The Career College Association is pleased to provide you with CCA's legislative agenda for the 110th Congress. This document will serve as a blueprint for our work with Congress and the Administration on reauthorization of the Higher Education Act, as well as non-HEA priorities important to our membership. I would like to thank the CCA Board of Directors, CCA Legislative Advisory Council and all CCA members who contributed to this project.

Our postsecondary education agenda seeks to foster access by removing barriers to learning while strengthening the integrity of federal student aid programs. It aims to foster institutional excellence consistent with the technological revolution and the need for a highly skilled workforce. We believe that postsecondary education policy that reflects the new workplace environment in which we live and which provides the best possible opportunity for individuals to empower themselves through learning and meaningful employment will help our graduates to prosper, our colleges to thrive and our nations' economy to expand.

Legislative issues we seek to address include:

- Federal Investment in Postsecondary Education
- Transfer of Credit
- 90-10 Rule
- Institutional Accountability

The Career College Association will work diligently to enact our postsecondary education agenda on Capitol Hill and will seek the mobilization of our community in this effort. We look forward to working with you and hope that you will not hesitate to contact us if we can be of assistance in any way.

Sincerely,

Harris N. Miller
CEO/President

The Career College Association is a voluntary membership organization of accredited, private postsecondary schools, institutes, colleges and universities that comprise the for-profit sector of higher education. CCA's more than 1,300 members educate and support nearly two million students each year for employment in over 200 occupational fields. These schools and colleges graduate approximately one-half of the technically trained workers who enter the U.S. workforce each year and also provide retraining for displaced workers and skills-upgrading for a wide variety of public and private employers.

CCA member institutions cover the full gamut of postsecondary education: from short-term certificate and diploma programs, to two and four-year associate and baccalaureate degrees, to masters and doctoral programs. Some of the occupational fields for which CCA institutions provide programs include allied medical; business administration; commercial art; criminal justice; information technology; mechanical engineering; radio and television broadcasting; and culinary and hospitality management.

Most CCA member institutions participate in federal student financial assistance programs under Title IV of the Higher Education Act. In order to participate they must be licensed by the state in which they are located, accredited by a nationally recognized accrediting body, and approved by the U.S. Department of Education. Many CCA member schools and colleges also participate in other federal, state and local education and workforce training programs.

In addition, over the past nine years, the Imagine America Foundation has provided more than $35 million in scholarships to high school graduates attending CCA member schools, institutes, colleges and universities. The Foundation also publishes the bi-annual Fact Book and its programs have received the highest award from the American Society of Association Executives for innovative education and training initiatives.

CCA Legislative Agenda

Table of Contents

Executive Summary

The central focus of the Career College Association's legislative agenda for the 110th Congress is access, affordability and accountability. All students should have the ability to attend the college of his or her choice. To this end, CCA supports increases to need-based financial aid. We also support modifications that ensure a level playing field for all insitutions of higher education, such as the 90-10 rule that penalizes institutions that serve lower income and minority students.

Our sector has taken the lead in educating minority groups, including seven out of ten four-year institutions producing the largest number of minority graduates with associate's degrees. The career college sector is much more likely than the traditional sector to serve students who are independent, have incomes in the lower quartile, have parents with educations below the high school level, and are racial or ethnic minorities.

Although many students who enroll in career colleges have risk characteristics that reduce their chances of succeeding, such as lower income and marginal academic preparation, their completion rates exceed those of high-risk students in other types of postsecondary institutions.

- 64% completion after three years of enrollment vs. 38% at community colleges.
- 33% dropout rate after three years of enrollment vs. 45% at community colleges.
- 21% of all African American students who earn an associate's degree do so at a for-profit institution.
- 20% of all Hispanic students who earn an associate's degree do so at a for-profit institution.

Occupations requiring postsecondary career training will have a significant increase in job growth through 2010 and beyond. Career college programs meet the market needs of high growth occupations, such as computer support; information systems; business; nursing; dental and medical assisting; occupational and physical therapy; health technology; and legal assisting. Students at private career colleges and schools who attain a degree or certificate within three years of enrollment report having a better chance to earn higher salaries, take on more job responsibility, and experience better job opportunities than community college students who graduate within three years.

Access and Affordability

Federal Investment in Postsecondary Education

The Issue:

The Career College Association strongly supports federal programs that allow students to achieve their highest educational goals without excessive debt. The HEA forms the basis of the current financial aid system and embodies the principle that all qualified students should be able to attend college, regardless of financial means. Today, almost 70% of all high school graduates continue on to postsecondary education, which benefits not only the individual but the country as a whole since a highly educated workforce has become an essential component of economic growth and competitiveness.

The 1992 reauthorization of the HEA opened up new student loan opportunities for both dependent and independent students for subsidized and unsubsidized loans. The federal Pell Grant program, which is designed to help the neediest undergraduate students, assisted nearly 10 million students by providing approximately $74 billion in new aid in the 2004-2005 academic year. In 2007 the Department of Education will administer over $82 billion in new grants, loans and work-study assistance to help nearly 10 million students and their families pay for college. Clearly, the federal investment in student aid is significant and has contributed to the economic and social well being of the country, but greater assistance is required.

Rationale for Change:

The number of students receiving federal student aid has increased significantly over the past 20 years; however, increases to the maximum Pell Grant and other federal financial aid programs have not kept pace with the cost of inflation. In fact, increases in the maximum Pell Grant award compared to inflation indicate the 2005-2006 maximum award of $4,050 is only worth 80% of its value in the 1975-76 academic year.

We applaud the policymakers who have created additional postsecondary educational opportunities for students through federal aid programs. However, federal financial assistance per student has not kept pace with inflation, creating a troubling shortfall for students in financing their education.

CCA Proposal:
CCA continues to advocate for needed increases to federal student aid programs. CCA encourages Congress to continue its efforts to make significant funding increases to the Pell Grant program by increasing the maximum award levels, and to explore other innovative proposals such as the concept of "front-loading" federal grant aid to provide increased assistance to students during their first two years of postsecondary education.

CCA proposes that the Pell Grant program be modified to allow students who participate in year-round programs to obtain additional grant funding as they complete each academic year, without regard to whether they have crossed over into a new award year. This would help students who are trying to complete their educational programs in the minimum calendar time.

CCA is a strong supporter of need-based financial aid. Within overall budget constraints, we also support tax credits and other efforts to make postsecondary education more affordable. Finally, CCA supports an increased federal investment in campus-based financial aid programs such as Supplemental Education Opportunity Grants, Federal Work-Study, and Perkins Loans. These programs allow colleges to design packages of assistance tailored to students' individual needs.

Transfer of Credit

The Issue:
The postsecondary education community and the Department of Education are aware of numerous instances in which traditional colleges and universities have refused to permit students to transfer credits earned in courses and programs completed at career schools and colleges. Congress mandated in the 1998 HEA amendments that the Department conduct a study to evaluate the policies and practices of recognized accrediting agencies or associations regarding the treatment of the transfer of credit. To date, no action has been taken by the Department to conduct such a study.

The Government Accountability Office (GAO) commissioned a report to study the credit transfer process, specifically how and when decisions are made to accept or reject credits for transfer. The ability to transfer credits has become increasingly important as more and more students attend multiple institutions during their educational experience. The GAO found that the credit transfer process can prolong the time it takes students to graduate and therefore affects the affordability of postsecondary education. To rectify the problem, the GAO recommended that Congress amend the Higher Education Act to require that postsecondary institutions participating in Title IV funding not deny the transfer of credit solely on the basis of the sending institution's type of accreditation.

Rationale for Change:
The majority of the 1,145 schools, institutes, colleges and universities that are members of CCA are accredited by national accrediting agencies. These national accrediting agencies have undergone a successful evaluation of their standards, practices and procedures by the Department and have been formally recognized by the Secretary as "reliable authorities concerning the quality of postsecondary education or training offered by educational institutions" that they accredit.

While the Department makes no distinction, it is no secret that nationally accredited institutions are seen by most in the regionally accredited sector as inferior. To this end, most regionally accredited colleges and universities have an informal policy that limits the credits considered for transfer to those earned at other regionally accredited institutions. This means credits earned at nationally accredited colleges are often not considered for transfer to these institutions even if the school has the same curriculum, faculty qualifications and resources as a regionally accredited institution.

CCA *Proposal:*
CCA proposes that receiving institutions provide more information to potential students and the public about the credit transfer process and that institutions be prohibited from rejecting credits earned without examining those specific credits on a case-by-case basis.

90-10 Rule

The Issue:
The 90-10 rule states, simply, that a proprietary (for-profit) institution of postsecondary education may not receive more than 90% of its revenue from Title IV grants and loans. This rule was established as a way of measuring the "quality" of an institution. The theory behind it is that if a college is deriving no more than 90% of its revenue from Title IV, it is a quality institution that is able to attract students willing to invest some portion of their own funds in the institution and the education it provides.

CCA believes that the Department disregarded the clear intent of Congress in defining through regulation the process of calculating an institution's compliance with this rule. A central problem with the Department's current interpretation of the 90-10 policy is the presumption that Title IV funds are credited toward a student's institutional charges, even if some portions of those funds have been disbursed to the student for living expenses. This assumption is centered on the idea that those excess funds could be used as cash by a student to pay institutional charges. The current regulations include only a small number of narrowly defined types of revenue to be counted toward the 10% of non-Title IV funds. For example, the regulations do not allow an institution to demonstrate the fact that a student has used some non-Title IV funds, such as proceeds from a §529 tax-favored state tuition savings plan, to pay any portion of institutional charges.

Rationale for Change:

The 90-10 rule imposes substantial regulatory costs on institutions, and penalizes institutions for serving large populations of minority students. There is no demonstrated correlation between a college's 90-10 ratio and the quality of education the institution provides; rather, it is more a reflection of the socioeconomic status of the majority of the student body. Anecdotal evidence had suggested that for-profit institutions were complying with 90-10 in part by moving out of center cities and serving fewer high-need minority students. Education Department statistics now bear this out. Between 1990 and 2000, the number of Black, non-Hispanic students served by for-profit institutions decreased by 18%, even while the overall enrollments at for-profit institutions increased by 9%. Education Department statistics also show that between 1996 and 2000, the percentage of proprietary school students who attended classes in central urban areas decreased from 61% to 50%.

Moreover, the 90-10 rule is not needed to prevent fraud and abuse in the Title IV programs. Since 1992, the Department of Education has vigorously implemented the many gate-keeping tools provided by Congress, including oversight measures such as annual compliance and financial audits, periodic recertification, program reviews and cohort default rate ceilings. State licensing requirements and more rigorous accreditation standards create another layer for ensuring institution quality.

CCA *Proposal:*

Both the House of Representatives and the Senate reached compromise language on 90-10 in the 109th Congress that was fair, workable and would have reduced barriers and provided access for need-based students. CCA supports the compromise language that includes three key components:

- Moves the 90-10 rule to the Program Participation Agreement section of the Act;
- Applies it to all postsecondary education institutions;
- Clearly specifies a non-exclusive list of funds that will be counted towards the 10% figure, including:
    - Funds from non-Title IV sources that students use to pay for tuition and fees, as long as the institution can reasonably demonstrate that such funds did not come from Title IV;
    - Institutional matching funds for other Title IV programs such as SEOG;
    - Funds from education savings plans;
    - Funds from non-Title IV eligible programs.
    - Funds generated from restaurants, clinics, and other practically required training facilities, so long as such activities are:
        1. Conducted on campus or at a facility under the control of the institution;
        2. Performed under the supervision of a member of the institution's faculty; and
        3. Required to be performed by all students in a specific educational program.

Single Definition of a Higher Education Institution

The Issue:
In the 1998 amendments to the Higher Education Act (HEA), Congress provided a single definition of postsecondary education for the purpose of ensuring equal access to all Title IV programs. Despite the 1998 amendments, different statutory definitions of "an institution of higher education" remain in Sections 101 and 102 of the HEA. At best, this difference creates confusion and unintentional mistakes as laws are written. At worst it allows for the deliberate exclusion of institutions not included in the narrower definition of §101, which can result in unintended discrimination against students who choose to attend those institutions. CCA strongly believes that no student should have access to federal funds denied based on his or her choice of an authorized, accredited and eligible institution of postsecondary education.

Rationale for Change:
The differences between the educational programs and courses offered by non-profit and for-profit postsecondary education institutions have become more and more blurred since the last reauthorization. For-profit postsecondary educa-

tion has achieved a level of maturity and credibility that requires changes to the HEA. In 1998, Congress began the process of fully integrating for-profit postsecondary education institutions by moving the definition of "proprietary institution" from section 481 of the Act to section 102. Now is the time to complete the process by including for-profit postsecondary education in the section 101 definition. In so doing, the arbitrary distinctions would be removed.

CCA Proposal:
CCA proposes to amend the HEA by moving the definition of a proprietary institution to the same section of the law that provides a general definition of a postsecondary education institution.

POSTSECONDARY EDUCATION

Accountability

Institutional Accountability

The Issue:
The Secretary of Education's Commission on the Future of Higher Education recently released a report with recommendations that coalesce around three broad themes that have been at the center of CCA's legislative agenda for the last four years – accessibility, affordability and accountability.

The Administration has indicated that, just as performance measures were the centerpiece of the Elementary and Secondary Act reauthorization (No Child Left Behind), it will seek to import into the postsecondary education arena some measure of institutional effectiveness. To be most useful to students and parents, accountability standards should be universal, not sector-specific, and should be in the form of measures to be used as enhanced consumer information.

CCA Proposal:
CCA encourages Congress and the Department of Education to address the recommendations set forth by the Commission. In addition, CCA proposes creating an "Institutional Report Card" based on a general framework with three constituent parts:

- Input measures to assess the resources and capacity to deliver educational services;
- Output measures to provide information on graduations/completions; *and*
- Outcomes measures to demonstrate value added to students.

Provide Due Process & Additional Oversight of the Department of Education

Financial Responsibility

The Issue:
The postsecondary education community and the Department have gained ten years of experience in applying the financial responsibility regulations adopted in November 1997 at 34 C.F.R. §668.171 et seq. While the regulations have been an improvement over the requirements previously used to measure financial responsibility, there are still problems with the manner in which the Department judges the financial stability of institutions, particularly in the instance of change of ownership.

Rationale for Change:
Education Department officials have on occasion been inconsistent in interpreting the financial responsibility regulation as it should be applied under the standards of Generally Accepted Accounting Principles (GAAP). The purpose for the regulation is to put the community on notice of the standards under which institutions will be judged, especially where, as here, there are negative consequences for failure to meet the standards. It is critically important that the Department interpret and enforce the regulation in accordance with the language of the regulation and GAAP, as those are the guidelines under which institutions make key decisions during their fiscal year. Institutions are unfairly required to post letters of credit or face other unpalatable options when the Department, in reviewing their audited financial statements, retroactively changes the application of the regulation. In addition, from time to time there are changes in general accounting standards which may have a negative impact on the regulatory ratio analysis. The Department has not changed the regulations to keep up to date with these accounting industry revisions and often refuses to make accommodations to mitigate the negative impact of such changes.

Second, it has become evident that the regulation poses an impediment to acquisitions of institutions that could benefit from the added financial strength and management expertise that acquisitions could provide. Under the regulation, goodwill is excluded from the ratios used to calculate the composite score that measures an institution's financial responsibility. This exclusion is based on the Department's conclusion that goodwill and other intangible assets generally are not readily available to meet institutional obligations. When an institution is acquired, however, a portion of the purchase price is typically attributable to goodwill.

The acquirer bears the cost of the goodwill in the acquisition as well as the associated transactional and transitional costs. Although the Department does not evaluate the change of ownership itself by using the composite score analysis, the effect of the acquisition – the subtraction of the substantial amount of goodwill that has been booked – could well cause the institution or its parent company to fail the composite score test when the required annual audited financial statements are next filed, even if the institution and parent were profitable. As an example, two companies could have composite scores of 3.00 and 1.92, but after a merger could have a composite score of 0.20, well below the required score of 1.5. This would necessitate the posting of a letter of credit that would likely be equal to 50% of the previous year's Title IV revenues. Faced with such a prospect, the acquirer would most likely forgo the acquisition.

CCA Proposal:
The language of the statute should clearly state that the Secretary will permit accounting treatments that are in accordance with GAAP and that the Secretary should make accommodations through subregulatory guidance when necessary as a result of changes in accounting standards.

Only historic goodwill should be used in determining the ratios and calculating the composite score; additional goodwill booked as a consequence of an acquisition would not be deducted. After an acquisition, this additional goodwill would be recognized on a gradual basis over a five-year period. This treatment of goodwill would be conditioned on the acquirer being creditworthy at the time of the acquisition as measured by the strength factors for its primary reserve and equity ratios.

■ Provisional Certification

The Issue:
Institutions are either fully or provisionally certified to participate in Title IV HEA programs. Provisional certification is a conditional approval to participate, authorized under Section 498(h) of the HEA and granted at the Department's

discretion. It is a form of approval used under several different circumstances, including when a college is applying to participate for the first time; when a participating college is reapplying because it has undergone a change in ownership or structure; or when a college whose participation has been limited or suspended (or that voluntarily agrees to this provisional status) is judged by the Department to be in an administrative or financial condition that might jeopardize its ability to perform its responsibilities under its Program Participation Agreement.

CCA suggests several changes to the law regarding provisional certification. First, the circumstances under which an institution can be placed on provisional certification should be more limited than is the case under current law. Second, institutions that are provisionally certified should be permitted to return to full certification once the reasons for being provisionally certified have been successfully addressed. Finally, institutions on provisional certification should be guaranteed at least minimal due process rights.

Rationale for Change:

Current law provides that an institution which has undergone a change in ownership will be provisionally certified for up to three years in the event of a change of ownership which also results in a change in control. Experience has shown that in cases where there is a change of ownership and control to a new owner that has an established record of regulatory compliance there is no need for the three-year period of provisional certification that limits the procedural rights of the institution.

Provisional certification is a status that carries both limitations and risks that fully certified institutions do not face. The Department takes the position that the Secretary may terminate the provisional certification of institutions as a response to allegations of regulatory violations. In such cases, institutions do not have the due process protections that would be provided in a Limitation, Suspension and Termination action or an emergency action. In fact, the opportunity for reconsideration of the Department's actions does not even meet basic standards of procedural fairness.

This allows the Department to close an institution without procedural due process by simply revoking its provisional certification. CCA is extremely concerned that the Department could use this shortcut to avoid providing any real due process to institutions that are provisionally certified.

As institutions may be provisionally certified for a number of reasons which do not reflect on their level of compliance (for example, because of a change of ownership), it is critically important that there be at least a minimum level of procedural fairness upon which institutions can rely.

CCA Proposal:
The law should be changed to create an exemption from the requirement that an institution be placed on provisional certification upon a change of ownership that results in a change in control when a change transfers ownership to a person or entity that has an established record of regulatory compliance which could be judged by whether the acquiring institution is itself fully certified and is permitted to use the advance payment method. Congress should also make clear its intention that although the law permits periods of provisional certification to last as much as three years, the Secretary should fully certify an institution at the earliest point at which it has demonstrated that it no longer poses a heightened risk.

To achieve a fair system of due process, the Department should be required to implement a clear set of rules. CCA's recommendations include: 1) a prohibition on ex parte contact by the Designated Department Official (DDO) with the Offices of the General Counsel, Federal Student Aid, and the Inspector General; 2) the right to make an oral presentation and the right to a hearing with limited testimony, subject to cross-examination; and 3) the requirement to render a written decision within 30 days after all evidence has been submitted setting forth the reasons for the decision and the evidence relied upon. The DDO should be independent of the initial deciding official, in a separate chain of command, and have experience in making appeals decisions involving student financial aid issues. These criteria would be most easily met if the DDO were required to be a hearing officer in the Department's Office of Hearings and Appeals.

Judicial Oversight

The Issue:
The Department of Education makes policy through informal guidance rather than the regulatory process and imposes restrictions without allowing institutions a fair opportunity for review.

Rationale for Change:
Certain actions by the Department can have serious adverse economic consequences for institutions of all sizes, can disrupt the education of thousands of students, and can cause the stock in publicly traded institutions to plummet.

These actions do not always occur through procedures that include an opportunity for review of the Department's action, such as a Limitation, Suspension, or Termination proceeding. Rather, the Department has increasingly used the Program Participation Agreement as a means of imposing limitations on institutions without permitting independent review of the appropriateness of such limitations. In such cases, the institution has no real alternative to accepting the limitations if it wishes to participate in the federal student aid programs.

In addition, the Department has on a number of occasions interpreted regulations in a manner that created a substantial negative change or implemented policy through subregulatory guidance without going through the regulatory process.

A core check-and-balance of our constitutional government is that executive action is subject to administrative and judicial review. This assures procedural fairness and compliance with the will of Congress. With limited exceptions, the federal Administrative Procedures Act gives courts the power to issue injunctions to halt or postpone the effect of wrongful agency actions.

Some courts have held that a provision in the HEA denies the courts this injunctive power. The provision was part of the initial passage of the HEA in 1965 and apparently was intended to bar the attachment of agency funds. However, the provision was not intended to be interpreted as barring court review of Department actions.

Effective court review of Department actions is particularly important because, in the case of a provisionally certified institution, the Department can end an institution's participation in the federal student assistance programs with virtually no review, and in the case of fully certified institutions, without an on-the-record hearing or any impartial third-party review of its actions. The Department can also take across-the-board positions or interpretations that threaten or actually cause enormous financial damage to institutions and their shareholders. Even in the best of circumstances, the Department can make unintentional mistakes or can interpret the law incorrectly. In the absence of a court's ability to enjoin adverse action pending final resolution, all institutions of higher education are at risk of irreparable harm with no prior recourse to the courts.

CCA Proposal:
Expand sub-part G to include an opportunity for institutions to challenge limitations on growth imposed through the Program Participation Agreement section. Modify the anti-injunction clause to clarify that it is not intended to preclude court review of agency action as provided by the Administrative Procedures Act.

Meeting the Needs of America's Workforce

Workforce Investment Act

The Workforce Investment Act of 1998 (WIA) provides the framework for a national workforce preparation and employment system designed to meet the needs of the nation's business community, job seekers and those who want to further their careers. Key components of the Act enable customers to access the information and employment and training services they need through the One-Stop system and empower adults to obtain the training they find most appropriate through Individual Training Accounts.

As Congress continues its efforts to reauthorize WIA in the 110th Congress, CCA supports the following efforts to enhance education and training opportunities:

- Individual Training Accounts should be funded at a level that provides real consumer choice. All too often such accounts provide only enough funds to cover community college training.
- Local boards should be required to package Individual Training Accounts with other funding sources.
- Barriers to receiving an Individual Training Account need to be reduced. Under current law one-stop customers typically have to sequence through core and intensive service before receiving training.
- Local boards should continue to be involved in identifying eligible training providers. The House and Senate bills advanced in the 109th Congress provided Governors with the authority to establish procedures for identifying eligible training providers.

TRAIN Act

CCA supports passage of the Technology Retraining and Investment Now Act or TRAIN Act. This bipartisan bill, introduced as H.R. 4325 in the 109th Congress, provides a tax credit for an amount equal to 50% of information and communications technology training (ICT) program expenses paid or incurred by the taxpayer for the benefit of:

- an employee of the taxpayer; or,
- an individual.

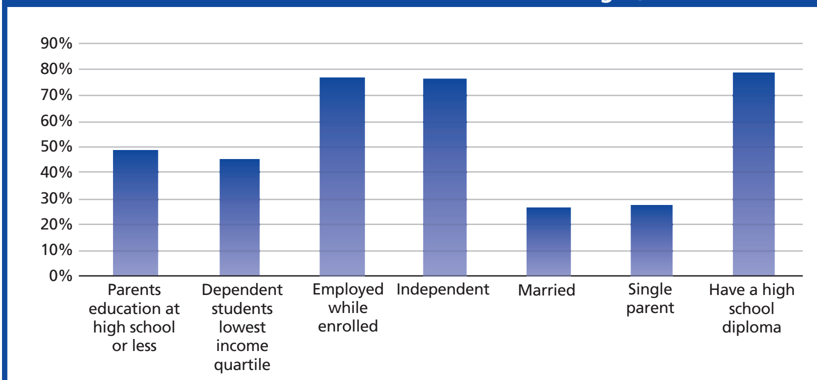
Amount of expenses shall not exceed $4,000 per year per individual, unless certain conditions are met that increase the amount to $5,000; meaning the 50% federal tax credit would have a maximum financial benefit of $2,500.
A few benefits of the public-private partnership provided by the TRAIN Act follow below.

- Requires employers (or individuals) to pay half the training or educational cost. Neither tends to spend their own money carelessly, making it likely that the outcome will be a new job or an incumbent U.S. worker who is more competitive in the global marketplace.
- Just as the research and development tax credit helps companies make continuous investments in new product development, today a complimentary human resources technology development tax credit is necessary to assure that there is a continuous investment in the technology skills of the U.S. workforce so it is globally competitive.
- Tax credits are an efficient way to deliver incentives to small businesses, which typically are unable to afford the high costs of technology training and lack the manpower to keep up with paperwork required to qualify for other support programs.

Size and Characteristics of the U.S. Postsecondary Career College Sector

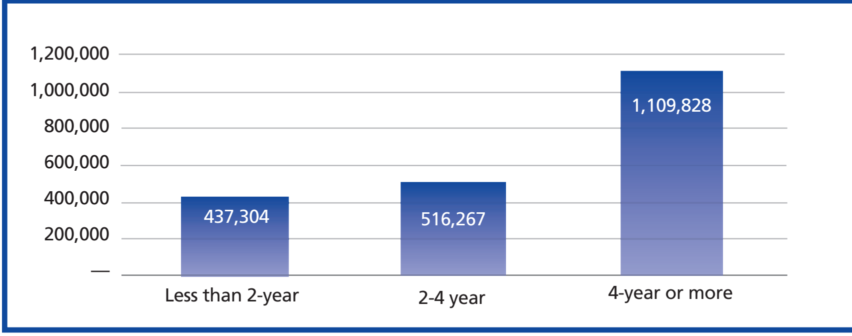
- Career colleges represent seven of the ten four-year institutions producing the largest number of minority graduates with associate's degrees in 2004-2005. (Source: Diverse: Issues in Higher Education, Degree Producers 2006.)
- Six of the ten top institutions producing minority graduates with bachelor's degrees in Computer and Information Sciences in 2004-2005 were career colleges. (Source: Diverse: Issues in Higher Education, Degree Producers 2006.)
- Career colleges made up four of the top ten institutions awarding MBAs to minorities, and half of those producing minority doctorates in business. Of the top ten institutions awarding doctorates in business to African-Americans, six were career colleges. (Source: Diverse: Issues in Higher Education, Degree Producers 2006.)

Characteristics of Students at Career Colleges, 2004



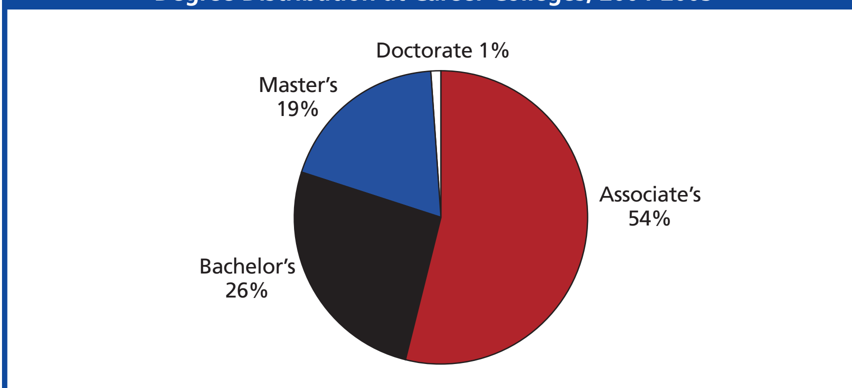
Source: U.S. Department of Education, National Center for Education Statistics, "National Postsecondary Student Aid Study 2003-2004," NPSAS: 2004.

Annual Enrollment in Title IV Eligible Career Colleges, 2005-2006



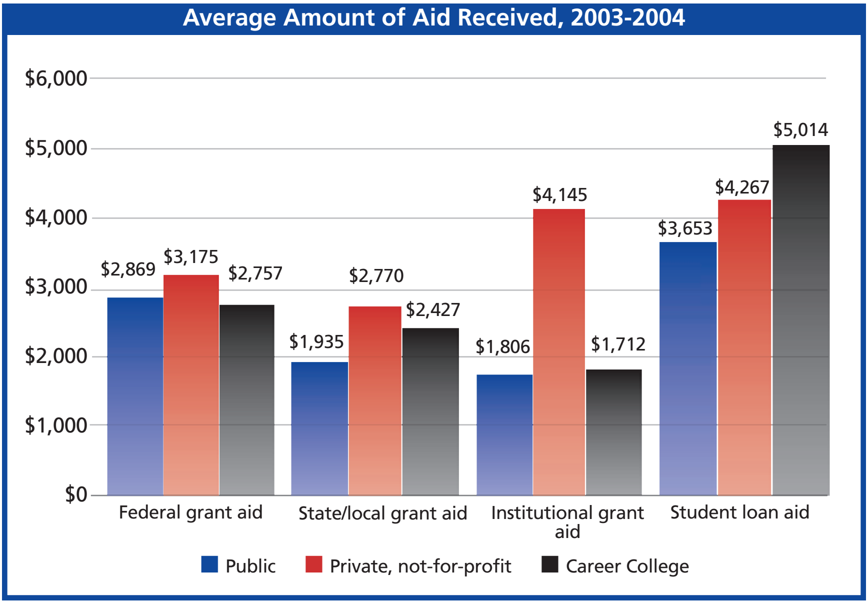
Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Enrollment Survey, 12-month unduplicated headcount: academic years 2004-2005, 2005-2006.

Degree Distribution at Career Colleges, 2004-2005



Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Completions Survey, 2004-2005.

- 21% of all African-Americans and 20% of Hispanics who received an associate's degree earned it at a career college. (Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Completions Survey, 2004-2005.)

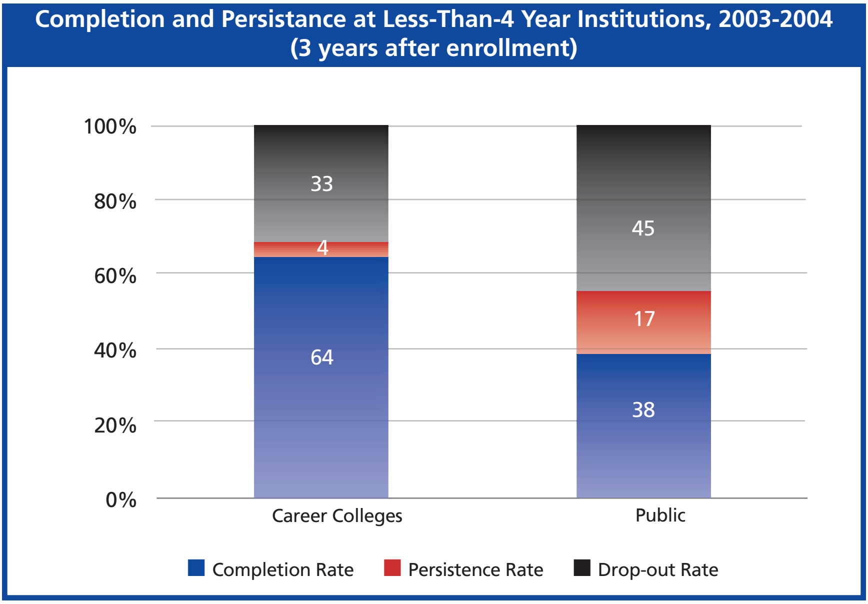


Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), "Student Financial Aid Survey," 2003-2004.

Student Benefits and Outcomes

Although many students who enroll in career colleges have risk characteristics that reduce their chances of succeeding, such as lower income and marginal academic preparation, their completion rates exceed those of high-risk students in other types of postsecondary institutions.

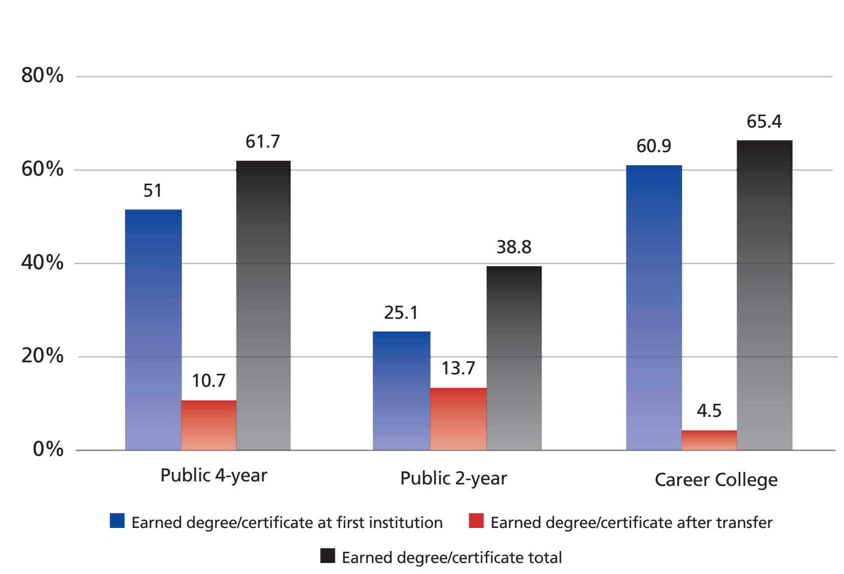
- Three years after enrollment, students at private career schools and colleges have a higher completion rate (64%) and lower dropout rate (33%) than students at community colleges (38% and 45% respectively). (Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).)



Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).

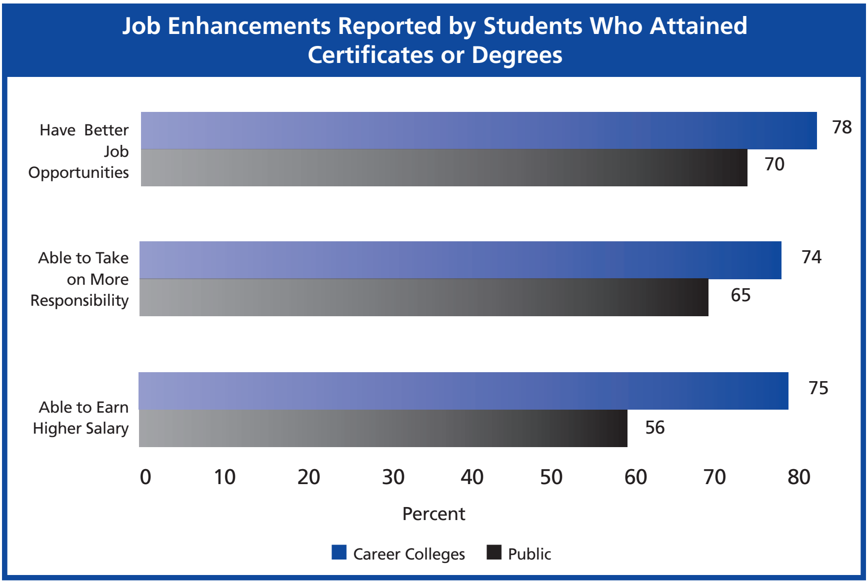
- Regardless of whether students are in certificate or associate programs, those who attend career colleges are more likely than community college students to graduate with a certificate or degree within three years. (Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).)
- Six years after enrollment, career college students' completion rates increased substantially (from 56% three years after enrollment to 65%). (Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).)

Six-Year Degree Attainment Rates of 1995-1996 Beginning Students with a Degree Goal, by Transfer Status and Institutional Type, 2001



Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).

- Students at private career colleges and schools who attain a degree or certificate within three years of enrollment report having a better chance to earn higher salaries, take on more job responsibility, and experience better job opportunities than community college students who graduate within three years. (Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).)



Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).

Six years after initial enrollment, a follow-up study on students who enrolled in certificate or associate's degree programs revealed that students at career colleges attained certificates 12 months sooner and associate's degrees 11 months sooner than students who started at public colleges. (Source: U.S. Department of Education, National Center for Education Statistics, "1995-96 Beginning Postsecondary Students Longitudinal Study, Second Follow-up" (BPS: 96/01).)

CCA GOVERNMENT RELATIONS & REGULATORY STAFF

Government Relations

Bruce D. Leftwich
Vice President, Government Relations
Email: *BruceL@career.org*

Laura DeLong
Manager, Operations for Govt. Affairs
Email: *LauraD@career.org*

Brian Newman
Manager, Legislative & Political Affairs
Email: *BrianN@career.org*

Norman A. Meyer
Senior Legislative Associate
Email: *NormanM@career.org*

Gregory Rovick
Government Relations Aide
Email: *GregoryR@career.org*

Regulatory

Nancy Broff
General Counsel
Email: *NancyB@career.org*

Tammy Halligan
Senior Compliance Specialist
Email: *TammyH@career.org*