

South Florida Sun-Sentinel.com

For-profit colleges face new rules in Florida

By Scott Travis, Sun Sentinel

5:53 PM EST, December 26, 2010

For-profit colleges are ending a tumultuous year with more regulation in Florida and more battles against critics in Washington, D.C.

The Florida Department of Education has revised its rules on for-profit colleges, now requiring that admissions officers and recruiters be trained on fair consumer practices. They will be required to accurately share with students a variety of information, including cost, terms of payments, financial aid, refund policy, accreditation, transferability of credits and job placement data.

The action, approved this month by the state Board of Education, is a response to evidence of misleading and overly aggressive sales tactics detailed in an August report from the federal Government Accountability Office.

"Some of the proprietary schools in Florida and the nation were not up to par with what they were telling students," said Sam Ferguson, executive director of the Commission for Independent Education.

For-profit schools don't oppose the new Florida rule, and many say they are already providing training.

"Our sector has stood up and supported regulation that makes sense," said Arthur Keiser, chancellor of Keiser University in Fort Lauderdale.

But they are fighting what they see as unfair attacks against the sector on Capitol Hill.

Some for-profit schools are questioning the validity of the Government Accountability Office report, after the agency last month revised it to soften some of the language. Many revisions were minor, such as changing the word "should" to "could." In other cases, details were removed, such as stating

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that an admissions counselor failed to disclose graduation rates.

Several supporters of the schools, including some students at Keiser University in Fort Lauderdale, recently sent a letter to U.S. Sen. Tom Harkin, saying the report should not be used. Harkin is chairman of the Senate's Health, Education, Labor and Pensions committee, which asked the Government Accountability Office to conduct the investigation and has been holding hearings about for-profit schools.

"By allowing this report to remain on the record despite these revisions, the GAO is undermining its own credibility," according to the letter, which is from a national group called the Student Access Student Choice Coalition.

Harkin and officials from the government agency stand by the report.

"While GAO made some minor revisions and clarifications of the long list of misleading practices it documented, the essential finding stands; that every single school engaged in misrepresentation, deception or outright fraud," he said.

The schools are also lobbying lawmakers to stop a proposed U.S. Department of Education rule that could strip them of federal aid if too few of their students pay back student loans or fail to find "gainful employment."

The sector has been plagued by troubles since the report was released in August. Kaplan Higher Education immediately stopped enrolling new students at its Kaplan College locations in Pembroke Pines and Riverside, Calif.

Stock prices and enrollments have fallen, and the nation's largest for-profit schools, including the University of Phoenix and Kaplan, are now defendants in securities fraud and other class-action lawsuits.

Kaplan laid off 770 workers this month, including 130 in South Florida. The University of Phoenix laid off 700 workers last month, mostly from its admissions staff.

Florida's attorney general has started investigating Kaplan, Phoenix and six other schools after receiving consumer complaints about admissions practices.

Although the Government Accountability Office report was the impetus for Florida's new training requirement, for-profit schools say they have no problem with it.

"While we may have to make some minor adjustments to meet the revised policy, we'll have no issue remaining compliant once it goes into effect," said Michelle Pore, a spokeswoman for Kaplan.

Most schools have focused a lot of attention on training financial aid officers, but training for admissions officers has been more inconsistent, said Harris Miller, president of the Association of Private Sector Colleges and Universities, the industry's largest lobbying group.

"One of the issues we're looking at as a national trade association is working with our schools and regulators to come up with a formula, voluntary or mandatory, that would increase the professionalization of people in these key staff positions," Miller said.

The Florida Association of Postsecondary Colleges and Schools, which represents schools in the state, has been holding free workshops for members and nonmembers on the requirements and the schools' ethical responsibilities, executive director Kathy Mizereck said.

A critic of the schools, David Hawkins, said he's happy to see Florida taking an increased role in regulating recruitment practices. But he doesn't know how effective the changes will be.

"Submitting training is easy," he said. "You can write up a good training program and not stick to it."

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