

KAPLAN A UCU BRIEFING

Who are Kaplan?

Kaplan international colleges are part of a network of Kaplan enterprises under the division of Kaplan Inc., a subsidiary of The Washington Post Company.

The Washington Post Company (NYSE: WPO) is a global media conglomerate whose main operations are 'educational services, newspaper and magazine print and online publishing, television broadcasting and cable television systems.'

The company owns Kaplan, Inc., a 'global provider of educational services to individuals, schools and businesses, serving over one million students annually with operations in more than 30 countries. Its programmes include higher education, test preparation, language instruction and professional training.'

The company profile can be found at: <http://bit.ly/9HeMMI>

Kaplan Inc., is organised into four divisions:

Kaplan Higher Education

offers diplomas and certificates, undergraduate programs, and graduate programmes through Kaplan University, a mainly online provider

Kaplan Test Prep

offers college and graduate prep programs, after-school tutoring, prep for medical and nursing licensure tests, Bar review, licensing prep for financial services, real estate, architecture, and engineering professionals, and continuing education programmes

Kaplan Ventures

offers online high school online compliance training, online continuing education, IT certificates and international test prep, education software, online university solutions

Kaplan International

offers accountancy and financial training, business and law programs, university pathway programs, English language programs, diplomas and certificates, and undergraduate and postgraduate degree programs.

Kaplan, Inc.'s UK operations are managed through Kaplan International.

UK operations

- ▶ In the UK, Kaplan provides what it describes as 'the largest accountancy training provider serving all of the country's Big Four accounting firms. In 2009, we provided accounting and financial services education to approximately 48,000 students at 27 centers located throughout the country.'
- ▶ Dublin Business School is Ireland's largest private undergraduate college.
- ▶ Kaplan also provides legal education through Kaplan Law School.
- ▶ Kaplan International Colleges (KIC) offers English language programs for students seeking to study or travel abroad. KIC provides preparation for undergraduate and postgraduate study in the U.K. through partnerships with some of its top universities.
- ▶ Additionally, Kaplan Open Learning offers online degree programs in business and management, financial services and criminal justice, primarily for working adults looking to gain the skills they need to advance professionally.

www.kaplan.com/about-kaplan/company-overview

Challenging the Market in Education

Kaplan International Colleges

This is one of Kaplan's most recent international initiatives. Through the development of 'strategic partnerships' with UK universities, Kaplan is establishing a number of international colleges across the UK.

- In September 2005 Kaplan commenced teaching at its first UK based international college, Nottingham Trent International College, a collaborative project between Kaplan and Nottingham Trent University.
- In 2006, Kaplan launched a second international college with the University of Sheffield.
- In 2007, Kaplan launched its third and fourth international colleges with the University of Glasgow and the University of Liverpool.
- In 2008, Kaplan is opening its fifth international college serving both City University in London and the University of Southampton. By 2009, Kaplan plans to have at least six International Colleges in the UK.

Higher education profitability

The profitability of higher education is evident from the fact that Kaplan Higher Education's profits are currently cross-subsidising falling profits in the rest of The Washington Post Company. As the Washington Post itself reported, late in 2008:

'The Washington Post Co. today reported an 86 percent decline in third-quarter earnings compared with the same period last year, as a significant loss at the flagship newspaper offset gains at the company's education and cable divisions.

For the quarter, The Post Co. had net income of \$10.3 million (\$1.08 per share) on \$1.1 billion in revenue, compared with net income of \$72.5 million (\$7.60) on \$1 billion in revenue in 2007.

Kaplan Inc., The Post Co.'s education division, which now provides 53 percent of company revenue, reported \$603 million in third-quarter revenue, a 17 percent gain over last year, and \$51 million in operating income, a 36 percent gain over the same period last year.' <http://bit.ly/Tj8zb>

Global ambition

With higher education becoming a massive global export, Kaplan Higher Education expanded its international business since 2005. Kaplan's international higher education businesses include: the Dublin Business School (DBS), APMI (acquired by Kaplan in 2005 as the

Asia Pacific Management Institute) based in Singapore, ACE in China, Bradford College in Australia, and Kaplan International Colleges, Kaplan Open Learning and Kaplan Holborn College all based in London.

In September 2009, Kaplan announced that they had agreed a new partnership with University of Adelaide in Australia. Latest partnership in Australia:

Seeking degree-awarding powers

In 2006, Kaplan Higher Education announced that it was within months of submitting a claim for degree-awarding powers to the Privy Council. The plan was to offer online and evening courses using its city centre classroom facilities. Essentially, it looked like Kaplan was bidding to use its footholds, established through partnerships with universities, to begin competing with them.

<http://bit.ly/9cbGxN>

This would have entailed a detailed report by the Quality Assurance Agency (QAA). It appears that at this point Kaplan got cold feet and decided against doing so.

However, with the new coalition government under pressure from private providers to deregulate the sector and make it easier to distribute degree-awarding powers, it may not be long before Kaplan seek degree-awarding powers again.

Every new partnership or contract with a university builds Kaplan's ability to make a case for seeking degree-awarding powers.

Kaplan and quality

UCU has concerns about the pressures on quality at for-profit private providers. For example, the lower pay may mean that Kaplan International Colleges may struggle to recruit and retain the best staff.

Perhaps this is why Kaplan demand a lower level of qualification for the same jobs than their public sector equivalents.

- Kaplan at Liverpool and Nottingham Trent expect an English language tutor to have a 'BA and preferably MA in TEFL, CELTA and preferably DELTA or PCGE in TEFL, significant experience in EFL/EAP in FE or HE'.
- By comparison, Southampton University's job advert states that a post-graduate qualification in EAP or ELT is essential, as is experience of EAP teaching specifically in HE.

Challenging the Market in Education

In addition, the fear with Kaplan, as with other private companies, is that the pressure to guarantee progression, generated by their marketing and the need to please their consumers, places unsustainable pressure on the maintenance of standards at entry, through tuition and at progression to their chosen degree.

Staff at Kaplan International Colleges have contacted the union to raise a range of concerns about the pressures on quality and standards.

Concerns raised by staff included:

- that students entry levels of English were not being rigorously checked
- that unsuitable 'off-the-shelf' materials were being used
- that class sizes were too big, being in excess of 20 or sometimes 30
- that students are not streamed by ability and despite variable results, few have to resit.

As one member of staff put it:

'If the students do not get into their departments, they will be justifiably angry, having believed, due to marketing and publicity, that by enrolling with xxx they have guaranteed progression to the university, irrespective of their level of English.'

If the students do, somehow, get into their departments, it may become obvious that for some, at least, their English is far below what is needed to enable them to succeed in a course at that level.'

Staff report that they feel a huge sense of responsibility to these students whose parents have invested heavily in outcomes that they feel are unrealistic, but that they feel they have to deliver. If this is the case, as these students progress onto their degrees, this workload and this sense of responsibility will fall increasingly onto university staff.

Mary Anne Ansell, the chair of BALEAP's accreditation scheme argues that this is a common feature of all private providers:

¹ Mary Anne Ansell, The privatisation of English for Academic Purposes teaching in British Universities, Liaison Magazine, the magazine of the Higher Education Academy's Subject Area for Languages, Linguistics and Area Studies, July 2008, p19

² Ansell, The privatisation of English for Academic Purposes teaching in British Universities, p19

*'Students may be given entry to a foundation course with IELTS 3.0-3.5, which is far lower than the usual 5.0 entry to such courses. The same students may typically have only GCSE-equivalent, rather than an equivalent to AS-level (year 12) or higher. They are then guaranteed entry, after only two years preparatory work, to the second year of an undergraduate degree programme. Often students do not take an internationally recognised test, such as IELTS or TOEFL, but the company's "own" test.'*¹

*'Admissions criteria and the quality of courses being offered are severely compromised. Staff are under huge teaching workloads, unable to engage with vital development work and research. Even more important is the ultimate impact that privatisation of the EAP sector will have on the reputation of British education. Once lost, reputation is hard to win back. It is early days for most of the operators, however, the effect of academically and linguistically weak, under-prepared students going into undergraduate work is potentially disastrous, not only for a university, but for the reputation of British education in the longer term.'*²

Quality and profit

Staff fears and concerns about Kaplan will not be assuaged by reports about quality control and marketing issues in some of Kaplan's other educational enterprises.

As reported in the Chronicle of Higher Education on 6 July this year, Kaplan is currently facing three law suits in the USA, filed by several whistle-blowers who have alleged that various colleges owned by Kaplan Higher Education defrauded the government of hundreds of millions of dollars by paying incentives to recruiters and lying to obtain accreditation.

Kaplan, along with other private providers, have access to federal student loans in return for affirming that they will abide by the programme rules, including not paying incentives to student recruiters in order to maximise income from loans, which help the company generate a profit from student fee income.

Each of the lawsuits alleges that Kaplan fraudulently obtained millions in federal student-aid funds by violating various provisions of that agreement – allegations that the company denies.

Challenging **the Market** in Education

The US for-profit sector is currently under intense scrutiny from the Obama administration following a series of similar allegations and court cases against private education companies:

<http://bit.ly/cmglGP>

<http://bit.ly/a7IWox>

On 4 September 2008, a local Pittsburgh paper reported that the Kaplan Career Institute, a private higher education centre in the city, was being sued by two former teachers. The two teachers claim that the school 'illegally rewards admissions recruiters, dupes prospective students with false promises about their futures and encourages teachers to pass failing students.'

The school was also accused of violating the US government's Higher Education Act since at least 2002, by claiming federal funding, which is open to some private centres that successfully place over 70% of their students in employment. The Kaplan Career Institute is accused of skewing its figures to win the funding.

According to the lawsuit, a graduate's crew leader position at a fast-food restaurant was reported as being in the criminal justice field, while an accounting management graduate was counted as landing a job in his field after being hired as a Wal-Mart sales associate. Kaplan officials also listed a former student's telemarketing job with Dial America as being in the business administration fashion merchandising field, the lawsuit states.

<http://bit.ly/aK1iIT> ■

UCU Campaigns unit
UCU, Carlow Street, London NW1 7LH
Tel: 020 7756 2500. www.ucu.org.uk
© UCU July 2010

www.ucu.org.uk/stopprivatisation

UCU