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Career Education Corp. has settled its accounts with the U.S. Department of Education to the tune of nearly half a million dollars. The for-profit, higher-ed company's financial aid procedures at two campuses were under investigation.

Career Education Corp. has struggled in recent weeks over management. Recently, the board of directors struggled with shareholder Steven Bostic, who tried to oust the company's management and against whom they have filed a complaint with the SEC.

MT Grants Double

Montana State Student Loan Program has more than doubled the amount for direct grants to state college students.

Compared to \$200,000 financed by the Montana Guaranteed Student Loan Program last year, the state loan program is offering \$500,000 to college students this year in order to help those having trouble paying for education bills. The grant money is distributed to public colleges, universities, community colleges, and tribal colleges based on enrollment.

University of Montana Director of Financial Aid Mick Hanson told the Billings Gazette, "This money serves as a lifeline for our students when other funds have dried up."

He continued, "Many times these grants make the difference in a student staying in school and graduating, or dropping out and never returning."

IL Sells Loans To Fund Grants

The Illinois Board of Higher Education will sell student loan portfolios to fund MAP Plus grants beginning this fall. These grants provide \$500 per academic year to undergrads whose family income is below \$200,000. The board expects to raise approximately \$34.4 million from the loan sale.

Salle Mae Suffers On 60 Mins

In a recent report on the student loan industry, 60 Minutes went after education lending giant Sallie Mae. The student loan company was depicted in three case studies as "unforgiving" and unscrupulous, and the show also examined Sallie's lobbying activities.

Sallie Mae's response to the segment was critical of federal direct lending programs as well as the three borrowers from the 60 Minutes case studies.

Indiana U Sees Big Budget Cuts

In order to manage a growing deficit, Indiana University will cut \$3.4 million from its budget.

Already, the university has lost more than \$100 million through a run of state budget cuts that began last summer.

“The scope of the budget cuts affecting Indiana University is very serious and harmful,” said President Myles Brand in an IU press release.

Brand continued, “These additional reductions pose a great challenge to our university as we strive to maintain access and excellence. They place even greater upward pressure on tuition levels and impede our ability to contribute to the state’s economic growth and development efforts.”

Indiana Gov. Frank O’Bannon announced the cuts at the end of March, and Brand admitted that the cuts could have been even deeper. “I appreciate the governor’s efforts to protect higher education, and IU in particular,” he said.

About \$2.2 million will be taken from the university’s general operating budget, and another \$1.2 million will be taken in the form of state appropriations for special university projects, such as research.

Spotlight On Scholarships

\$1 Mill. for OCU Law Scholarship

The Oklahoma City University School of Law has raised \$1 million to support the endowment established by the Hatton W. Sumners Foundation.

The scholarship is granted to a maximum of six law students every year based on their academic performances, pro bono participation, and extracurricular activities. As one of the two universities offering this scholarship, OCU has to date shaped the lives of 78 Sumners Scholars, who were granted full tuition fees, book allowances, and living stipends.

The foundation, pioneered by Hatton W. Sumners, a 34-year congressman from Texas, offers one of the most generous law school scholarships in the country.