

## COVER STORY: DO CAREER COLLEGES MAKE THE GRADE?

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It's been 30 years since Arthur Keiser co-founded what's now known as Keiser University, one of the pioneering for-profit career colleges in South Florida.

Yet Keiser still often gets asked why someone would choose a career college over a public university or community college. He paraphrases John William Gardner, health, education and welfare secretary under President Lyndon Johnson, in answering.

"Our society needs both plumbers and philosophers because without either one of them, neither our ideas nor our plumbing hold water," Keiser says.

Fort Lauderdale-based Keiser University doesn't train plumbers or philosophers, but it does teach students for such high-demand professions as nursing, medical assisting and radiologic technology.

It's that singular focus on preparing students for a career that has allowed Keiser University and similar schools to flourish.

With more adults returning to the classroom to boost skills, enrollment at accredited Florida career colleges is climbing. Enrollment at such colleges, profit and not-for-profit, hit 279,656 in the 2005-2006 school year, a 46 percent jump from three years ago, the Commission for Independent Education reports. By comparison, enrollment in Florida's public universities rose 8 percent to 294,016 in the same period.

For-profits have thrived because they've targeted nontraditional students and have the nimbleness to quickly open a campus to satisfy demand, says Guilbert C. Hentschke, a professor at the University of Southern California and coauthor of *New Players, Different Game: Understanding the Rise of For-Profit Colleges and Universities*.

Career colleges provide a pipeline of job candidates in healthcare, which has struggled to fill positions like pharmacy technicians, says Jane Seaver, director of the department of learning for Broward Health, the former North Broward Hospital District.

Advocates of career schools believe accredited colleges are positioned to absorb students turned away by public universities because of state budget cuts.

The growth hasn't been without controversy. Some schools that derive most of their revenue from federal student loan programs have come under intense regulatory scrutiny (see story, Page 18). Others have been criticized as being low quality or, in isolated cases, nothing more than diploma mills offering credentials with no real educational value.

Many traditional academics view for-profit schools as inferior. Others don't believe the for-profit motive meshes with the educational mission.

But, "if the private, for-profits were doing such a bad job, we should be hearing a lot of horror stories, [and] that would lead to a decline in enrollment," said Richard Vedder, an economics professor at Ohio University and director of the Center for College Affordability and Productivity. "People are voting with their feet."

Still, some public university and community college officials oppose career college students receiving state money to defray the cost of tuition -- which can be much more than what it costs to attend a state university or community college.

Florida has about 800 licensed career schools, where students can take classes such as diamond cutting, baseball umpiring and cosmetology, or pursue degrees in a variety of fields including human-resource management and elementary education. About 81 percent of the state's career colleges are for-profits, according to data from the Commission for Independent Education.

Keiser University, one of the largest for-profit colleges in the state, has 10,000 students and 14 campuses offering 48 majors. It launched a master's in business administration this year.

That's a huge leap from when Keiser and his mother, Evelyn, started Keiser School in 1977 with one student. The school offered two programs: medical and dental assisting.

"I wanted to be the traditional college. We had the Ivy [League] on our brains," Keiser, 54, remembers. But that wasn't going to happen. "It just doesn't work for an institution that doesn't have the ability to get an endowment or tax breaks."

So Keiser instead decided to create a network of small campuses around the state. The Fort Lauderdale campus is housed in an eight-story building in an office park off Commercial Boulevard.

The average age of Keiser's students is 26, and most work full time. Students attend morning or evening classes, taking one course a month and as many as four a semester.

"Our students, being adults, are much more focused on getting in, getting their skills, getting their knowledge and moving on," Keiser says.

Nearly half of Keiser University's students are referred by other students. Its admissions counselors have a goal of enrolling three students a week, Keiser says, but the goal is not a quota.

## **BY THE NUMBERS**

Some for-profits have gotten in trouble with federal regulators for linking admissions representatives' compensation with the number of students they recruit, leading to high-pressure sales tactics.

Keiser says it's not in his school's best interest to recruit students who are not going to complete their education. "We fail when the student fails," he says.

With a student-teacher ratio of about 16-to-1, Keiser says the university offers personal attention that many of its students didn't get at a community college or a public university.

That was the case for Marisha Persad, 24, who formerly attended Broward Community College. She has earned an associate's degree in health-services administration at Keiser University and is working on an associate's degree in business administration. She plans on going for a bachelor's degree next at the school.

"At BCC I was not excelling," Persad says. At Keiser University, she says her teachers know her by name and they are easily accessible.

Another career college, Hialeah-based Florida National College, targets students who were born in Latin America and came to the United States later in life. "Community colleges and universities cannot handle, especially here in South Florida, the amount of immigrants and the amount of people who move here," said Omar Sanchez, one of the school's founders.

Angela Hechavarria, 27, chose Florida National over Miami Dade for dental assisting.

"I was looking for something which I could finish faster and work" at the same time, said Hechavarria, adding that she can complete the program at Florida National in about nine months, half the time required at Miami Dade.

## **MONEY MATTERS**

An education at an accredited career college doesn't come cheap. Tuition per credit hour is about \$490 at Keiser University, for example, compared to about \$73 for each credit hour at Broward Community College and Miami Dade College.

That's largely because taxpayers pick up about two-thirds of the actual cost for a student attending a state school.

Meanwhile, career college students received about \$2.4 million in state aid in the school year, while students of private, not-for-profits received \$89 million, an October report from a state Senate education committee shows.

The state Legislature is reviewing the performance of schools whose students receive state aid.

Given the state's budget crunch, Kathy Mizereck, executive director of the Florida Association of Postsecondary Schools and Colleges, says some in the public university system don't want to see any state tax dollars going to private institutions.

Mizereck would like to see more money, not less, made available for students attending for-profit schools -- particularly for those who would help address work shortages in critical fields such as teaching and nursing.

Florida ranks 46th in the country in the number of students earning bachelor's degrees, says Mark B. Rosenberg, chancellor of the Board of Governors of the State University System of Florida. One of its goals is to increase that number.

"Private for-profits can play a role," Rosenberg says. "But when they start asking for state money, then I think they should be held to the same accountability that public universities are subject to," he says, such as publicly reporting curriculum, faculty and financial results and other information.

Career colleges perform better in a choppy economy and weak job market, says Mark Hughes, an analyst with SunTrust Robinson Humphrey who follows the publicly traded education sector.

"The economy tends to drive demand for education," Hughes says. "And the for-profit schools have been picking up more than their fair share."

## **STOCKS RISING**

Perhaps that's best reflected in the soaring stock prices of the publicly traded educational companies. DeVry's shares have jumped 92 percent this year; shares of Apollo Group, which owns the University of Phoenix, are up 89 percent; and shares of ITT's parent have climbed 36 percent.

Private-equity firms have entered the picture, too. New York's Greenhill Capital Partners of New York and a partner this year bought Florida Career College, with Miami, Hialeah, Pembroke Pines and Lauderdale Lakes campuses offering classes ranging from accounting to massage therapy.

Keiser says he is approached weekly by Wall Street types but has resisted their overtures. He expects to generate \$190 million in revenue this year from Keiser University and three other schools he owns. He anticipates a 7 percent profit margin.

"You think about it," he says of the interest from possible suitors. But, "I love what I do. I love the kids. I'm an educator first."