Private For-Profit Colleges:

What to Know Before You Enroll
What are Private For-Profit Colleges?

- Private for-profit colleges are postsecondary institutions that offer an array of educational options from small vocational programs to traditional degree programs.

- They differ from their public counterparts in that they are managed and governed by private organizations and corporations.

- They differ from their non-profit counterparts in that they are operated for the purpose of making a profit.
For-Profit Colleges Can Offer Valuable Benefits:

- Flexible Schedules that may help students manage work and family obligations while attending school

- Shorter Programs which allow students to obtain their certificate or degree more quickly

- Online options & innovation provide opportunities for non-traditional students

- Capacity in an environment where community colleges and other postsecondary institutions are filling to capacity
Unlike non-profit and public educational institutions, for-profits have an obligation to maximize profits for their shareholders.

This obligation presents a potential conflict with the objective of increasing access to a quality higher education.

“Internal company documents provide examples of tuition increases being implemented to satisfy company profit goals, that have little connection to increases in academic and instruction expenses...”

(Senate HELP Committee – 2012)
A recent Congressional Report (2012) revealed that many for-profits have used tactics that mislead prospective students with regard to:

◦ The cost of their program

◦ The availability and obligations of Federal aid

◦ The time to complete their program

◦ The completion rates of other students

◦ The job placement rate of other students

◦ The transferability of credits, or

◦ The reputation and accreditation of the school
For-Profit Colleges are often far more expensive than their public counterparts

- Bachelor’s degree programs average 20 percent more than the cost of comparable programs at flagship public universities
- Associate degree programs averaged four times the cost of degree programs at comparable community colleges
- Certificate programs similarly averaged four and a half times the cost of such programs at comparable community colleges.

For-profit colleges rarely set tuition below available Federal student aid.

As a result, students who attend for-profit colleges often take out sizable loans to help pay the high tuition at for-profit colleges.
Several recent studies, including major Congressional reports (the HELP Reports, which examined 16 large for-profits) have revealed that many students who attend for-profit colleges experience disastrous outcomes all too often, such as:

- High withdrawal rates
- High student loan debt
- High rates of student loan default by graduates
- Inability to transfer credits
What to Know Before You Enroll

- The Law
- The Facts
- Your Rights
- Available Resources
Oversight Body:

- California Bureau of Private Postsecondary Education (BPPE) is tasked with overseeing California’s Private Postsecondary institutions.

- If you have a problem with a private postsecondary institution in California, you can file a complaint with the BPPE.

HTTP://WWW.BPPE.CA.GOV/
CALIFORNIA
PRIOR to enrollment, schools MUST Provide Students:

- School Catalog
  - Including information about accreditation, and if the school is unaccredited - known limitations to degree programs

- School Performance Fact Sheet
  - Job placement rate
  - License exam passage rate
  - Salary / wage information
  - Loan default rates
  - Percentage of students receiving federal aid
School Website

Must Include:

- School Catalog
- Performance Fact Sheet
- Student Brochures
- Link to BPPE Website
- Most recent annual report
Use Caution when selecting a college
Public community colleges are often far less costly than private for-profit colleges. A Google search for “California Community College” or “2-year college” may produce these results, among several others.

Which of the following is the public Community College?

A. San Joaquin Valley College
B. North-West College
C. Allan Hancock College
D. American Career College
Public Community College

Answer:

- Allan Hancock College is a public community college, it is part of the California Community College system.

How can you tell?

1. Look up Allan Hancock College on www.collegenavigator.gov
2. Go to the California Community Colleges Chancellor’s website: http://www.cccco.edu/
3. Go to the alphabetical listing of colleges – Colleges listed are part of the CA Community College system: http://californiacommunitycolleges.cccco.edu/AlphaList.aspx
ITT Tech
(August 12, 2015 on ION at 5:50pm – national)

- 180 week program: 19% of students in this program graduated in 180 weeks

- Job placement FOR THOSE WHO **COMPLETED** is 82%

<table>
<thead>
<tr>
<th>School</th>
<th>Tuition &amp; Fees</th>
<th>Books &amp; Supplies</th>
<th>Total for Program</th>
<th>Length of Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITT TECH: Bachelor’s</td>
<td>$89,040</td>
<td>$500</td>
<td><strong>$89,540</strong></td>
<td>180 weeks (3.5 years)</td>
</tr>
<tr>
<td>Cal State Northridge: Bachelor’s</td>
<td>$26,176</td>
<td>$7,304</td>
<td><strong>$33,480</strong></td>
<td>4 years</td>
</tr>
</tbody>
</table>

*Note that these estimates do NOT include room and board expenses*
Let’s break it down...

- $18,600 is 20% of $93,000. At this rate, even with the scholarship, you would be paying $73,400 for your bachelor’s degree.

- The Art Institute has programs in Media Arts, for example – San Diego State University (SDSU) offers bachelor’s degrees in majors that closely parallel these. Tuition for four years at SDSU: $27,904.00
Education Connection
(August 11, 2015 on Comedy Central at 9am – National spot)
In addition to Education Connections (the ad you just saw) all of these websites are brands associated with Education Dynamics.

The purpose of Education Dynamics is to help colleges increase recruitment and enrollment.

It is important to understand how these search sites are funded, because it means you may not be presented with all of your options, only the options that have PAID Education Dynamics (for example) to advertise and target students for them.
Investigate the school BEFORE Enrolling

- Interview students in the program, or take a tour of the school.

- Ask if the school will let you sit in or observe the class or course that you are interested in before enrolling.

- Get a copy of the student catalog.

- Read the enrollment agreement – if you don’t understand something, ask.
If something sounds too good to be true, it might be – check claims against the information available to you.

MAKE SURE you know the amount & types of financial aid you will need BEFORE you enroll

Know your options. Check out public colleges and community colleges, ask about scholarships and grants available to foster youth. What other types of “free” financial aid are you qualified for at the school?

GET EVERYTHING IN WRITING

KEEP COPIES OF ALL DOCUMENTS
Investigate...

College Scorecard
Dept. of Education Website

HTTPS://COLLEGESCORECARD.ED.GOV
Federal College Navigator Website

Academy of Art University
79 New Montgomery, San Francisco, California 94105

General information: (415) 274-2200
Website: www.academyart.edu
Type: 4-year, Private for-profit
Awards offered:
- Associate's degree
- Two but less than 4 years certificate
- Bachelor's degree
- Postbaccalaureate certificate
- Master's degree

Campus setting:
- City: Large
Campus housing:
- Yes
Student population: 15,212 (10,044 undergraduate)
Student-to-faculty ratio: 16 to 1

Important!!!
HTTPS://NCES.ED.GOV/COLLEGENAVIGATOR
Gainful Employment Disclosure
### Clinical & Administrative Medical Assisting AS Degree Program (60 weeks)

#### Students Completing Within Published Program Length – On Time (100%) Completion Rate

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Number of Students who Began Program&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Students Available for Graduation&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Graduates&lt;sup&gt;3&lt;/sup&gt;</th>
<th>On-Time Completion Rate&lt;sup&gt;4&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>191</td>
<td>191</td>
<td>73</td>
<td>38%</td>
</tr>
<tr>
<td>2013</td>
<td>114</td>
<td>114</td>
<td>48</td>
<td>42%</td>
</tr>
</tbody>
</table>

#### Students Completing After Published Program Length – 101%-150% Completion Rate

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Number of Students who Began Program&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Students Available for Graduation&lt;sup&gt;2&lt;/sup&gt;</th>
<th>150% Graduates&lt;sup&gt;5&lt;/sup&gt;</th>
<th>150% Completion Rate&lt;sup&gt;6&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>191</td>
<td>191</td>
<td>50</td>
<td>26%</td>
</tr>
<tr>
<td>2013</td>
<td>114</td>
<td>114</td>
<td>32</td>
<td>28%</td>
</tr>
</tbody>
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<sup>1</sup> “Number of Students Who Began Program” is the number of students who began the program who were included in the on-time or non-on-time graduation analysis.
San Joaquin Valley College’s most recent official three-year cohort default rate reported by the United States Department of Education is 26%. 84% of SJVC students scheduled to graduate in 2011 and 2012 received federal loans.

This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law.

Any questions a student may have regarding this fact sheet that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education, 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833, www.bppe.ca.gov, P: 888.370.7589 or 916.431.6959, F: 916.263.1897

I, the undersigned, certify that I have read and considered the information provided on this Student Performance Fact Sheet, and I have had any and all questions answered to my satisfaction by my admissions representative. I certify that no employee or representative of San Joaquin Valley College has made any claims or statements contrary to the information contained in this document, and I understand that no employee or representative of SJVC has the authority to do so.

________________________________________  ______________________________
Student Signature                          Witnessed by Admissions Representative

________________________________________  ______________________________
Date                                      Date
Watch for Red Flags

- Make sure the school **is accredited** – and look for program limitations if it is not.

- **Default Rates**: Look at the default rate, if it is over 10% – that is a red flag.

- Make sure the credits **are transferable**.

- Look at the **graduation rate**. Compare it with similar programs. The rate should be **over 50%**.

- Look at **salary and wage information**. Even if it looks high, consider how much you will have to pay to service your student loans.
Know Your Rights

If you have an issue at a for-profit school:

- Try to resolve your problem with the school
  - Make certain that you *keep records of everything*: always note where, what, when, who, and how. Keep a file with notes and paperwork.
  - Keep all of your paperwork re: enrollment and financial aid. *Keep everything you sign or read when you are enrolling*.

- **CONTACT THE BPPE**
  **AND FILE A COMPLAINT.**
Children’s Advocacy Institute: Contact Information

Melanie Delgado  
Staff Attorney  
Director of Transition Age Youth Projects  
Mdelgado@sandiego.edu

Christina Riehl  
Senior Staff Attorney  
Criehl@sandiego.edu