

**Competition from Private For-Profit
Postsecondary Institutions:
A Brief Snapshot of the
Colorado Two-Year Market**

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EXECUTIVE SUMMARY

Nationally, private for-profit higher education institutions have been growing at an increasing pace, including those operating in the two-year market. Colorado mirrors this national trend, and ranks 8th in the United States in terms of proprietary market penetration in the two-year sector. While urban Colorado Community College System colleges experienced enrollment growth of 8% in the first half of the decade, the major for-profit urban competitors grew at a total rate of more than 100% over the same period. During interviews conducted nationally for a research study, proprietary institution leadership claimed their colleges don't compete with community colleges. However, they didn't disagree that they tend to focus on offering the most profitable programs, which leaves public schools to provide the higher cost programs. A comparison of the number of awards statewide in Colorado for 2005 by program by institution supports that notion. In 2005, CCCS colleges awarded the most certificates and degrees in emergency medical technician, nurse aide, and registered nurse programs; yet there were no private institution awards in those areas. Not surprisingly, these programs are high cost programs that are expensive to operate.

Further examination of 2005 program awards reveals the areas in which the proprietary schools are competing with CCCS. These schools primarily compete with Denver metropolitan and Colorado Springs CCCS colleges, but may be moving into the Pueblo market as well. The programs with the largest private market share (more than 60%) include medical assistant, veterinary technician, dental assistant, computer systems networking, pharmacy technician, radiology technician, medical office administration, auto mechanic, and legal assistant/paralegal. Because community colleges are tasked with multiple missions to serve broad public needs, it is difficult to compete with the proprietary institutions in the specialized programs on which they focus their efforts.

A comparison of student success measures yields some contrasting results. CCCS schools compare well with proprietary schools in retention rates, both averaging around 50%. However, CCCS median graduation rates are much lower than the proprietary institutions. This disparity may reflect the inability of the majority of proprietary students to transfer credits to a four-year institution, so they have more incentive to actually complete the degree. Alternatively, students attending proprietary institutions may have much more invested in the form of accumulated debt and are further compelled to complete their program.

In terms of tuition and fees, the two types of institutions differ vastly. Clearly, this is the area in which community colleges have an edge – value. Whereas CCCS annual median tuition and fees run less than \$2000, our main for-profit competitors weigh in at a median of just under \$12,000. In addition, an analysis of tuition and fees for specific programs shows that several of the proprietary schools within our college service areas charge more than twice what CCCS colleges charge for the same program award level. In addition, the median percentage of students receiving student loans was much higher for the proprietary institutions compared with CCCS colleges (76% versus 27%).

Students report they chose private for-profit schools because of condensed formats, shorter time to degree completion, modular nature of the courses, and career-focused instruction which provide job skills without unnecessary general education coursework. Additionally, strong customer service and extensive support services, including job placement assistance, were a big draw for students. For their part, the proprietary institutions use extensive advertising and recruiting practices to enlist students. Of concern; however, is that some institutions use aggressive recruiting methods and compensate their recruiters based on enrollments. While a student may intend on obtaining advice from an enrollment counselor; in fact, they may be advised by a salesperson. Lawsuits are pending against a few large for-profit postsecondary education entities for misleading recruiting and marketing tactics in a couple of states, including the parent institution of one of CCCS major competitors.

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News Article

“Thumbs up for career schools” - Melissa Ludwig, Express-News, August, 6, 2007, mySA.com

Competition from Private For-Profit Postsecondary Institutions

The proliferation of and enrollment growth in private for-profit postsecondary institutions has been observed nationally, especially in the two-year market. During the 1990's, the proprietary share of the U.S. two-year postsecondary market grew from 19% to 28%. Many in the for-profit higher education circle claim that their institutions aren't in competition with community colleges because a) they provide career-specific job skills whereas community colleges offer a broad liberal arts education and b) they target individuals who would be unlikely to enroll or succeed in another type of institution. However, according to a study conducted by the Education Commission of the States in which leadership of proprietary schools were interviewed, "for-profit institutions don't dispute the charge that they 'cherry pick' the most profitable programs, leaving public institutions to provide higher cost, lower demand programs" (Kelly, 2001). Their justification is that they provide educational opportunities and alternatives without public funding.

Colorado Enrollment Trends

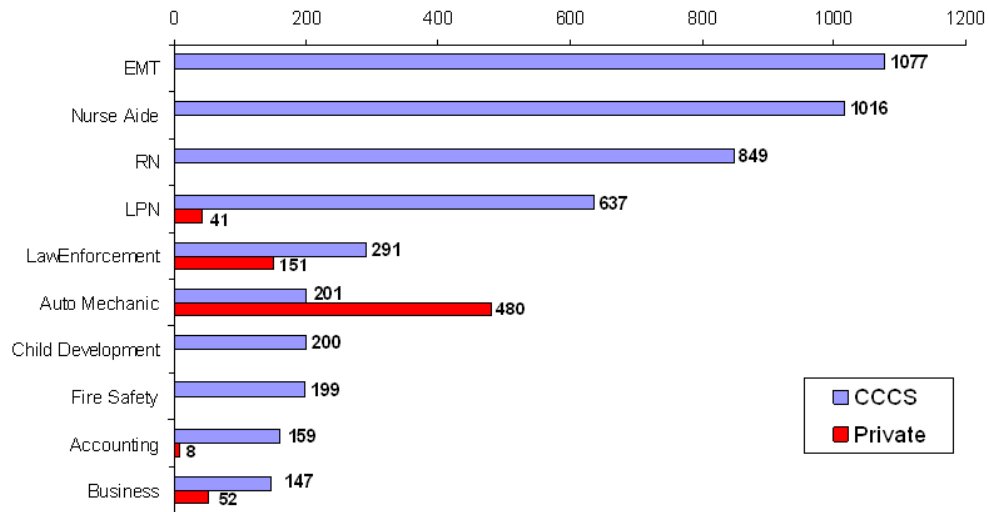
Consistent with national trends, enrollment in Colorado private for-profit postsecondary institutions has grown substantially in recent years. Colorado Community College System's main for-profit competitors experienced total growth of more than 100% in undergraduate headcount from academic year 2000-2005 (IPEDS). While a few private institutions did experience an enrollment decrease, the majority saw high rates of growth, with nine institutions growing more than 100%. Conversely, urban CCCS college enrollment grew only 8% over the same time period (IPEDS). (Table 1, Appendix) To provide a national perspective, in Fall 2005, the United States' average percentage enrollment in private for-profit institutions in the two-year market was 4%, with Colorado standing at more than 10% and ranking 8th in the country in terms of proprietary market penetration in the two-year sector (National Center for Education Statistics).

CCCS Top Programs

As Figure 1 shows, CCCS' top three programs are free from private competition. These top three programs, based on the number of 2005 program awards (aggregating certificates and degrees), are in health care - emergency medical technician, nurse aide, and registered nurse – and are expensive to operate (Figure 1).

Figure 1. CCCS programs with most associate degree and certificate awards, 2005.

CCCS Top Programs Based on Number of 2005 Awards (State-wide)

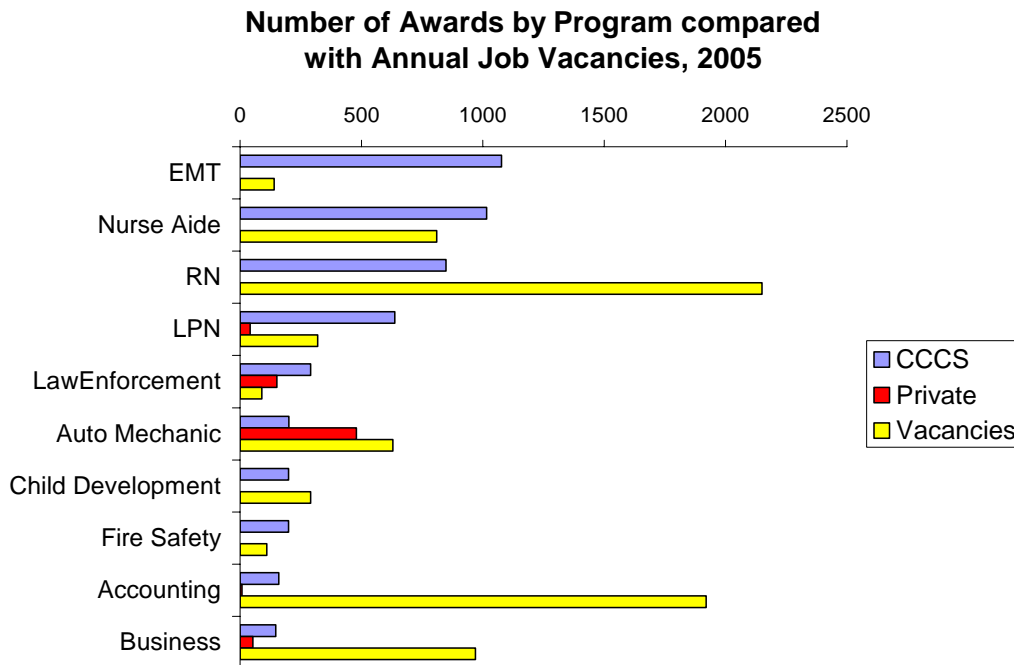


Includes associate degrees and certificates

Source: CCBenefits, 2007

A comparison of the number of awards from CCCS top programs versus state-wide labor market demand indicates we are focusing our efforts on meeting workforce demands. While it may appear there is some supply/demand mismatch in certain specific program areas, our top ten programs correlate with fields of high employment growth and include critical areas such as first responders and healthcare (Figure 2). Further, CCCS produced more than 50% of all nursing graduates in 2005, including those conferred at the baccalaureate and graduate level.

Figure 2. CCCS top ten programs based on 2005 awards, compared with estimated annual state-wide job openings for those occupations (CDLE, 2005).



Competition in Broad Program Areas

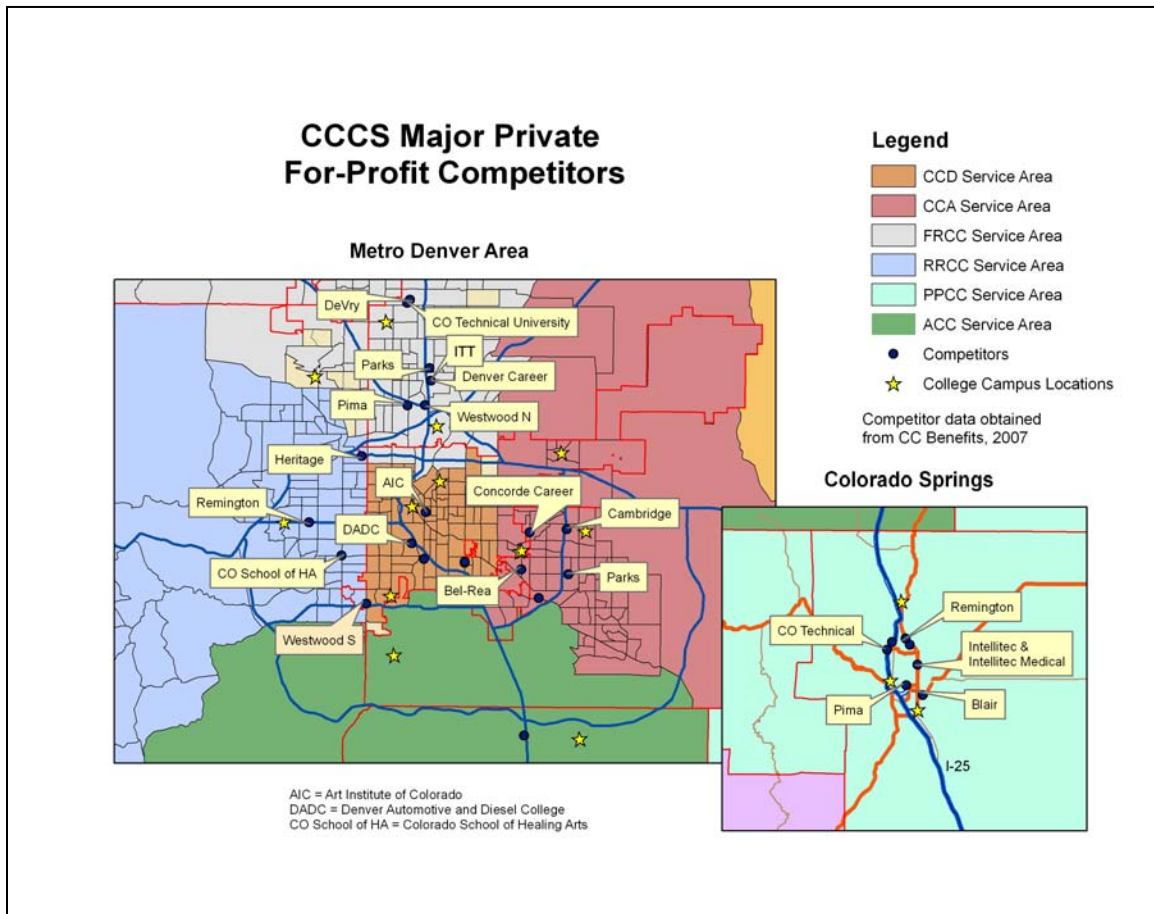
The National Center for Higher Education Management Systems (NCHEMS) compiled data on the number of degrees and certificates awarded in broad program categories by institutional sector that are typically community college domain. The data were collected specifically for Colorado two-year institutions and reveal that there are certain CCCS college program areas in which the private for-profit postsecondary institutions command a significant market share. It is important to note that the data used to determine competition by program is based on completers, so in reality, there may be some private schools that lure students into programs they never complete, or haven't yet had time to complete, which would not be captured in these data.

Based upon 2005-2006 completers, the two-year proprietary schools dominate the mechanics and repairers program category (CIP = 47) and have grown quite significantly in that area since 2001. Another broad program area in which the for-profit two-year institutions maintain a significant share are nursing and allied health, although there is virtually no private market share in nursing itself, only allied health (CIP = 51). Other broad areas in which community colleges face competition include engineering technologies (CIP = 15) and computer and information sciences (CIP = 11, 52.1201, 1204, 1202, 0407, 1203). Interestingly, the private two-year colleges seem to be completely absent from the other broad categories evaluated by NCHEMS: Construction Trades (CIP = 46) and Precision Production Trades (CIP = 48). (Charts A-1A to A-1G, Appendix)

Competition in Specific Program Areas

A more detailed analysis down to the program level reveals that our main competitors are located in the major urban markets – Metro Denver and Colorado Springs. Figure 3 shows a map of the main proprietary competitor locations in reference to CCCS college campuses (a full-page version of the map is available in the appendix). Although the data aren't yet available, Pueblo may soon be a region of increasing private market competition as well. A proprietary school campus in Pueblo has received approval to offer a two-year nursing program that begins Fall 2007. In addition to private two-year institutions, CCCS main competitors also include some schools classified as private four-year institutions that award associate degrees.

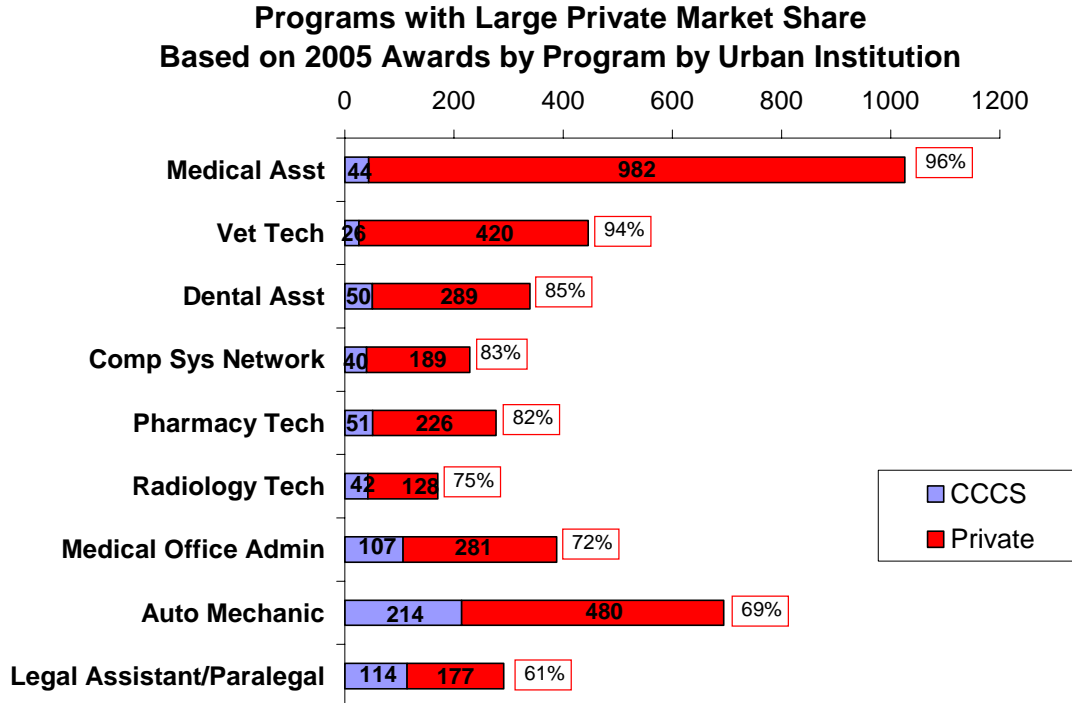
Figure 3. Main proprietary competitor locations in relation to CCCS urban colleges.



A survey of the career and technical education programs that one or more of our urban colleges offer reveals the specific programs in which the private for-profit institutions dominate market share. Based on AY 2005 program awards, the programs with the largest private market share include medical assistant, veterinary technician, dental assistant, computer systems networking technician, pharmacy technician, radiology technician, medical office administration, auto mechanic, and paralegal/legal assistant (Figure 4).

In terms of total awards, community colleges confer far more certificates and degrees than proprietary institutions. However, proprietary schools and community colleges differ vastly in their missions. The private for-profit institutions tend to target certain demographic groups and specialize in a few specific and profitable programs. Community colleges, tasked with multiple missions, are required to offer a wide array of programs and activities to fulfill the broader public needs. These operational differences make it difficult for community colleges to compete with the private entities in these specialized programs.

Figure 4. Programs, by 2005 awards (certificates and associate degrees), with largest private market share in Metropolitan Denver and Colorado Springs markets. The percentage indicated is the private market share.



Source: CC Benefits, 2007

Urban Markets

In the Colorado Springs market, the program areas most infiltrated by private competition include dental assistant, pharmacy technician, electronic engineering technician, and computer systems networking. The major competitors for Pikes Peak Community College include Intellitec College – Colorado Springs, Pima Medical Institute – Colorado Springs, and Remington College – Colorado Springs (Charts A2-A to A2-I, Appendix).

In the Metropolitan Denver market, the main program areas most penetrated by private competition include medical office administration, pharmacy technician, medical assistant, auto mechanic, veterinary technician, and legal assistant/paralegal. The major competitors in this market include Pima Medical Institute, Concorde Career Institute, Parks (Everest) College, Cambridge College, Denver Automotive & Diesel College, Remington College, Denver Career College, and Westwood College (Charts A2-A to A2-I).

The largest and fastest growing national private for-profit school, University of Phoenix, does maintain campuses located within our college service areas; however, they currently don't offer two-year or less programs on those campuses.

Community College Value

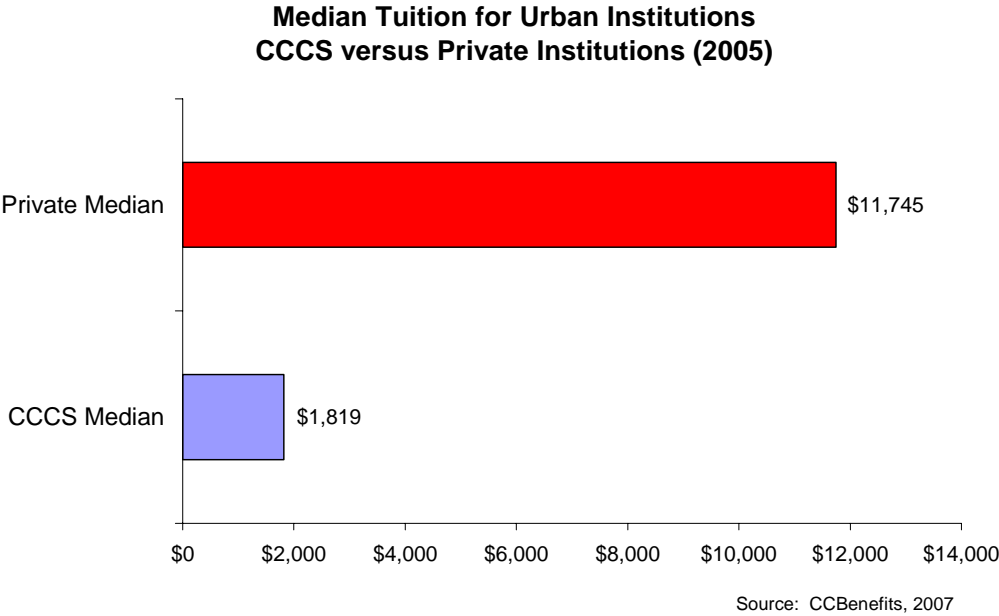
Nationally, consistent with community college mission, public two-year schools enroll the largest number of low-income students. However, proprietary degree-granting institutions enroll the greatest proportion of low income students, especially dependent students with family incomes less than \$25,000. Unfortunately, tuition and fees at degree-granting for-profit schools averaged more than \$11,000 versus less than \$2000 at public institutions, based on 2004 data. (Goan, et. al., 2007).

Colorado average tuition and fee data (AY 2005) were compared for full-time in-state students. This data was not available for all of the major private competitors identified, and includes Parks (Everest) College, DeVry University, Westwood College, Remington College, and Blair College. Additional competitors for specific colleges and/or programs not listed above were included as well, namely Colorado Technical University, Bel-Rea Institute, Art Institute of Colorado, and ITT Technical Institute. Unfortunately data were not available for Pima Medical Institute, Concorde Career College, Intellitec Institute, and Denver Career College.

From the sample of average annual tuition and fee data (across all programs at an institution) noted above, the median (across the institutions) Colorado private for-profit tuition was just under \$12,000; whereas urban CCCS college average annual tuition and fees were less than \$2000, almost six times less than costs of attending the proprietary institutions (Figure 5). Average annual tuition and fees for the private for-profits ranged from just over \$9000 to more than \$18,000 (Table 2, Appendix).



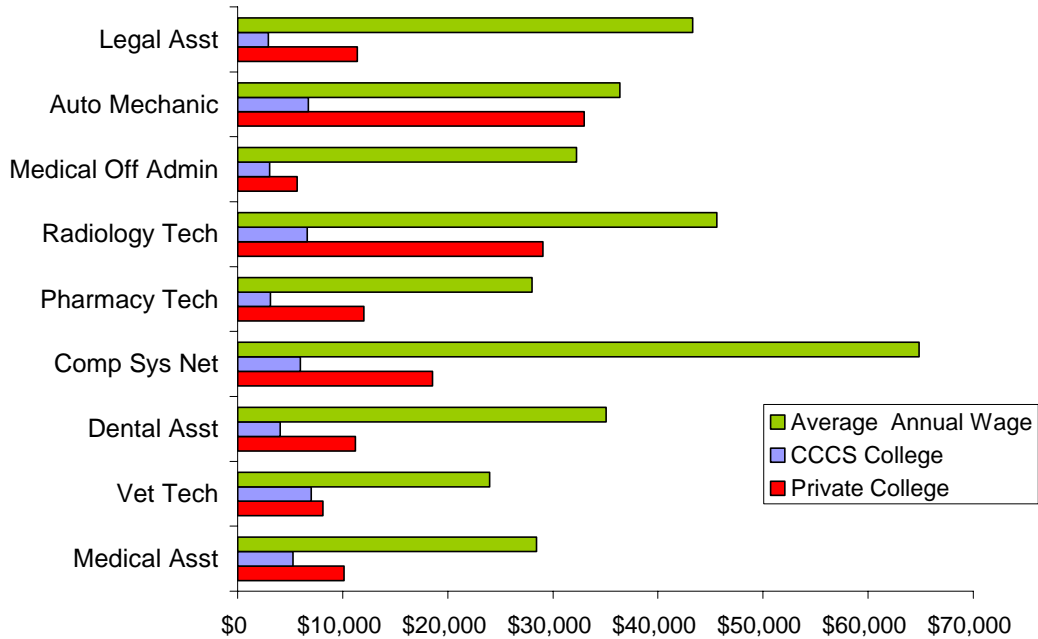
Figure 5. Median comparison of tuition and fees (average annual charged for students enrolled in all undergraduate programs) of CCCS versus proprietary colleges. CCCS schools consist of ACC, CCA, CCD, FRCC, RRCC, and PPCC; selected private institutions (for which data were available) include Parks (Everest) College, Bel-Rea Institute, DeVry University, Westwood College, Colorado Technical University, Blair College, Art Institute of Colorado, and ITT Technical Institute. Median was used as a comparison to avoid overrepresentation of outlier values, although average was also calculated and yielded very similar results.



A more detailed comparison of estimated tuition and fees by program shows that several proprietary schools charge more than twice what CCCS colleges charge for the same program award level. In other cases, the tuition and fees charged by the institution were more comparable to CCCS schools. Average annual wage for the associated occupation was included to allow for a perspective on educational debt versus income potential (Figure 6).

Figure 6. Comparison of estimated tuition and fees by program by control of institution. An individual proprietary college tuition and fees for the specific program was compared with an individual CCCS college estimated tuition and fees. Colorado average annual wage for the associated occupation for 2005 was added for perspective. Refer to Table 3 for more detailed information.

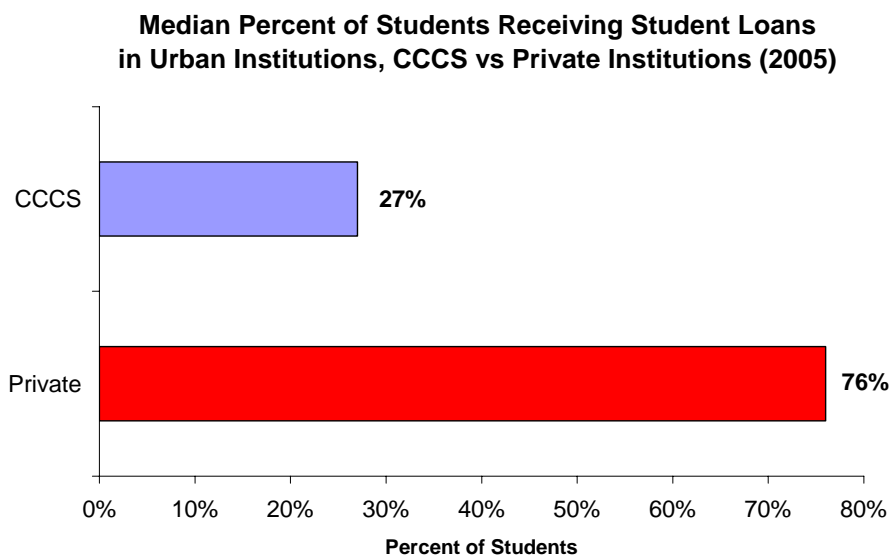
Comparison of Estimated Tuition and Fees by Program



Another area of financial disparity between the types of institutions involves percentage of students receiving student loans. Nationally, students at for-profit schools were more likely to apply for federal aid, receive Pell Grants, and receive Stafford Loans, while students attending large public schools were less likely to apply for any type of financial aid. In addition, students attending for-profit institutions had higher levels of unmet financial need (tuition/fees – financial aid – expected family contribution) than any other type of institution (Goan, et. al, 2007).

In Colorado, while the percentage of students receiving student loans for two of the private institutions was comparable to CCCS urban institutions, the percentage for the rest of the proprietary institutions was 70% or greater, resulting in a median percentage of 76% versus 27% for urban CCCS schools (Figure 7). Combining the high cost of the programs and the high student percentage overall receiving loans in the proprietary schools raises concerns about the levels of debt those students accumulate.

Figure 7. Median comparison of students receiving loans in 2005 per type of institution. Institutions represented by same colleges as previous chart detailing tuition and fees. Median was used as a comparison to avoid strong effect of outlier values.

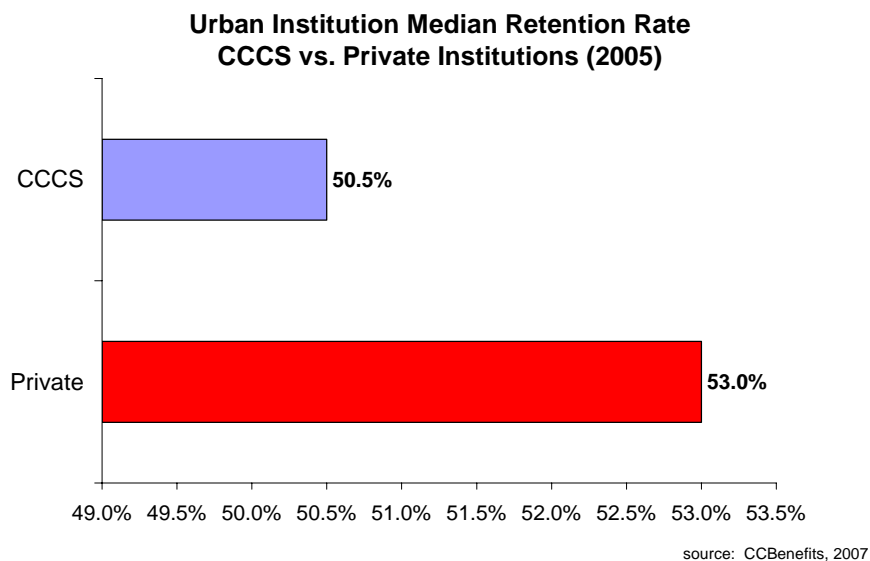


Source: CCBenefits, 2007

Success Measures

Retention rates between the private institutions and CCCS urban colleges were comparable, with the privates showing slightly better median retention rates at 53%, versus CCCS at 50% (Figure 8). Nationally, of students who transfer, the majority of students who first start at a for-profit institution transfer to a two-year or less institution, while the majority of students transferring from a large public two-year institution move to a four-year institution (Goan, et. al, 2007). Based on CCCS students enrolled in Fall 2006 who transferred in Spring 2007, more than 80% of those students transferred to four-year institutions (National Student Clearinghouse Data). While there are insufficient data to support this conclusion, if Colorado transfer practices follow the national proprietary model, urban CCCS students, though showing a comparable retention rate, may actually exhibit better progression to degree.

Figure 8. Comparison of retention rates of full-time students based on type of institution. Represented by same colleges as previous chart detailing tuition and fees. Median used as comparison to avoid strong effect of outlier values.

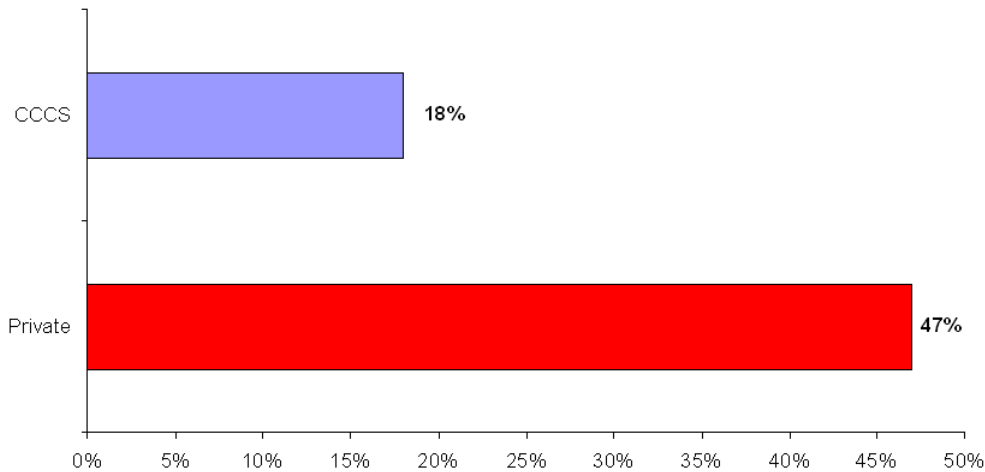


Graduation rates (first-time, full-time, degree-seeking students) between the different institutions were quite different, with the privates overall having much higher rates. Nationally, two-year proprietary schools also demonstrate higher graduation rates over two-year public institutions (Goan, et. al., 2007). In Colorado, the median urban CCCS graduation rate was 18% versus a private graduation rate of 47% (Figure 9). Despite the disparity among graduation rates, Colorado ranks 8th in the country in terms of graduation rates of associate degree students. One possible reason to explain the higher graduation rates of the proprietary schools might be that students have much more invested in the form of accumulated debt and are more compelled to complete their program. Alternatively, while community college students often transfer to a four-year institution before obtaining an actual degree, that transfer of credit option is not available to the majority of proprietary students, so they have an additional incentive to complete.

Finally, the graduation rate measures only first-time, full-time, degree-seeking students, which represents less than 10% of CCCS total student body.

Figure 9. Comparison of 2005 cohort graduation rates based on type of institution. Institutions represented are the same as Figures 5, 6, and 8. Median used as comparison to avoid outlier effect.

Urban Institution Median Graduation Rates CCCS vs. Proprietary Institutions, 2005



Source: CCBenefits, 2007

A recent examination of the growth in for-profit career schools in the San Antonio, Texas area indicates that students in the region are increasingly choosing the more expensive proprietary career schools because they are seeking a quick training program. These schools in general don't require a high school diploma or GED and don't offer remedial education, yet have been targeting and enrolling groups of students that are typically academically unprepared. Nationally, more than 98% of two-year public institutions provide remedial services compared to 26% of for-profit institutions, with the proprietary institutions focusing more on career services (Goan, et. al, 2007). Although a small number of San Antonio proprietary schools have been producing large numbers of allied health graduates, a staffing coordinator with a San Antonio medical staffing agency commented that the better medical assistants are produced through the local public community college (Ludwig, 2007). This anecdotal information is not surprising, given the growing body of research that indicates students need the same level of academic preparation whether entering college-level coursework or a career.

The Appeal of Proprietary Institutions

In addition to interviews with proprietary school leadership, the Education Commission of the States (ECS) conducted extensive interviews of students attending proprietary colleges, as well as faculty and staff, and reviewed the existing literature to gain an overall picture of the appeal of proprietary institutions (Kelly, 2001). Some of the main reasons students reported they chose proprietary schools include condensed formats, shorter time to degree completion, and career-focused instruction which provides job skills without requiring unnecessary general education coursework. In addition, the customer service orientation of the institution, including extensive support services offered to students throughout the program and strong job placement assistance afterwards, were a big draw for students. Another area of appeal was the modular nature of the courses, where students could focus on one subject at a time for a shorter period, as well as schedule flexibility. Many of the institutions provided students with a clear roadmap of the program requirements, including a tentative course schedule, based on their time preferences, for the entire program.

For their part, the private for-profit colleges used extensive media advertising and recruiting practices to enlist students. In fact, in reviewing the annual report for the parent company of one of CCCS main competitors, more than 20% of their 2005 operating expenses budget was spent on marketing and advertising (Corinthian Colleges, Inc.). Of concern; however, is that some institutions use aggressive recruiting methods and compensate their recruiters based on enrollments. This practice may lead to a student believing they are receiving objective advising from an enrollment counselor, when in reality, they are being persuaded by a salesperson. Two large for-profit higher education entities, both of which maintain campuses in CCCS service areas, have come under scrutiny lately for their marketing and recruitment practices in other states, with lawsuits filed or pending (Blumenstyk, 2007), (Lederman, 2007).

Most students interviewed in the ECS study were aware of the job placement rate of the institutions' graduates. Despite being informed in that capacity, some of the students interviewed had career aspirations inconsistent with the programs and institutions in which they were enrolled. These students intended to pursue careers requiring graduate or professional studies, but did not seem to be aware of transfer issues nor necessarily the educational requirements of their prospective careers. Although this was not explored in the research study, the marketing and recruiting tactics mentioned above may have contributed to this lack of awareness or even misinformation on the part of the student.

While both community colleges and proprietary schools generally serve the same student demographic and retain students at a comparable rate, the similarities end there. Students attending proprietary schools overall pay much higher tuition, accumulate more student loans, and are more likely to receive a degree or certificate at that institution. Additionally, if proprietary students transfer, most transfer to another two-year institution, probably because their credits don't transfer to the majority of four-year institutions. Community college students, on the other hand, pay much lower tuition, have fewer student loans, and are more apt to transfer their credits to a four-year

institution. Proprietary schools focus on full-time students and offer a narrow assortment of programs which generate revenue. Consistent with their missions, community colleges offer part-time options to assist students with competing demands and offer a broad array of programs and formats to meet the needs of the communities they serve, profitable or not.

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APPENDICES

Table 1.

Enrollment Growth, 2000-2005 Urban CCCS vs. Proprietary Change

Proprietary Colleges	AY 2000	AY 2005	Change	Percent Change
Pima Medical Institute	344	943	599	174%
Bel-Rea Institute	984	918	-66	-7%
Concorde Career Institute	337	716	379	112%
Denver Auto & Diesel College	664	2464	1800	271%
Parks College	329	1489	1160	353%
Intellitec Medical Institute	308	787	479	156%
Intellitec - Colorado Springs	252	618	366	145%
Heritage College	441	917	476	108%
Parks College - Aurora	1114	1596	482	43%
CO School of Healing Arts	442	415	-27	-6%
Cambridge College	427	862	435	102%
Remington - Colorado Springs	271	527	256	94%
Art Institute of Colorado	2743	2830	87	3%
Westwood College - Denver No.	1698	7014	5316	313%
ITT Technical Institute	594	983	389	65%
Westwood College - Denver So.	828	730	-98	-12%
Total Change:	11,776	23,809	12,033	102.2%

CCCS Colleges	AY 2000	AY 2005	Change	Percent Change
ACC	14,894	12,270	-2624	-18%
CCA	8212	8995	783	10%
CCD	10,631	14,445	3814	36%
FRCC	19,847	24,463	4616	23%
RRCC	16,116	16,598	482	3%
PPCC	12,475	12,108	-367	-3%
Total Change:	82,175	88,879	6704	8.2%

Represents 12-Month Unduplicated Headcount
Source: IPEDS

Table 2.

Characteristics of Selected Institutions, 2005					
Urban Proprietary Institutions	Undergraduate Enrollment	Retention Rate (%)	Graduation Rate (%)	Average Tuition	% Receiving Student Loans
Parks College	964	47	20	\$13,104	71
Parks College-Aurora	772	53	34	\$9,828	71
Bel-Rea Institute	670	61	61	\$9,875	77
DeVry University	482	48	n/a	\$12,450	81
Westwood College - North	4900	31	44	\$11,745	43
Remington College	155	84	72	\$12,661	76
Colorado Technical University	458	50	14	\$9,900	36
Blair College	440	56	33	\$9,828	70
Art Institute of CO	2886	60	62	\$18,336	88
Westwood College -South	485	31	62	\$11,745	97
ITT Technical Institute	577	64	50	\$13,896	88
Urban CCCS Colleges					
ACC	7132	46	17	\$1,746	38
CCA	5477	51	26	\$2,182	30
CCD	8909	48	19	\$1,746	20
FRCC	14957	51	16	\$1,746	45
PPCC	10619	50	17	\$1,746	24
RRCC	6600	58	20	\$1,746	19

Table 3.

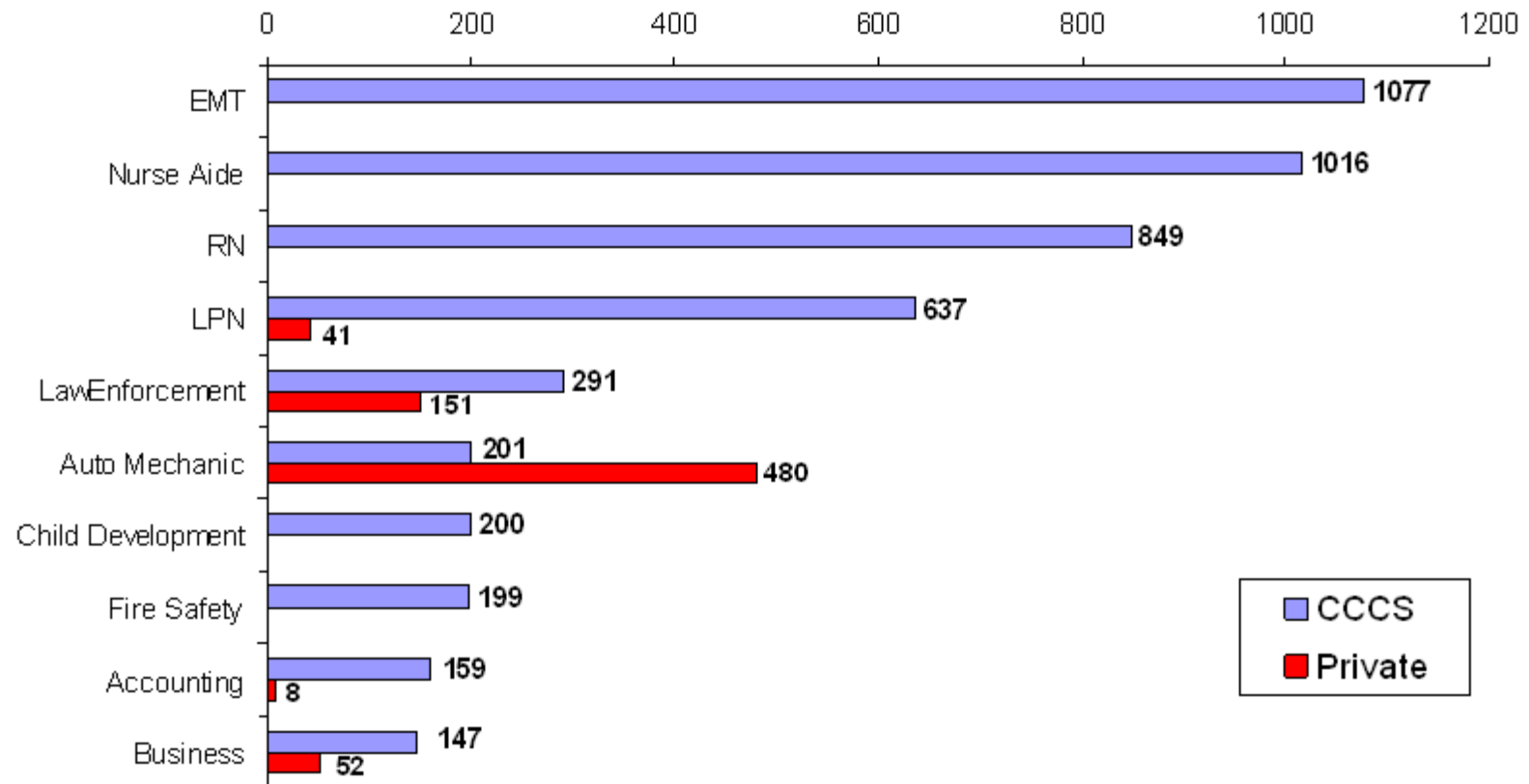
Comparison of Estimated Program Costs and Associated Average Annual Wage for that Occupation

Program	Est. Tuition/Fees		Average Annual Wage, 2005	Private Institution
	Private	CCCS		
Medical Assistant	\$10,104	\$5,290	\$28,454	Concorde Career Institute
Vet Tech	\$8,105	\$7,020	\$23,962	Pima Medical Institute
Dental Asst	\$11,210	\$4,050	\$35,048	Intellitec Medical Institute
Comp Sys Networking	\$18,530	\$5,960	\$64,854	Intellitec Institute - CO Springs
Pharmacy Tech	\$12,025	\$3,123	\$27,997	Denver Career College
Radiology Tech	\$29,065	\$6,600	\$45,594	Cambridge College
Medical Off Admin	\$5,649	\$3,040	\$32,240	Pima Medical Institute
Auto Mechanic	\$32,990	\$6,720	\$36,358	Denver Auto & Diesel College
Legal Asst/Paralegal	\$11,400	\$2,940	\$43,285	Denver Career College

Sources: IPEDS (2005), CDLE, CCCS College Catalogues and websites

Figure 1.

CCCS Top Programs Based on Number of 2005 Awards (State-wide)

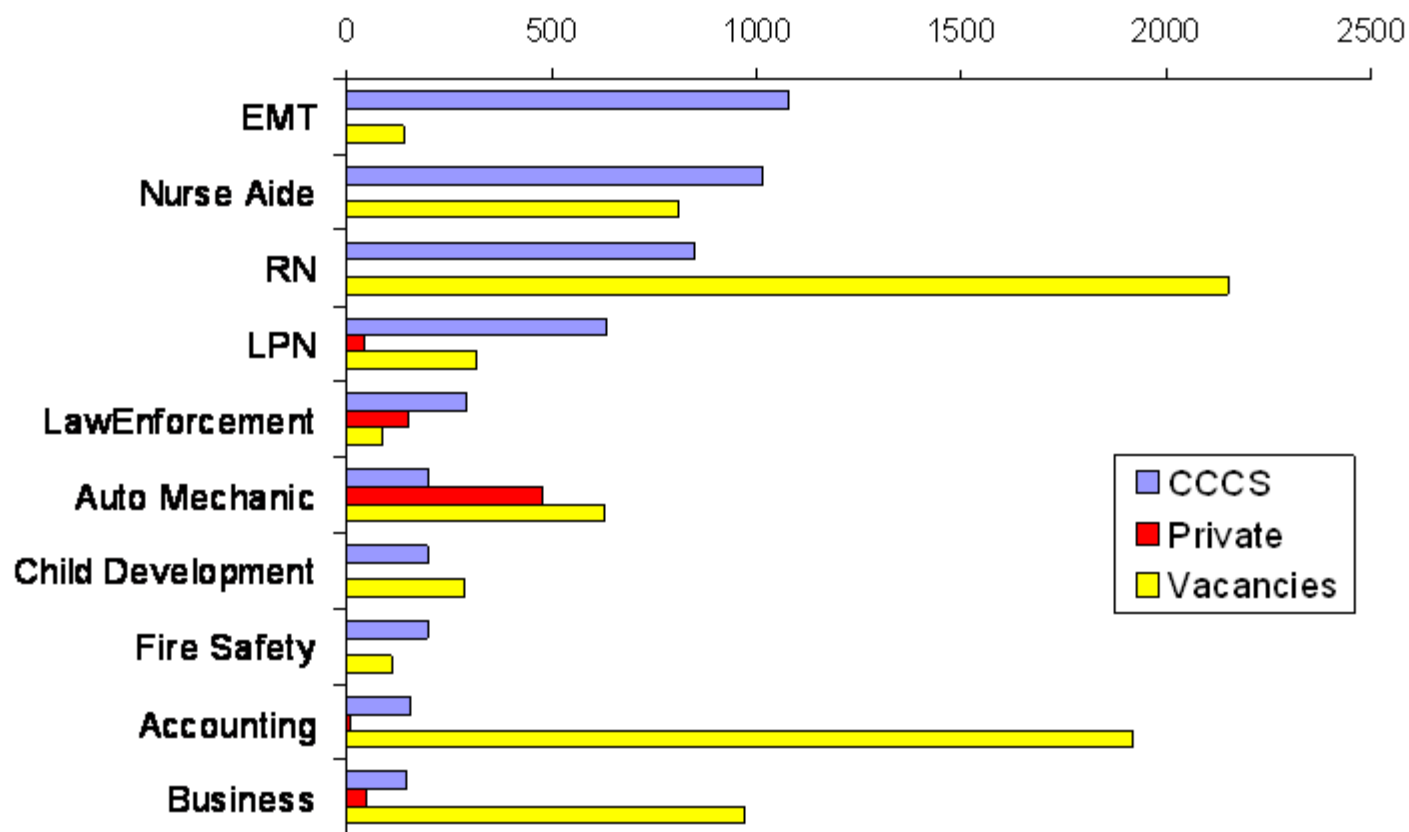


Includes associate degrees and certificates

Source: CCBenefits, 2007

Figure 2.

Number of Awards by Programs compared with Annual Job Vacancies, 2005



Source: CCBenefits, 2007 and CDLE

Figure 3.

CCCS Major Private For-Profit Competitors

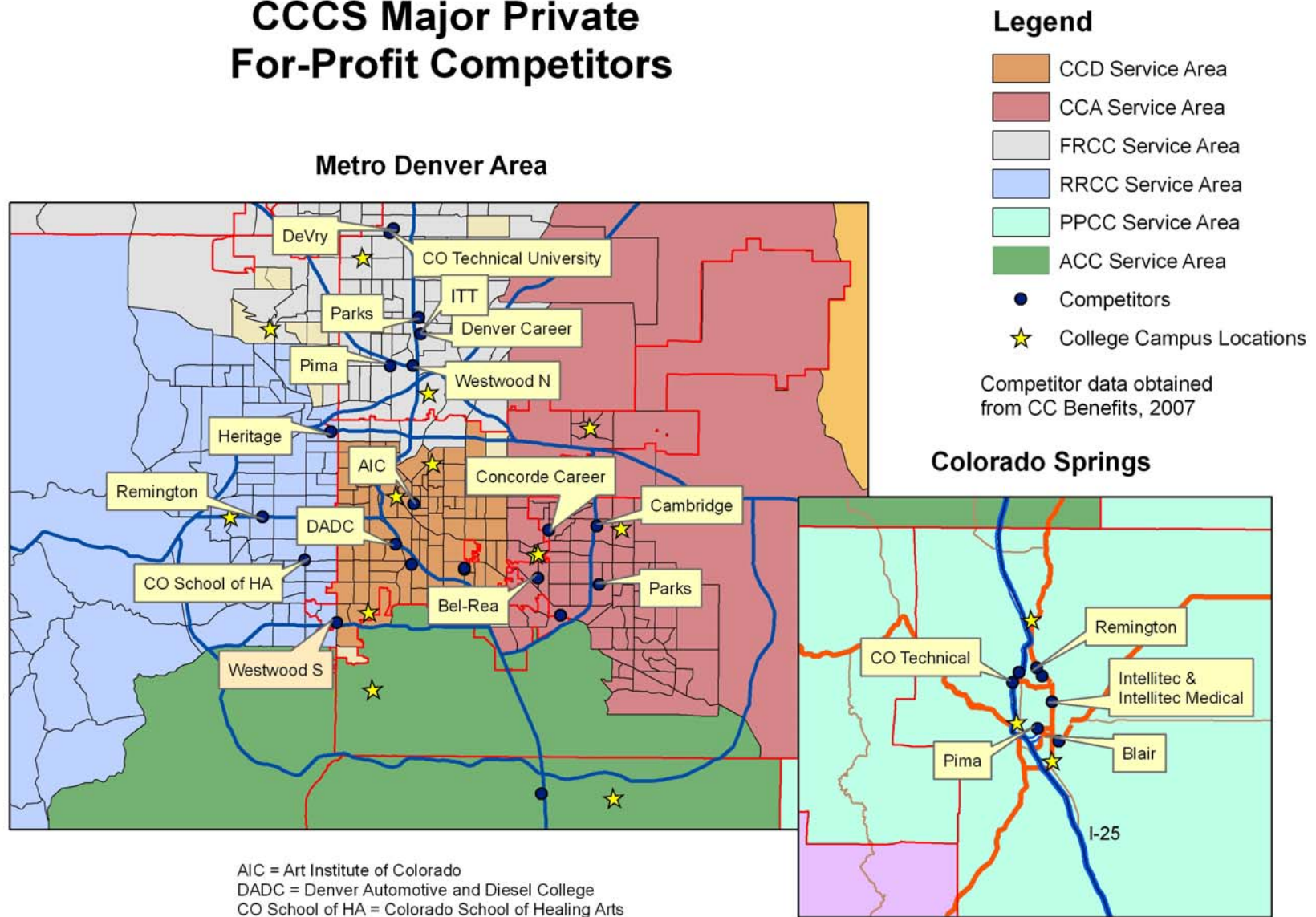
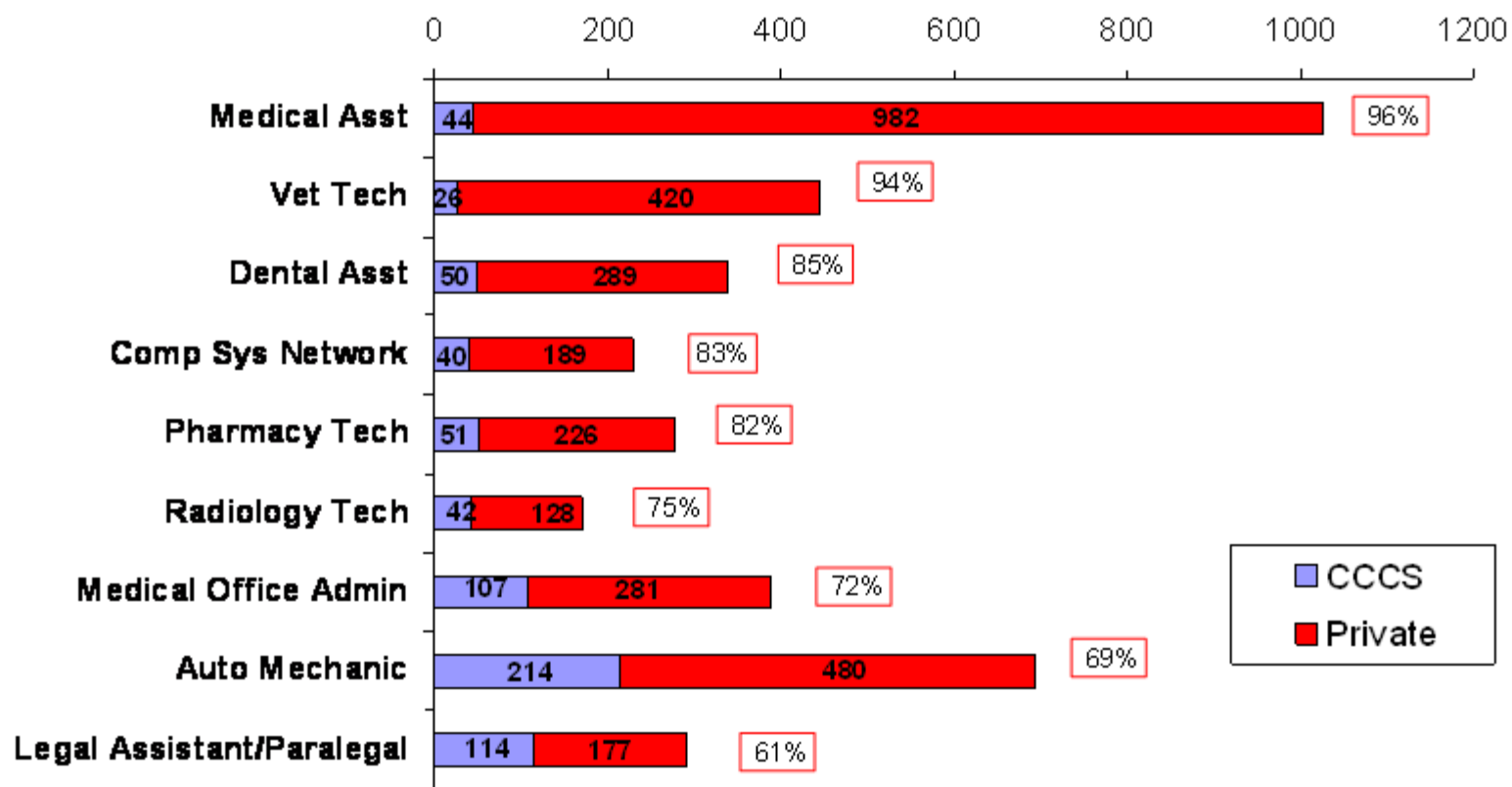


Figure 4.

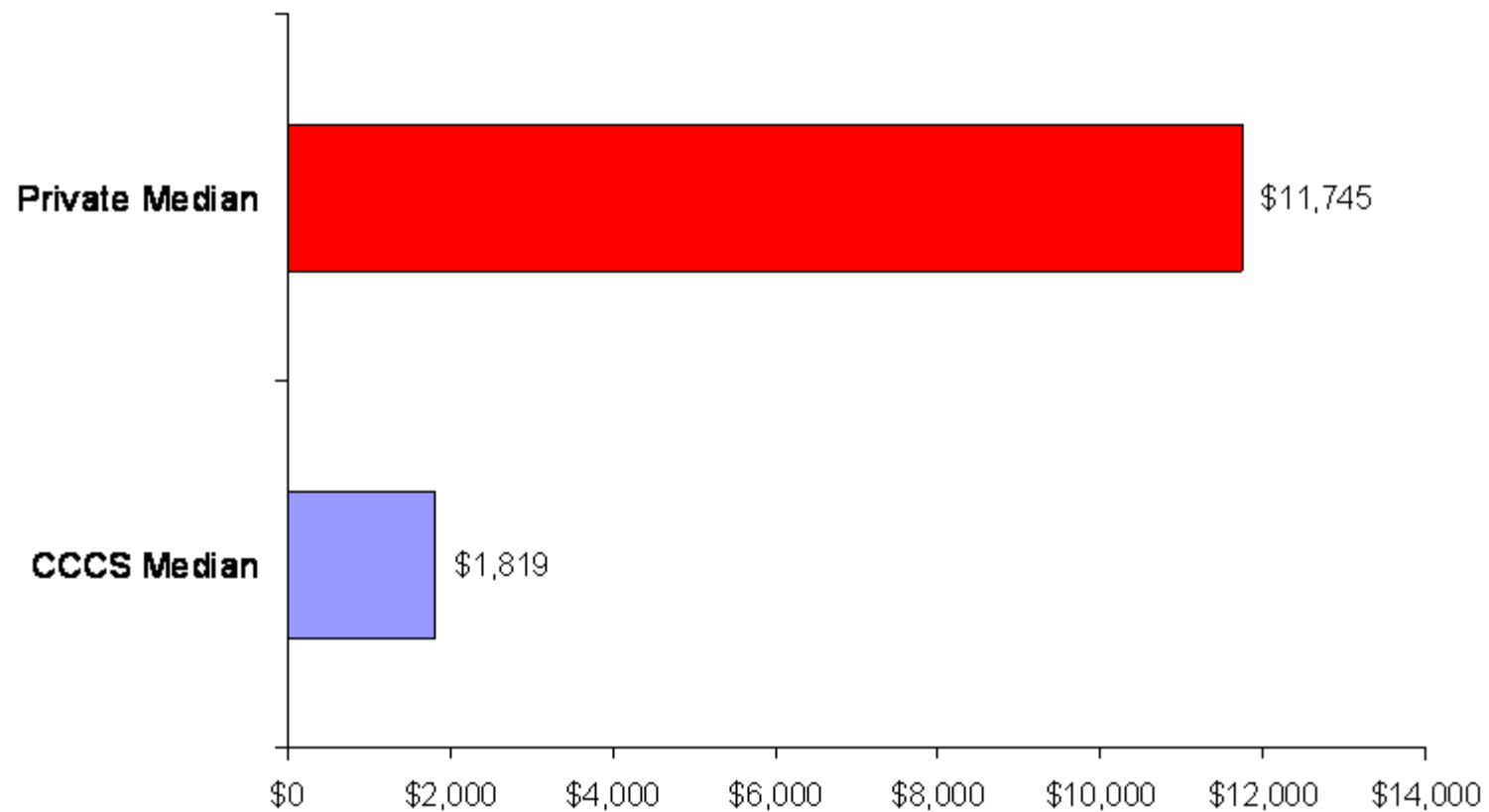
Programs with Large Private Market Share Based on 2005 Awards by Program for Urban Institutions



Source: CCBenefits, 2007

Figure 5.

Median Tuition for Urban Institutions CCCS vs. Private Institutions, 2005



Source: CCBenefits, 2007

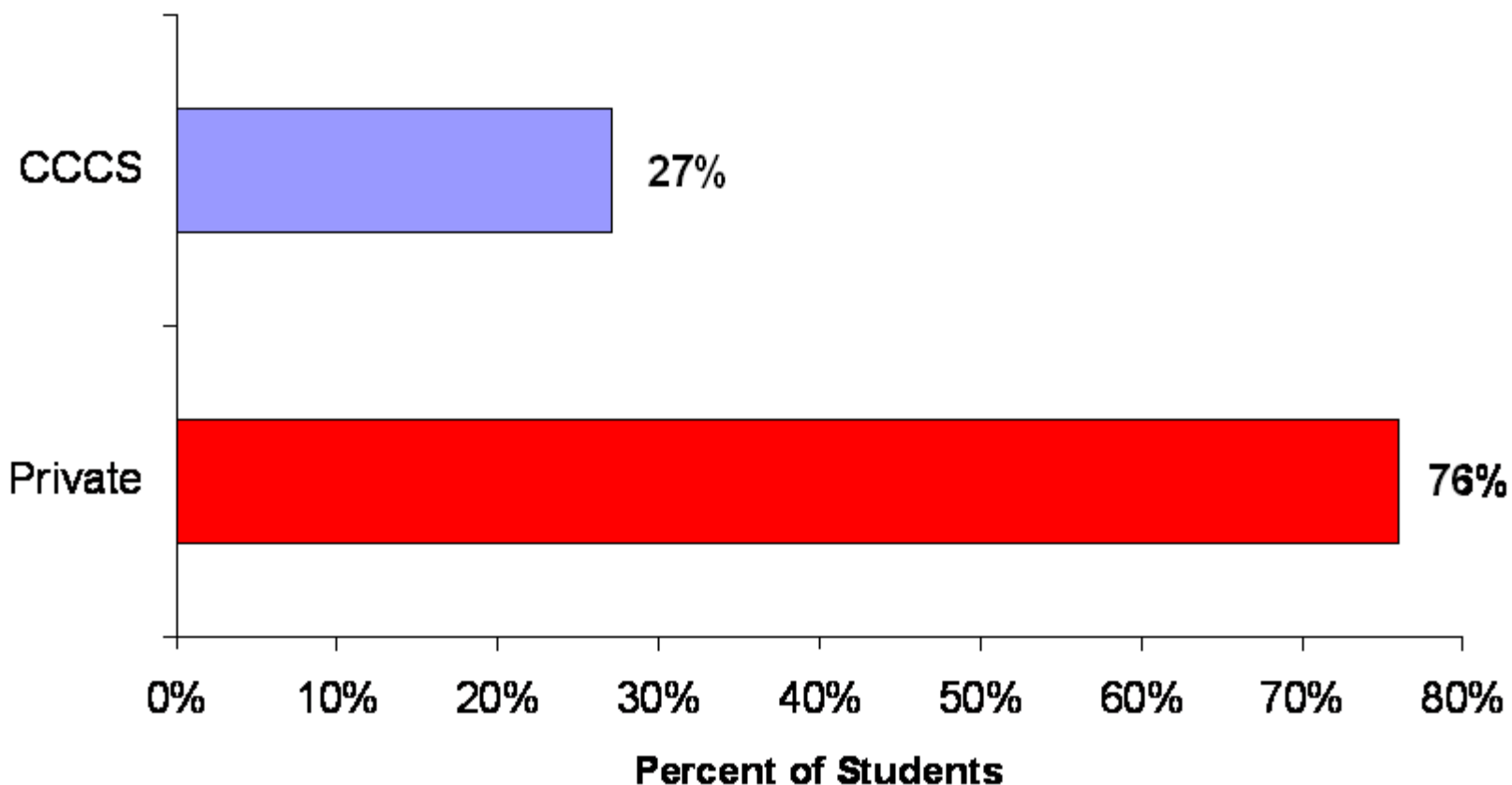
Figure 6.

Comparison of Estimated Tuition and Fees by Program



Figure 7.

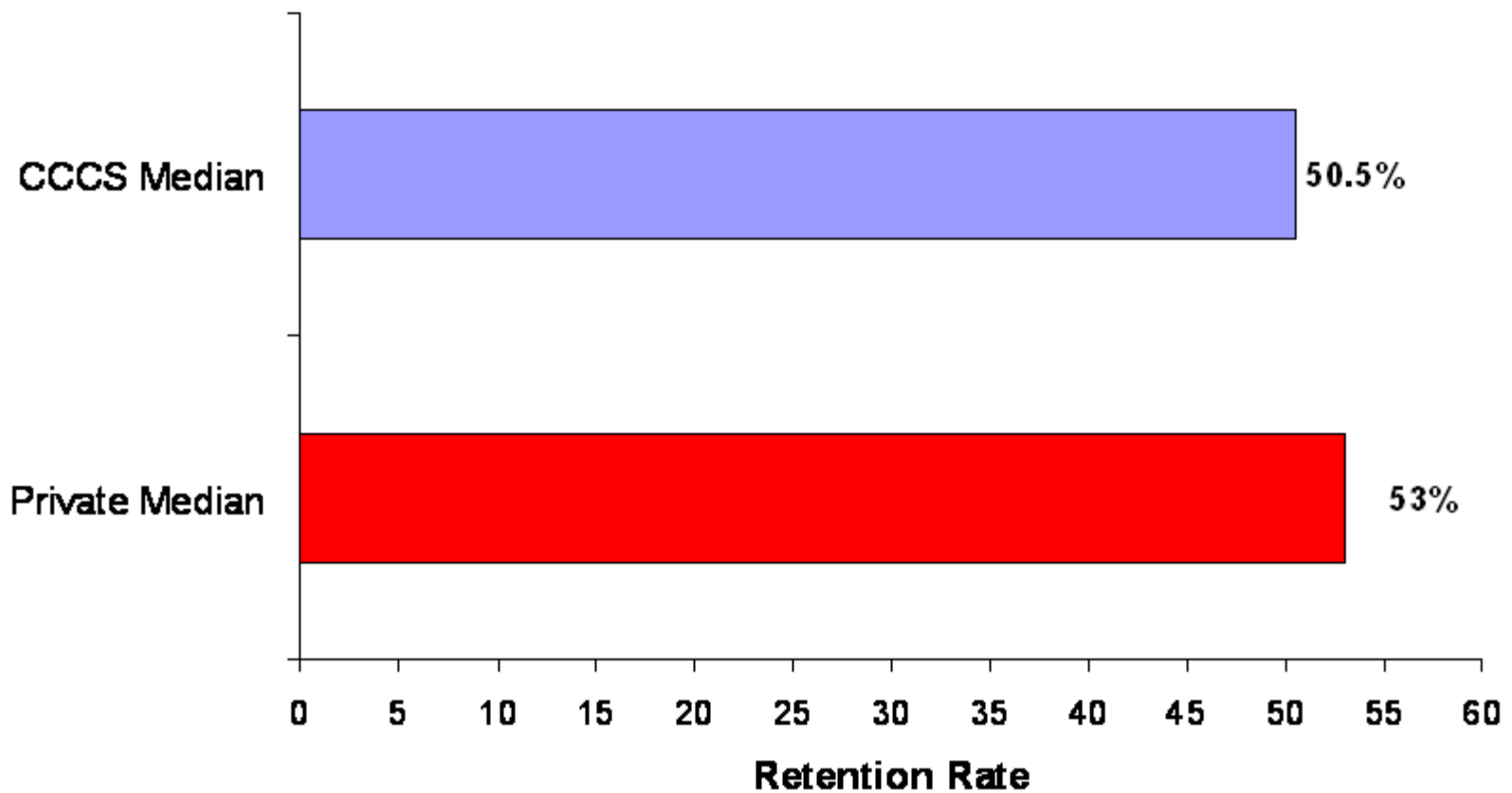
Median Percent of Students Receiving Student Loans in Urban Institutions, CCCS vs. Private Institutions, 2005



Source: CCBenefits, 2007

Figure 8.

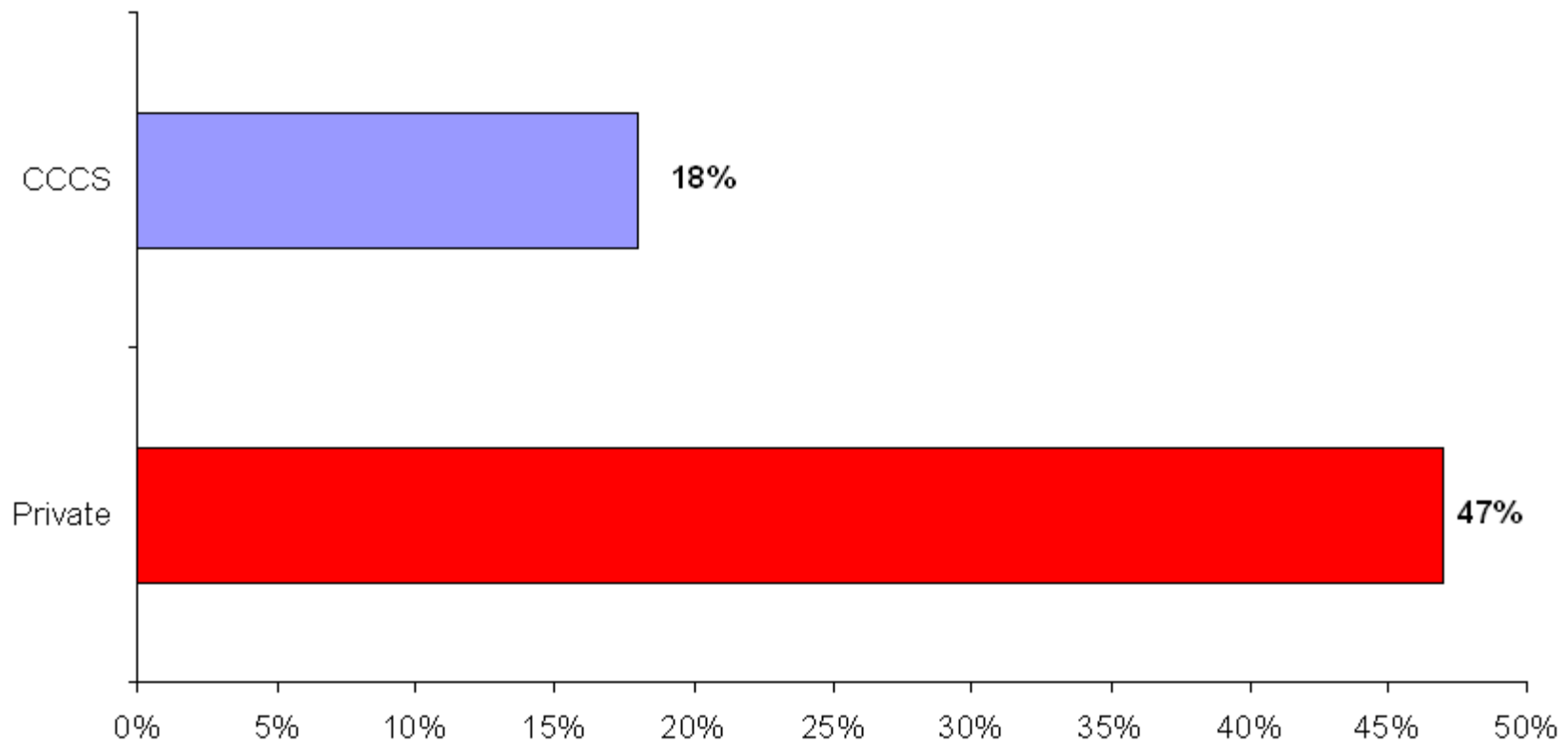
Urban Institution Median Retention Rate CCCS vs. Private Institution, 2005



Source: CCBenefits, 2007

Figure 9.

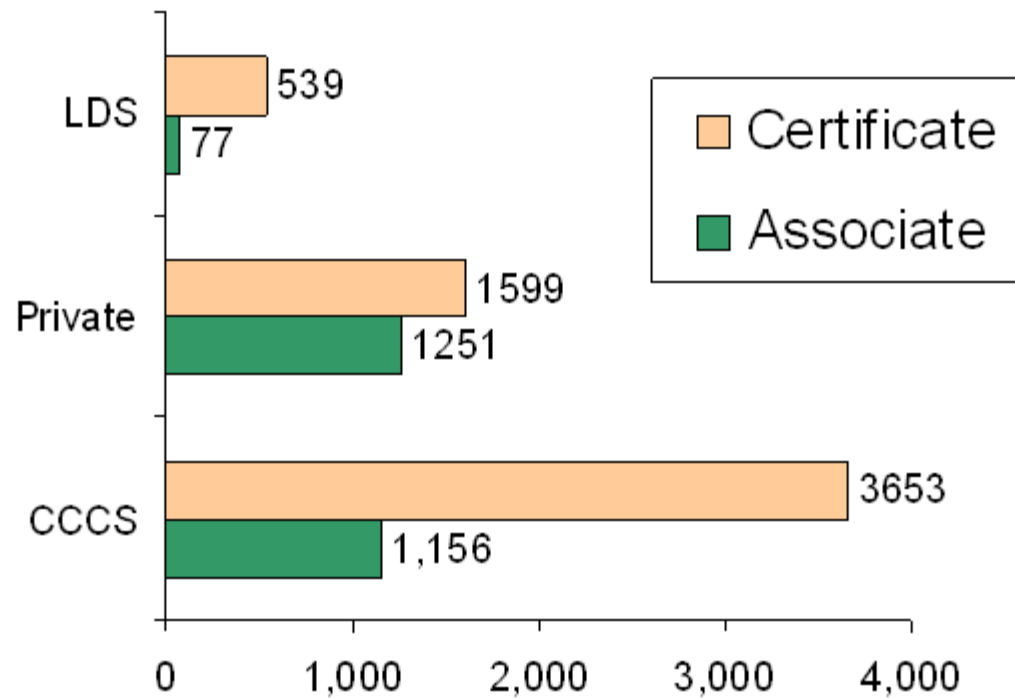
Urban Institution Median Graduation Rates CCCS vs. Proprietary Institutions, 2005



Source: CCBenefits, 2007

Chart A1-A

Nursing & Allied Health Awards, 2005-2006 (CIP = 51)



LDS = Local District Schools

Data Prepared by NCHEMS

Chart A1-B

Engineering Technologies Awards, 2005-2006 (CIP = 15 except 15.0303)

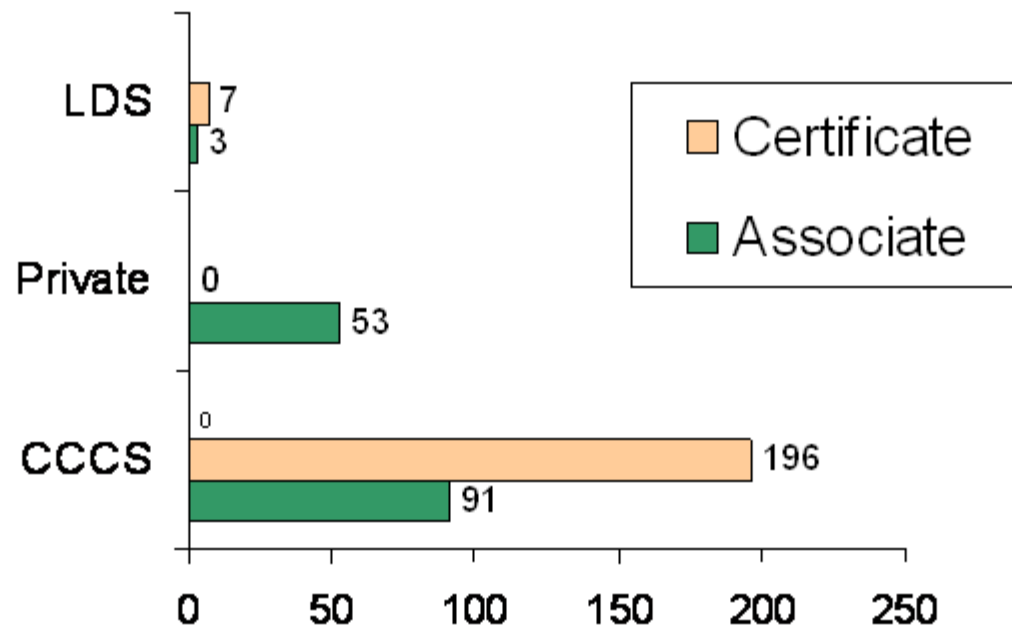


Chart A1-C

Construction Trades Awards, 2005-2006 (CIP = 46)

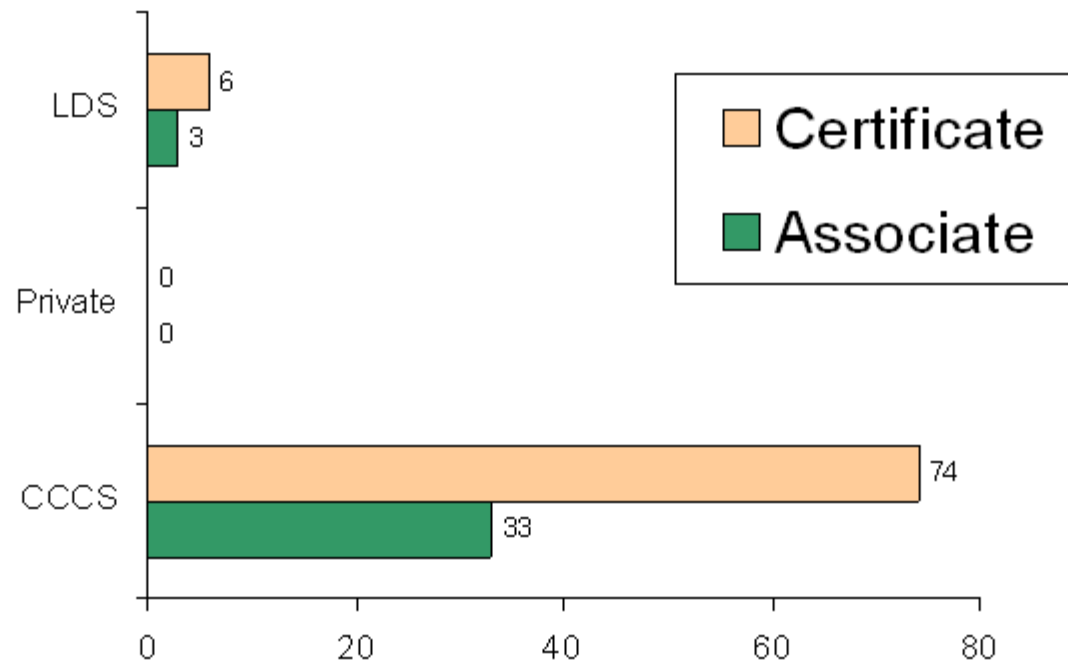
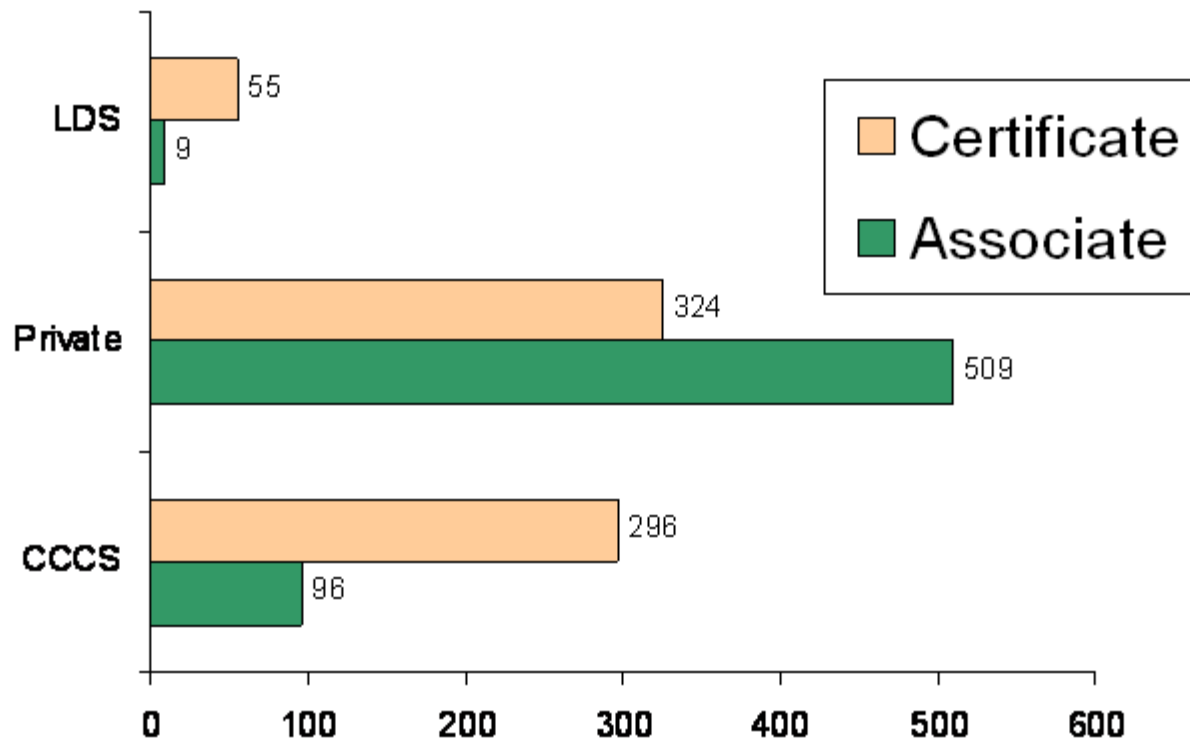


Chart A1-D

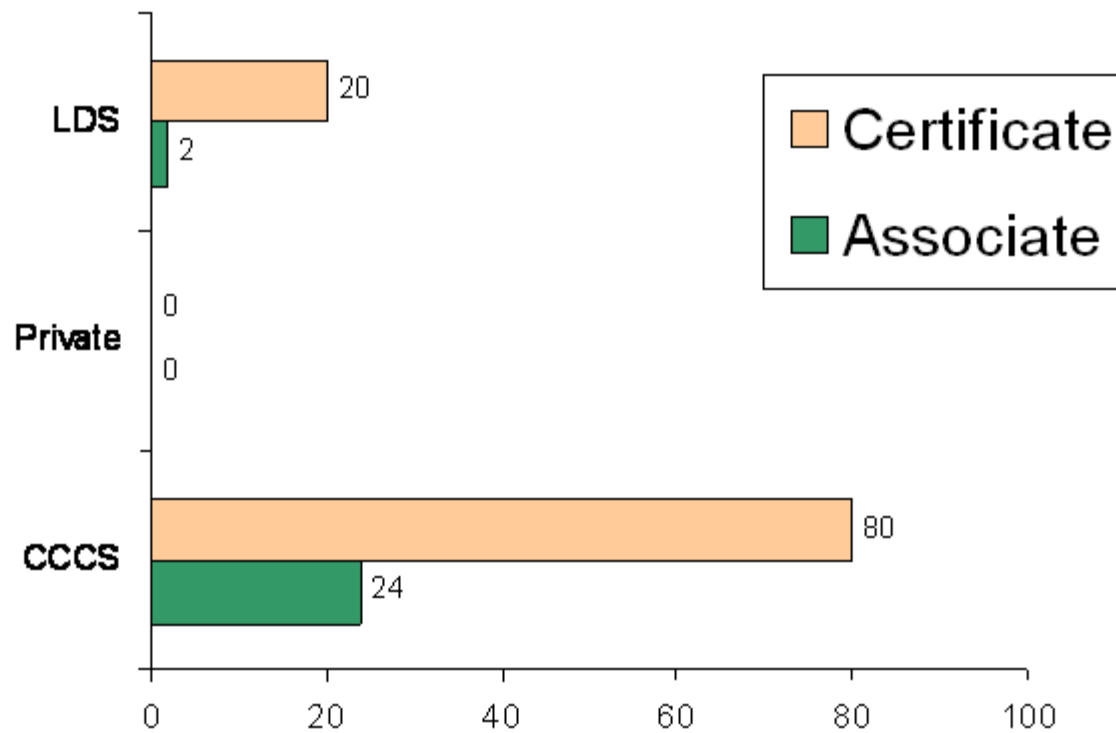
Mechanics and Repairers Trades Awards, 2005-2006 (CIP = 47)



Data Prepared by NCHEMS

Chart A1-E

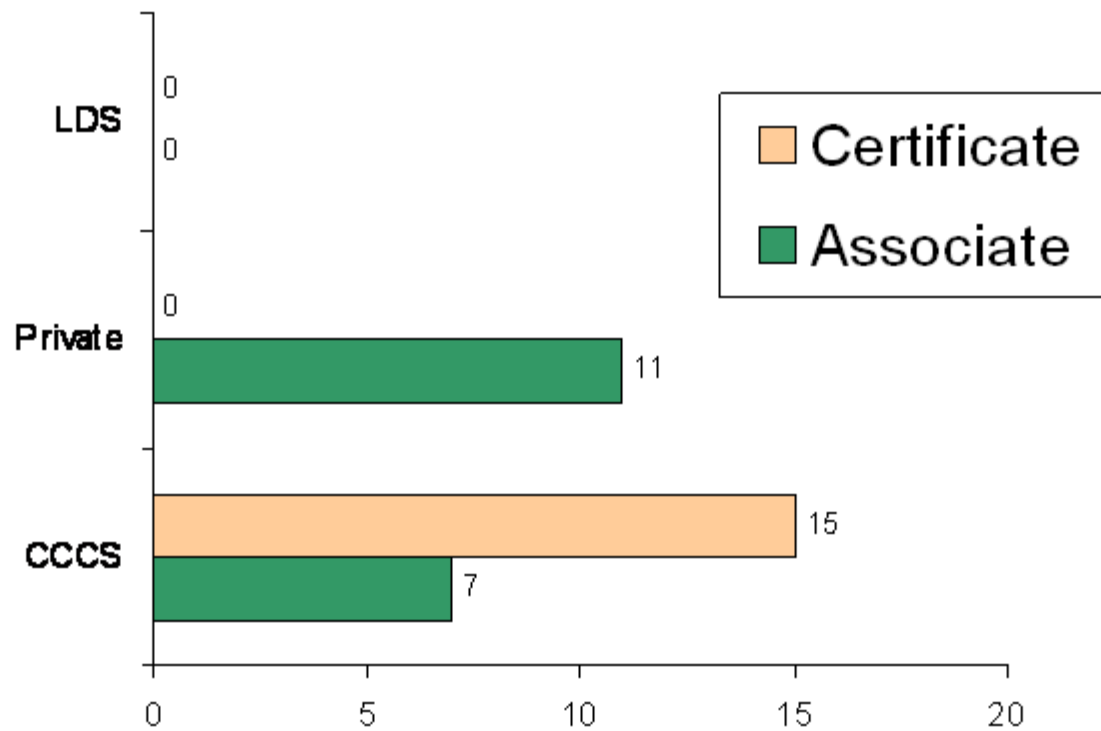
Precision Production Trades Awards, 2005-2006 (CIP = 48)



Data Prepared by NCHEMS

Chart A1-F

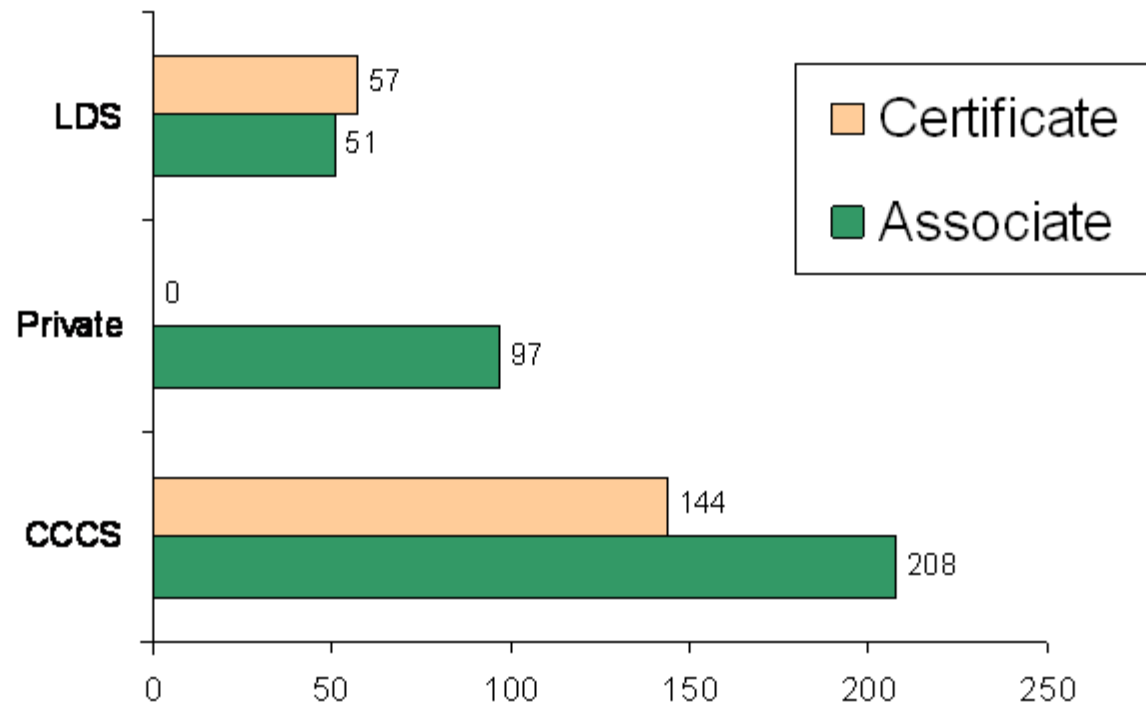
Transportation & Material Moving Awards, 2005-2006 (CIP = 48)



Data Prepared by NCHEMS

Chart A1-G

Computer and Information Sciences Awards, 2005-2006
(CIP = 11, 52.1201, 52.1204, 52.1202, 15.0303, 52.0407, 52.1203)

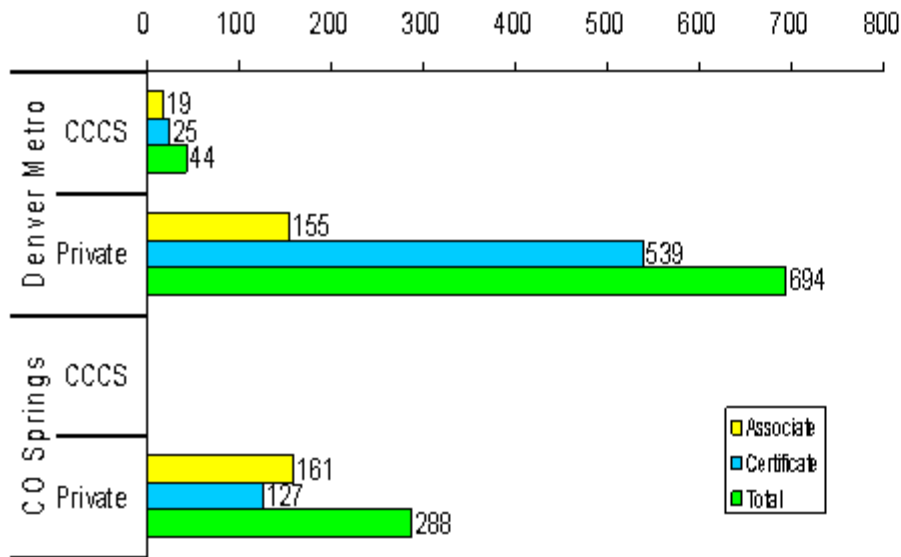


Data Prepared by NCHEMS

Chart A2-A

Medical Assistant 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Certificate Awards by Urban Market

Metro Denver	
Pima Medical Institute	221
Concorde Career Institute	134
Remington College	98
Heritage College	44
FRCC	25

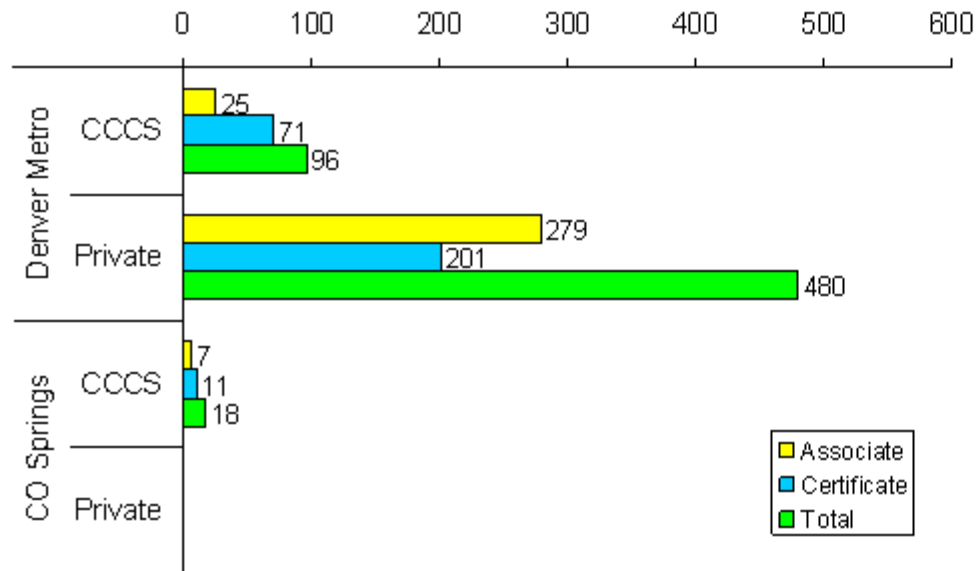
Colorado Springs	
Pima - Colorado Springs	101
Blair College	26

Degree Awards based on CIP 51.0801, 51.0710
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-B Auto Mechanic 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
Denver Auto & Diesel College	480
FRCC	44
RRCC	30
ACC	22

Colorado Springs	
PPCC	18

No private awards in Co Springs Market

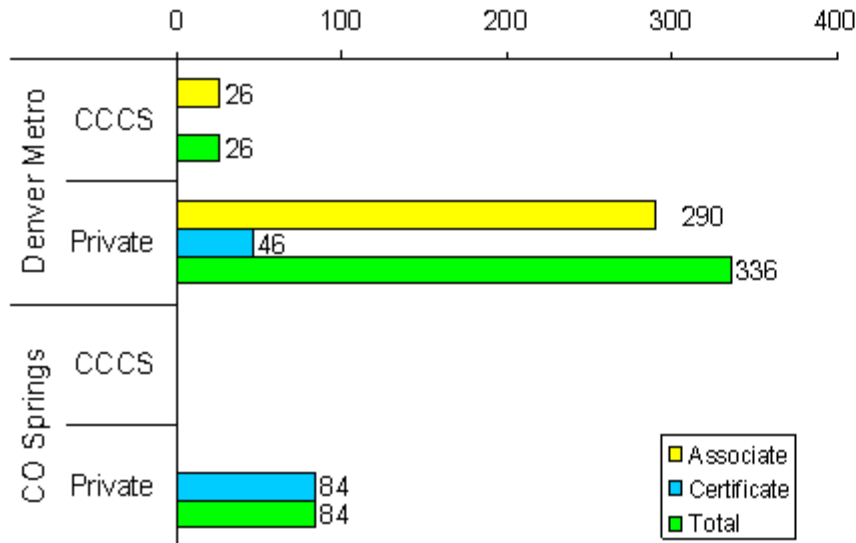
Degree Awards based on CIP 47.0604
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-C

Veterinary Technician 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

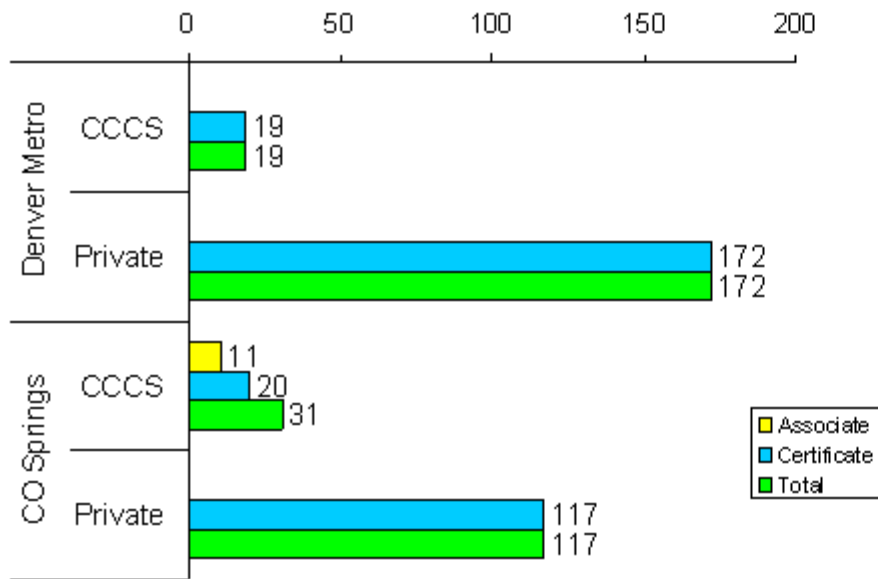
Metro Denver	
Bel-Rea Institute	290
Pima Medical Institute	46
FRCC	17
CCD	9
Colorado Springs	
Pima Medical Institute-Co Springs	84

Degree Awards based on CIP 51.0808
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-D Dental Assistant 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
Pima Medical Institute	119
Concorde Career Institute	53
FRCC	19

Colorado Springs	
Pima - Colorado Springs	71
Intellitec - Colorado Springs	46
PPCC	31

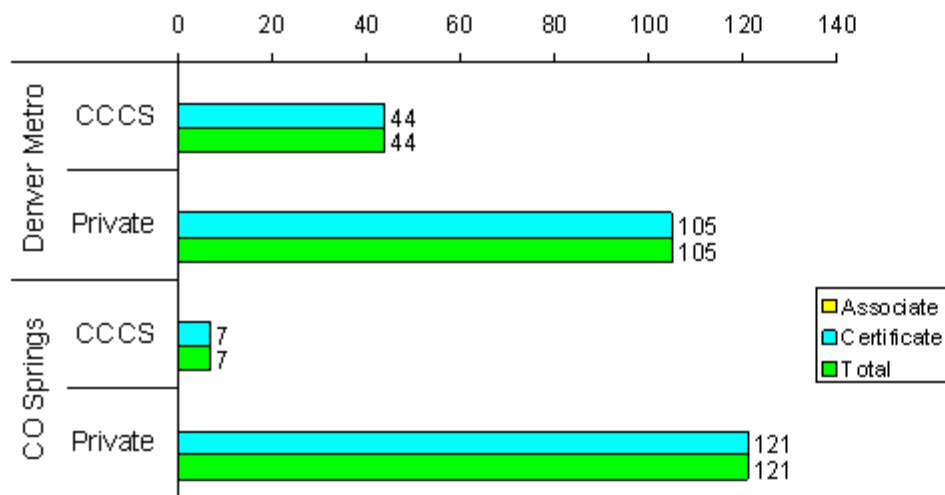
Degree Awards based on CIP 51.0601
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-E

Pharmacy Technician 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
Pima Medical Institute	49
Heritage College	32
FRCC	27
Remington College	24
ACC	17

Colorado Springs	
Remington - Colorado Springs	47
Intellitec - Colorado Springs	41
Pima - Colorado Springs	33
PPCC	7

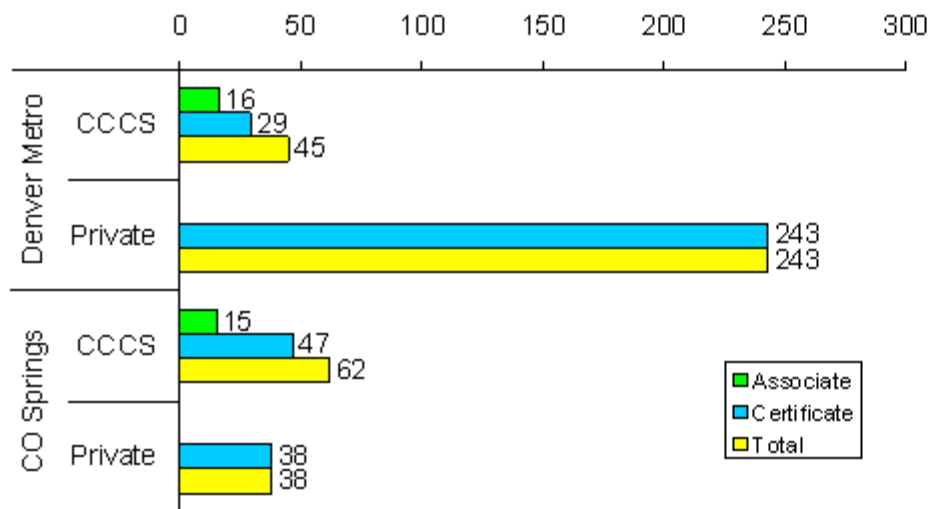
Degree Awards based on CIP 51.0805
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-F

Medical Office Admin. 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
Parks College	143
Pima Medical Institute	70
Parks College - Aurora	30
RRCC	23
CCD	14

Colorado Springs	
PPCC	62
Pima Medical - Colorado Springs	38

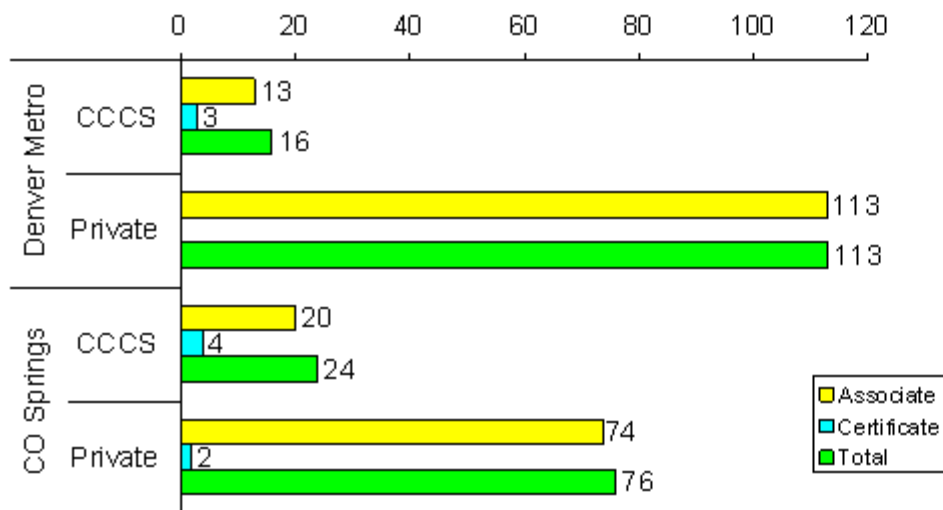
Degree Awards based on CIP 51.0705, 51.0716
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-G

Computer Systems Networking 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
DeVry University	36
ITT Technical Institute	34
Westwood South	20
Remington	17
ACC	16

Colorado Springs	
Intellitec - Colorado Springs	46
Remington Colorado Springs	28
PPCC	24

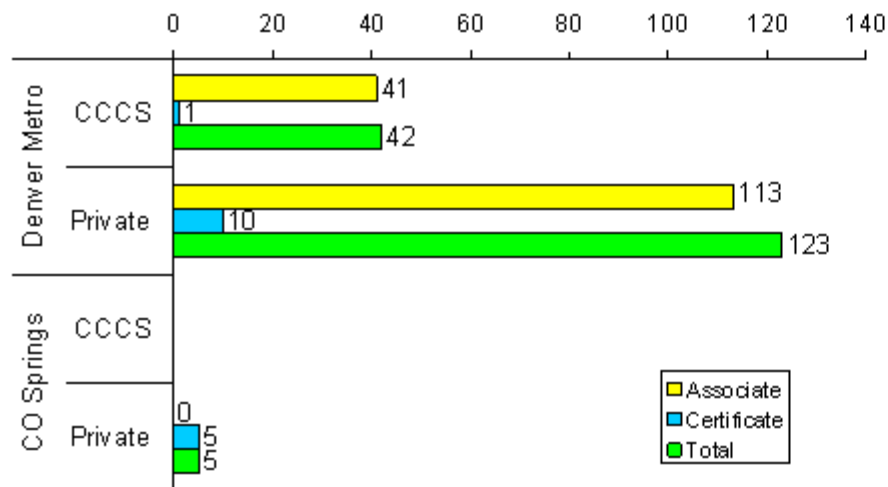
Degree Awards based on CIP 11.0901, 11.1002
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-H

Radiology Technician 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
Cambridge College	79
CCD	31
Pima Medical Institute	21
Concorde Career Institute	13
RRCC	11

Colorado Springs	
No Colorado Springs Associate Awards	

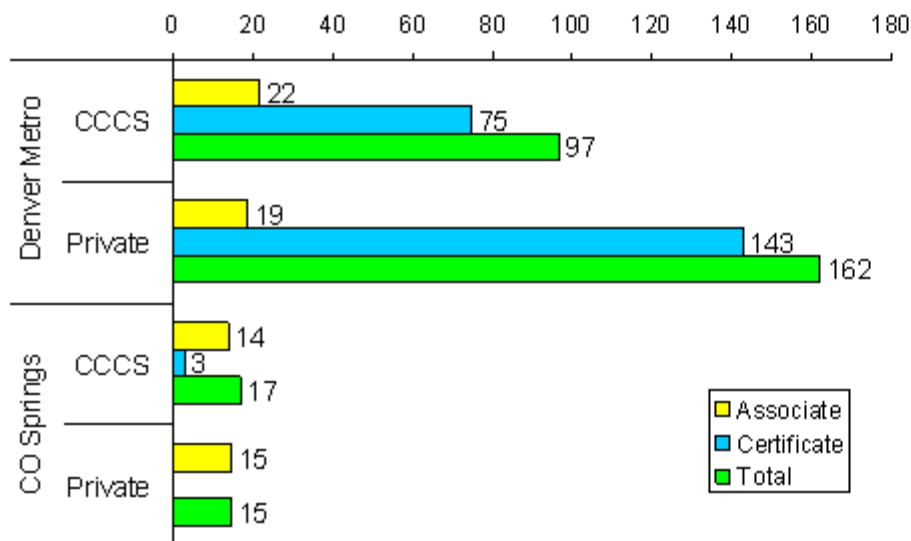
Degree Awards based on CIP 51.0907, 51.0911
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Chart A2-I

Legal Assistant/Paralegal 2005 Awards

Urban CCCS versus Urban Private Colleges



Institutions with Most Awards by Urban Market

Metro Denver	
Denver Career College	143
ACC	47
CCA	22
FRCC	17
CCD	11

Colorado Springs	
PPCC	17
Blair College	15

Degree Awards based on CIP 22.0302
Comparison of Denver Metro and Colorado Springs Colleges

Source: CCBenefits, 2007

Thumbs up for career schools?

Web Posted: 08/06/2007 01:28 AM CDT

Melissa Ludwig
Express-News

For-profit career schools are making serious headway in San Antonio, outpacing the Alamo Community Colleges in health-related graduates — an area the community college system has sought to carve out for itself.

In 2004-05, the most recent year for which statistics were available, a handful of for-profit schools here pumped out about 2,600 medical and dental assistants, medical office specialists, vocational nurses and EKG and pharmacy techs, compared with about 850 at the Alamo Community Colleges.

Competition for students likely will heat up in the next few years as ACC builds new facilities as part of a \$450 million bond issue and strives to double its output of health workers.

The pressure hasn't eluded ACC officials.

"We are keenly aware of it and we keep up with what is going on," said Lula Pelayo, dean of professional and technical education at San Antonio College. "We are not naive. We are not saying we are the only game in town. We recognize there are some things they do better than we do."

Overall, ACC still is the local giant of workforce education, enrolling 25,000 students a year scattered across a wide spectrum of programs, from metalworking to culinary arts.

However, community colleges require remedial education for students who aren't up to par on reading and math, something for-profits typically don't do. And the for-profits tout benefits that community colleges either don't offer or just don't advertise very well: quicker training programs, day care, night classes, bus passes, financial aid and promises of job placement.

Those beating a path to the career schools fit a clear profile: single mothers looking to escape minimum-wage drudgery; Hispanics and African Americans from poor neighborhoods; kids who barely graduated from high school. Many of the programs at career colleges don't even require a diploma or GED.

Community colleges offer many of the same vocational programs as the for-profit careers schools at about a fifth of the price, but students instead are paying \$12,000 to \$20,000 to train as dental or medical assistants, legal secretaries, computer network technicians and office specialists at places like the Hallmark Institute of Technology or Texas Careers.

Critics say the for-profits offer a shallow education, employ heavy-handed recruiting tactics and charge too much. But if the numbers in health-related professions are any indication, San Antonio's for-profits are proving that targeted marketing pays off.

"The students they aggressively recruit are those who attempted to go to a public school and learning skills were not where they should be," said David Couch, director of institutional effectiveness at the



(Robert McLeroy/Express-News)
Instructor Lloyd Medina shows Armanda Díaz (from left), Cassie Cooper, Kennita McGarity and Stephanie Niño how to draw blood at Career Point Institute, one of San Antonio's largest for-profit career schools.

Texas Higher Education Coordinating Board. "To their credit, (the for-profits) do more to get those folks through than a public school."

Cracking down

Excluding beauty schools, San Antonio has half a dozen for-profit career colleges, and most offer certificates or associates degrees. If the schools are accredited, which most are, students can apply for federal financial aid, such as Pell grants and Stafford loans.

However, unlike community colleges, credits earned at for-profits rarely transfer to a major university.

Well-known, national for-profits such as DeVry University and the University of Phoenix also have campuses in San Antonio, but those schools focus on business-related bachelor's and master's degrees.

Nationally, mom-and-pop trade schools flourished in the 1970s and 1980s. But some simply were fronts to milk financial aid money from the government, giving students little education in return. Many of those students could not pay back their student loans, and in 1990, the national default rate at for-profit institutions soared to 41 percent. The U.S. Education Department cracked down, revoking eligibility for government aid and driving many schools out of business.

Nowadays, that default rate has sunk to about 9 percent, and the national organizations that accredit most for-profit schools watch those rates closely. In Texas, the Workforce Commission also regulates for-profits, collecting course completion and employment rates to make sure students are getting jobs, not getting ripped off.

But problems still crop up. For-profit schools and the corporations that own them are frequent targets of high-profile lawsuits and federal investigations. In a few cases, schools have paid out large settlements, gone bankrupt or shut down.

Many of the locally owned schools have sold to big education corporations, hot items with Wall Street investors. In San Antonio, Texas Careers now is owned by Kaplan Inc., and the National Institute of Technology now is Everest Institute, a division of Corinthian Colleges Inc., a company that operates 126 schools in the United States and Canada.

Since 1995, the Education Department has barred 132 schools from awarding federal financial aid due to high default rates, and 77 percent were for-profit schools. Nine were in Texas, and most were for-profit beauty or career schools.

The Texas Higher Education Coordinating Board, which keeps tabs on for-profits that offer associate degrees, has revoked four proprietary schools' power to grant degrees in the past decade for a slew of violations, including hiring unqualified instructors and using curriculum below college level.

In Texas, students filed 175 complaints this year with the Texas Workforce Commission against for-profit schools, five of them against schools in San Antonio.

A couple years ago, for example, students at Everest Institute complained that the school didn't deliver on promises of a tool set upon graduation. Anna Marie Dunlap, a spokeswoman for Corinthian Colleges, Everest's parent company, said the school never promised toolkits to students. However, officials decided to provide the toolkits anyway, or refund students' tuition, she said.

That example is a trifling compared to the beating Corinthian has taken on a corporate level in the past few years, from investor and student lawsuits to an investigation by the Securities and Exchange Commission to sliding profits on Wall Street.

Dunlap said the legal troubles are mostly behind them — the SEC didn't take action against them and the investors' suit was dismissed.

On Tuesday, Corinthian agreed to pay \$6.5 million to settle California students' lawsuits claiming the schools lied to students about employment prospects and offered a substandard education. The company also is close to reaching a settlement with Florida students, who claimed Corinthian employees hid the fact that credits would not transfer to other universities.

Dunlap denies Corinthian did anything wrong in either case. The company's overall employment rate is 84 percent and future earnings look bright, she said.

"We are pleased to have the matter behind us," Dunlap said. "We are proud of our career-focused training programs and the results we help students achieve."

Not a job, a crusade

One of the city's largest for-profit career schools, Career Point, still is locally based and privately held. Founded by Larry Earle in 1984, the school has about 950 students studying to be medical assistants, office specialists, legal secretaries and computer network technicians.

On a recent Monday, the lobby of Career Point Institute on Spencer Lane was full of students wearing brightly colored scrubs, chatting and grabbing snacks from nearby vending machines. The furnishings looked well worn, both in the lobby and the school's medical lab.

Earle, sitting in his office wearing a ZZ Top T-shirt, said he runs the operation without answering to shareholders or corporate bosses.

"You're looking at the people who make the decisions right here," said Earle, motioning to Vice President Barry Berkovich and two other administrators sitting in his office.

Earle said fancy décor takes a backseat to serving students. He recently spent a bundle putting in a day care that charges students \$60 a week. If they need a private loan to cover the cost of day care, Earle co-signs with his personal credit, something unheard of at a corporate outfit.

"This is not a job for this man, it's a crusade," Berkovich said.

Still, not all graduates emerge happy. Several students contacted by a reporter through MySpace, a social networking Web site, said Career Point promised more than it delivered — a typical student complaint lodged against for-profits.

Because they're businesses, for-profits advertise heavily and employ lots of recruiters, said Couch, of the coordinating board. Students often don't ask critical questions such as "Will my credits transfer to a university?" and only find out later they won't, he said.

"If you call (a for-profit) and talk to an admissions specialist, you are talking to a salesperson," Couch said.

William Gorham, a 24-year-old soldier living at Fort Hood in Killeen, graduated from Career Point's computer network technician program in 2004, but never got a job in that field.

Gorham said the recruiter's pitch about job placement services sold him on the school, but the only jobs Career Point's counselors helped him find were telemarketing gigs that paid \$7 an hour. At the time, he was making \$8 an hour working at Bill Miller Bar-B-Q.

"I could have done without them," Gorham said. "I didn't need to spend \$20,000 on tuition and books."

Gorham joined the Army, and plans to use the military's tuition assistance program to attend college while on active duty.

Dahlia Zamarripa, who graduated from Career Point's administrative assistant program in 2003, had a better experience. Her certificate led to a better job.

"To me, it was worth it because it was the goal at the time," Zamarripa said. "It was convenient, it was close, and I could catch the bus."

Zamarripa later went to San Antonio College and is now pursuing a bachelor's degree in special education at Our Lady of the Lake University.

"You reporters love to take an instance of things and make it appear as if it is a general thing," Earle said of students' complaints. "We have 900 people. I am going to have some complaints."

Earle said he is clear with students that credits will not transfer. And if they want to drop out after the first three weeks, he gives them a full refund.

"Show me a community college that does that," Earle said.

For-profits are working to remedy their credit transfer problem on a national level.

Traditional schools, which are regionally accredited, say their standards are higher than those at for-profit schools, which are nationally accredited. National accrediting agencies say the opposite is true, and are fed up with traditional schools' unwillingness to accept their credits.

One higher education bill percolating in Congress would force traditional colleges to fess up if they are denying credits based on accreditation alone, rather than looking at specific classes the student took.

"We told (traditional schools), you guys ought to play nice in the sandbox, because, if not, the Legislature will do something you don't like," said Couch, of the coordinating board.

'A quick fix'

If students complain about for-profit trade schools, why do they choose them over cheaper community college programs? Here's what community college professors think:

"Because it's a quick fix and they don't know any better," said Stella Lovato, chairwoman of allied health programs at San Antonio College.

Lovato said she has seen students from the similarly named San Antonio College of Medical & Dental Assistants show up at SAC thinking they had earned a degree from the community college instead of a for-profit institution.

"A lot of people in San Antonio don't know the difference," Lovato said.

Lovato believes the community colleges offer a richer education and better prepare employees for the work force, but she can't compete with the dollars for-profits sink into advertising and recruiting. Instead, she relies on the quality of graduates, and a word-of-mouth reputation.

SAC has forged relationships with local dentists and with the Bexar County Medical Society, a medical staffing agency.

"To my knowledge, the better medical assistants are coming out of SAC," said Joanne Santa Cruz, a staffing coordinator at the agency.

Career Point's president, Earle, rejected the notion that students choose for-profits because they don't know any better. About 30 percent to 40 percent of his students already have been to community college and dropped out, he said.

At community college, students must take a test to prove they are capable of college-level reading and math. If they are not, students must take remedial classes, which cost money but offer no credit.

That's where many students start swirling the drain, Earle said. In addition, community colleges take longer and don't do as well as for-profits in getting students through courses.

"At community college, if you don't show up, they make a note," said Couch, at the coordinating board. "At a for-profit school, they are calling that person. They don't get paid unless you are in that chair. It's an entirely different culture in that regard."

http://www.mysanantonio.com/news/education/stories/MYSA080507.01A.FOR_PROFITS.34233fc.html

Medical assisting	Number who started	Percent who completed	Employment rate	Tuition and fees
San Antonio College (Alamo Community Colleges)	21	48%	100%	\$2,500
San Antonio College of Medical & Dental Assistants	721	67%	65%	\$11,900
Career Point Institute	568	75%	83%	\$12,000
Everest Institute	628	58%	77%	\$11,900
Texas Careers	592	63%	72%	\$11,920

Sources: San Antonio College, Texas Workforce Commission, National Center for Education Statistics

EXPRESS-NEWS GRAPHIC