look for ways to cut costs.



The report also highlighted the large increase in grant aid per full-time equivalent undergraduate student, which was up 22% while federal loans increased by 9%. The maximum Pell grant grew 16%, the largest one year increase on record, with total Pell funding reaching \$28.2 billion going to 7.7 million students. Due to increased aid and adjusting for inflation and tax benefits, the net cost of college tuition and fees is actually lower than five years ago for four-year public colleges, which declined to \$1,540 in 2010-11 from \$2,080 in 2005-06. The net price for private colleges declined to \$11,320 from \$12,750 during that time.

GAO REVISES DAMAGING REPORT ON CAREER COLLEGE SECTOR

The U.S. Government Accountability Office (GAO) revised several sections of its undercover investigative report on deceptive marketing practices at 15 private-sector schools. The original report was featured in the Senate HELP Committee's August hearing and was extremely damaging to the industry. The revisions were quietly posted on November 30 and largely not brought to light until a later article in the *Washington Post*. The changes to key passages were favorable for the industry and reveal that certain representatives were forthright with students, counter to the original version. As a result, Republicans have called into question the reliability of the report. The HELP committee's ranking Republican Senator Enzi sent a letter to the GAO calling the revisions "substantial" and requesting more detail on why the changes were made. Despite Senator Enzi's call to revoke its testimony, the GAO maintains that its overall assessment is still valid, a stance supported by Senator Harkin's (D-IA) office.

RESUME ON FILE

VCCA has received a resume from an individual seeking employment with a Virginia-based career college. This individual has experience as a marketing and advertising staffer and high school recruiter for a career school in Missouri. For a copy of her resume, contact the VCCA office.

MEMBERS IN THE NEWS

WELCOME NEW MEMBER – VCCA is proud to welcome back Miller Motte Technical College with campuses in Lynchburg and Roanoke, to our ranks. Check them out on the VCCA website!



COLLEGE MAKES DONATION - In recognition of National Domestic Violence Awareness Month, Bryant & Stratton College, Richmond Campus, has donated \$1,000 to the Chesterfield County Domestic Violence Task Force. The donation will enable the task force to reprint 40,000 emergency information and referral cards for distribution to potential victims of domestic violence throughout the region.

“It is exciting to see an educational institution such as Bryant & Stratton acknowledge the need for awareness about domestic violence,” said Jacqueline Dean, chair of the Chesterfield County Domestic Violence Task Force. “The staff is, indeed, an inspiration for their efforts to educate students about healthy relationships, and for helping to spread the word about the prevention and intervention of domestic violence incidents. The task force is honored to be the recipient of this donation to assist in our work.”

While presenting the gift, Bryant & Stratton’s Virginia Campus Director Beth Murphy said that two of the local college’s students have died in the last three years as a result of domestic violence. She expressed appreciation for the task force’s work and noted that the college has a responsibility to help women in need.

The Chesterfield County Domestic Violence Task Force is a coalition of agencies and concerned citizens dedicated to providing leadership in preventing and responding to domestic violence in the community. The emergency information and referral card is a compact card with phone numbers to local resources for domestic violence victims.



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