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For-profit colleges now a campaign issue

By FRANCO ORDONEZ
McClatchy Newspapers

The debate over for-profit colleges that has had members of Congress arguing for months may now be seeping into the presidential race.

Republican presidential candidate Mitt Romney plans a campaign stop Sunday at the for-profit NASCAR Technical Institute outside Charlotte – a show of support for an industry that has been hammered by Democrats in recent months.

Republican presidential candidate, former Massachusetts Gov. Mitt Romney campaigns in Des Moines, Iowa on Wednesday.

- Charles Dharapak /the ASSOCIATED PRESS

Caught in the middle are the tens of thousands of veterans of the Iraq and Afghanistan wars who are looking to finish their education and rejoin the work force.

Those veterans are turning heavily to for-profit institutions; a recent Senate Democratic committee report found that eight of the top 10 colleges receiving post-9/11 GI Bill money from the Department of Veterans Affairs are for-profit institutions.

The for-profit college industry came under fire this year after the report found that taxpayers spent \$32 billion last year on the industry. Fifteen of the largest for-profit colleges received 86 percent of their revenues from federal student aid programs, according to the report, issued by Sen. Tom Harkin, D-Iowa, chairman of the Health, Education, Labor and Pensions Committee.

The issue is playing out in military-heavy states such as North Carolina, California, Georgia and Texas, which have large populations of veterans.

"They're really preyed upon by some of these schools," said retired Marine Col. Robert Songer, the former director of lifelong learning and education services at Camp Lejeune, N.C. "By the time they came to me it was usually too late. . . . The schools sign them up for a Pell Grant (and) one, sometimes two student loans, and the student has no idea of this."

The schools have a strong incentive to enroll service members and veterans, in large part because of the "90/10 rule," which puts a 90 percent cap on the amount of annual revenue a for-profit college may receive from federal student-aid programs. But veterans' and military benefits don't count toward that 90 percent, and instead are counted as nonfederal funding.

And so, critics say, the service members become particularly valuable for some for-profit colleges whose revenues consistently bump up against the cap.

The for-profit industry's trade group, the Association of Private Sector Colleges and Universities, says the country's military and veteran students have a right to choose the education that best meets their learning styles and the non-traditional student's need for a flexible schedule.

"The reason we succeed is because veterans tell veterans, 'This was really good for me and it would be really good for you,'" said executive director Steve Gunderson.

Howard Toller, a 27-year-old Iraq war Army veteran, admits the TV commercials lured him in to ITT Technical Institute, with former students speaking to the camera about state-of-the-art training, flexible class schedules and the ease of finding jobs after graduation.

It wasn't until after the Cary, N.C., veteran sunk much of his post-9/11 GI Bill benefits into the for-profit college that he learned, as the Harkin report states, that the institution spends more money on marketing than instruction and that less than half of the students finish their associate's degree.

"It was a dog-and-pony show," Toller said in an interview. "They made me think that these guys have a good program. It's not good at all. Nobody talked about how the credits are not transferrable."

In response to e-mailed questions, ITT spokeswoman Lauren Littlefield said that all students are told the credits can't be transferred, and that the information also is in the school's catalog.

NASCAR Tech's Campus president Jennifer Waber-Bergeron said Romney's visit is an opportunity to showcase some of those positive stories left out of the federal debate.

This is not the first time Romney has touted the benefits of for-profit colleges. In January, Romney praised Full Sail University in Florida for increasing competition and helping "hold down the cost" of education." The school is one of the most expensive colleges in America, according to the U.S. Department of Education.

In April, President Barack Obama signed an executive order to help protect military families and veterans from aggressive and deceptive recruiting by higher education institutions, particularly for-profit colleges, seeking their military benefits. The order required colleges to provide more information about their student results and financial aid and directed the Veterans Affairs Department to register the term "GI Bill."

The Iraq and Afghanistan Veterans of America last month launched a campaign warning new veterans and their spouses of "predatory for-profit" colleges that are targeting GI Bill benefits. Not all the schools are bad, said Tom Tarantino, the group's deputy policy director, but he said there are pervasive bad practices across the industry that are not conducive to students finishing an education that leads to a job.

Attorneys general for 21 states – including North Carolina's Roy Cooper, Jack Conway of Kentucky, Alan Wilson of South Carolina, Kamala D. Harris of California, Lawrence Wasden of Idaho and Lisa Madigan of Illinois – called on Congress in May to close a loophole they say encourages for-profit colleges to use "high-pressure recruiting tactics" on military veterans and their families.

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