

# **ECPI Colleges, Inc**

## **Summary: 2012 U.S. Senate Committee Findings + 2015 Update**

### **Overview**

- Virginia based ECPI, a privately-owned company, has 14 campuses in Virginia, North Carolina, and South Carolina, along with an online division and offers Certificate, Associate, Bachelor's and Master's degrees in technology, allied health, business, and culinary
- Over half of students are enrolled in an Associate degree program
- It has consistently served a predominantly military population, enrolling 13,119 student in 2010—more than double its 2003 enrollment

### **Tuition**

- Its Associate degree in Computer and Information Science is \$36,650, compared \$10,232 at a nearby community college
- It charges \$58,550 for a Bachelor's degree in Business Administration, while the University of Virginia charges \$51,912

### **Federal Revenue**

- 82.2% (\$162 million) of its revenue was derived from federal student aid plus military and veteran educational benefits, but the latter may be understated by about 5%

### **Expenditure Priorities**

- In 2009, it allocated 11% of its revenue to marketing and recruiting, and 19.2% to profit
- Per student expenditures on marketing were \$1,303 and \$2,271 on profit
- The amount of profit it generated has also risen rapidly in recent years, quadrupling between 2006 and 2009
- As a privately held company, it is not obligated to release executive compensation figures

### **Recruiting**

- Enrollment agreement includes a binding arbitration clause, limiting students' ability to have their complaints heard in court, particularly class action suits
- Student complaints identified problematic school recruiting practices: promised a forensic lab when none existed; student not able to enroll in a graduate program at another school because it was nationally rather than regionally accredited

### **Academic Quality and Student Outcomes**

- Spent \$3,852 per student on instruction in 2009 compared to the \$14,567 per student spent by the University of Virginia
- Employed 598 faculty members part-time and 532 members full-time in 2010, a higher rate for full time than the industry average of 20%; however, its accreditor raised questions about the excessive course-load of it full time faculty,
- 46.2% (3,6380) of the students who enrolled in 2008-9 withdrew by mid-2010
- Withdrawal rates for Associate (47% percent) and Bachelor's (51.1%) degrees were lower than the sector wide rate (62.8% and 54.3% respectively)
- Online students withdrew at a much higher rate (67.4%) than students who attended its brick and mortar campuses (43.9%)
- Its default rate grew from 19.7% for students entering repayment in 2005 to 23.2% for students entering repayment in 2008, slightly higher than the industry-wide average of 22.6%

- School executive acknowledged that they had worked hard to manage default rates, which were higher than for the 3-year period measured by the Department of Education and that they had taken other steps to artificially lower the default rate
- It employed 1 recruiter for every 60 students but each career counselor was responsible for 279 students and each student services staffer was responsible for 239 students

## 2015 Update

- A July 2014 report by the Senate Health, Education, Labor, and Pensions Committee found that from 2009 through 2013, ECPI received \$123 million in revenue from veterans using their Post-9/11 GI Bill benefits
- In December 2015, the Virginia State Approving Agency (SAA) withdrew its approval for ECPI's Medical Career Institute to participate in the GI Bill because of violations of a Vietnam era requirement that excludes schools found to have engaged in deceptive and misleading advertizing and recruiting (<https://www.law.cornell.edu/uscode/text/38/3696>). The action was taken after investigating veteran complaints and conducting an on-site targeted risk-based review requested by the Department of Veterans Affairs. The SAA found that the school had introduced a new testing requirement for nursing students without notifying veteran students of the impact on graduation if they failed to pass the test. In addition, it found that ECPI was (1) still enrolling new students after the SAA had notified the school that new enrollments were suspended for 60 days; (2) charging veterans differently than other students for some credits; (3) incorrectly certifying veterans for courses that they were only auditing; and (4) refusing to provide transcripts to certain veteran students.

Summary of findings from a report by the Senate Health, Education, Labor and Pensions (HELP) Committee: *For-Profit Education: The Failure to Safeguard the Federal Investment and Ensure Student Success* (July 30, 2012). Find the full chapter on ECPI at: [http://www.help.senate.gov/imo/media/for\\_profit\\_report/PartII/ECPI.pdf](http://www.help.senate.gov/imo/media/for_profit_report/PartII/ECPI.pdf)