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Mahmud Turkia / AFP / Getty Images

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Michael Macor / The Chronicle

Traci Joyce, who graduated from California Culinary Academy \$130,000 in debt, handles pizza dough at Zachary's Chicago Pizza in San Ramon — where she worked before cooking school.

FOR-PROFIT COLLEGES

Schools accused of failing to deliver on promises

By Stacy Finz
CHRONICLE STAFF WRITER

For the next 20 years, Matt Foist will be paying off his \$46,000 in cooking-school loans, and all he says he has to show for it is a useless chef's diploma, a nice set of knives — but no job.

He said he'd be lucky to make \$15 an hour in the culinary world, even though the school told him he would land jobs with annual salaries of \$45,000. So he's gone back to his software career.

The 46-year-old, who believes he was scammed by San Francisco's California Culinary Academy, is one of the representatives of a class-action lawsuit in which a \$40 million settlement offer from the cooking school is pending.

As part of the settlement, the



Brant Ward / The Chronicle

Matt Foist: "It was a huge waste of time and ... money."

8,500 students who attended the academy from 2003 through 2008 were notified last month that they could be eligible for rebates of up to \$20,000 each. Tuition prices are typically \$46,000 for a 12-month program and an additional three months of on-the-job

training.

A hearing to approve the settlement is scheduled for Aug. 22.

In addition, Career Education Corp., the parent company of CCA (it also owns 15 other vocational colleges, including the Texas Culinary Academy and Le Cordon Bleu), has agreed to eat \$1.8 million in student debt.

But for many, it's not enough. They say the dream they were sold to be high-paid chefs was bogus. And now they're faced with enormous student loans to pay off — some in excess of \$100,000, after deferrals and interest accruals.

"By the end I'd realized I had the wool pulled over my eyes," Foist said. "I feel like it was a huge waste of time and a huge

Schools continues on A18

CONSERVATION

Desert bill brings shift in alliances

Former foes of protection back effort to save areas near 3 national parks

By Carolyn Lochhead
CHRONICLE WASHINGTON BUREAU

WASHINGTON — In 1994, a rookie lawmaker named Dianne Feinstein pushed through the largest national parks and wilderness bill ever — by a single vote on the last day before Republicans took control of Congress — protecting 8.5 million acres of the California desert against the wishes of many who lived there.

Seventeen years later, many of those who warned that the California Desert Protection Act would sacrifice their way of life to an environmentalist utopia have changed sides,

becoming allies in Feinstein's quest to create one of the biggest environmental legacies in California history: a new bill to protect 1.165 million more acres ringing the national parks at Death Valley and Joshua Tree and the Mojave National Preserve.

"Is it going to pass tomorrow anywhere?" Feinstein said. "No. Am I going to cease and desist? NO!"

When it comes to the desert, "She's just intense," said Shannon Eddy, executive director of the Large-Scale Solar Association. "She's persistent. She's very formidable."

With Republicans again in **Desert continues on A16**

POLITICS

Latino support, budget put Brown in tough spot

By Marisa Lagos
CHRONICLE STAFF WRITER

Maria Luisa Figueroa helped get Gov. Jerry Brown elected last fall, not only voting for the Democrat but working phone banks for hours to get others to support him.

Still, the 58-year-old naturalized citizen who left Mexico decades ago isn't sure where Brown will come down on the political issues most important to her; among them a bill to extend labor protections for

domestic workers like her and another bill to let local governments opt out of a controversial federal program that automatically checks the immigration status of anyone booked into a local jail.

"I voted for Jerry Brown ... but I don't know what he's going to do," said Figueroa, a home caregiver whose husband was deported last year after police arrested him outside their Oakland home for drinking. "He said he is going to help

Politics continues on A18

SUNDAY PROFILE Larry Ellison

In boardroom or at sea, he plays hardball

Larry Ellison, one of the world's richest men, has been instrumental in negotiating the deal that will bring the America's Cup races to San Francisco.



Victor R. Caivano / Associated Press 2010

By James Temple
CHRONICLE STAFF WRITER

Larry Ellison learned to sail before he was Larry Ellison. At least the one the world knows as the swashbuckling chief executive of Oracle Corp. and one of the world's richest men.

In the mid-1960s, he arrived in Northern California from Chicago, as a college dropout in his early 20s who had been raised by adoptive parents of modest means. Drawn to what he would call the "idyllic independence" of sailing, he took a course on San Francisco Bay.

One day, clear of the eyes of his instructors, he tacked out past the Golden Gate Bridge, where steepening waves nearly capsized his small, plastic day sailer.

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Weather
Sunny and pleasant.
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FROM THE COVER

Latino support for Brown tied to crucial bills

Politics from page A1

us, but I don't know."

Brown was elected with 64 percent of the Latino vote, according to exit polls — and Latinos are one of the fastest-growing ethnic groups in California, now accounting for 37.6 percent of the state's total population. By contrast, his Republican opponent, Meg Whitman, received only 30 percent of the Latino vote; her campaign took a blow when her undocumented Mexican former housekeeper emerged to describe how badly Whitman had treated her.

Now, some Latinos are waiting to see how Brown will decide issues and bills that largely affect them, particularly as the state's budget deficit dominates the conversation in Sacramento. Brown is in a tough position: He is building support for his budget plan, including seeking backing of business groups that often oppose workplace protection laws.

'A level of disappointment'

Gil Duran, a spokesman for the governor, declined to comment for this story, saying Brown does not take positions on bills before they land on his desk. Political observers, however, said the Latino community has expectations the governor will support their issues, and for good reason. But those hopes have been tempered by the reality of the state's financial crisis.

"He's probably perceived as among, if not the most, supportive governor in the country of Latino issues," said David Tabb, a retired San Francisco State University political science professor. "But there's nowhere to go at this moment. ... I don't see Brown's support within the Latino community as being particularly threatened, but there is a level of disappointment that has to do with the economy. Until and when that changes, they won't expect very much."

Andrea Cristina Mercado, lead organizer at the Bay Area advocacy group Mujeres Unidas y Activas, agreed. She said Latinos in California have

watched President Obama's failure to tackle immigration reform with disappointment, and aren't expecting too much from Brown.

"But Jerry Brown is actually indebted to domestic workers for his election, so it will be interesting to see how it plays out," she said.

Brown's predecessor, Arnold Schwarzenegger, had a decidedly mixed record on issues important to the influential ethnic group. He signed a bill increasing the minimum wage, for example, and helped institute workplace protections for farmworkers — but he also repeatedly vetoed a measure that would make it easier for farmworkers to organize and help enforce those workplace protections.

The author of that measure, Senate President Pro Tem Darrell Steinberg, D-Sacramento, reintroduced the bill this year and recently succeeded in getting it through the Senate; it will now be considered by the Assembly.

Steinberg, like many Democrats, is hoping for a friendlier reception from Brown, but admits there are "no guarantees." He noted that Brown made history in 1975 when he was first elected governor and signed the Agricultural Labor Relations Act, which allowed farmworkers to organize and bargain with employers.

"One of our points now is that while that was a monumental achievement, 36 years later, the law needs some significant updates," Steinberg said. "We will be talking to the governor about the bill."

Latinos' increasing influence

There's no question that Latinos' influence on state politics has increased since Brown was last governor. In addition to the sheer importance of the electorate, there are many Latino lawmakers representing Californians in Sacramento. The Latino Legislative Caucus now has a 27 members, almost one-fourth of the Legislature, and one of the top positions, that of Assembly speaker, is held by John Pérez, D-Los Angeles, a Mexican American.



Kat Wade / Special to The Chronicle

Irene Hernandez (left, holding Lionel Rodriguez), Maria Luisa Figueroa, Cristina Ceballos, Hortensia Muñoz and Maria Santiago are watching how the governor's next months play out.

Current bills that would affect Latinos

► **AB889** by Assemblymen Tom Ammiano and Manuel Pérez, D-Coachella (Riverside County), is known as the Domestic Workers Bill. It would provide basic labor rights such as overtime, meal breaks and paid sick leave to domestic workers such as nannies and housekeepers, who are currently excluded from workplace protections.

Status: Recently passed an Assembly Labor Committee and will next be taken up by Assembly Appropriations Committee.

► **SB104** by Sen. Darrell Steinberg is known as the Fair Treatment of Farmworkers Act and would allow farmworkers to vote for or against unionization by signing a card instead of holding a secret-ballot election.

Status: Passed the Senate on March 31 and will be considered by the Assembly.

► **AB1081** by Ammiano is known as the Trust Act and would let local governments opt out of a federal program that requires police to automatically check the immigration status of all arrestees.

Status: Recently approved by the Assembly Public Safety Committee; will now be considered by the Assembly Appropriations Committee.

► **SB432** by Sen. Kevin De León would require California hotels to use fitted sheets and longer mop handles. He said the flat sheets currently used in hotels result in injuries among housekeepers, who must lift dozens of 200-pound mattresses each day to make the luxury beds.

Status: Will be considered in the Senate Appropriations Committee on Monday.

► **AB131** by Assemblyman Gil Cedillo, D-Los Angeles, is known as the Dream Act. It would let undocumented college students qualify for financial aid.

Status: On suspense in the Assembly Appropriations Committee.

Sen. Kevin De León, D-Los Angeles, noted that Brown broke ground three decades ago when he was last governor by elevating Latinos to important positions in both his administration and in the courts, before the group had such political sway.

De León argued that the failing economy is precisely why Brown should support proposals that would help working families, who were disproportionately affected by the recession.

"Gov. Brown is going to be very, very proactive when it comes to workers' rights — he

has a long, rich history with Latinos," De León predicted. "It's not an issue you have to convince him of — that's the most important thing. ... He knows, he understands, given his history."

From educating to passing

Assemblyman Tom Ammiano, D-San Francisco, agreed. Ammiano wrote both the Trust Act, which would allow local governments to opt out of the federal deportation program, and the bill that would give domestic workers rights to protections including overtime, meal breaks and paid sick days.

"This is not something he's coming new to," Ammiano said. "I certainly expect more sympathy and empathy than from Gov. Schwarzenegger. This governor, in many ways, has proved himself."

Still, Ammiano said, where Brown will come down on individual bills has yet to be determined.

"But I am hopeful, and I know the governor is quite capable of a dialogue on this, rather than just saying 'no,'" he said. "Under Schwarzenegger, the feeling was we should do this, it doesn't have a chance in hell, but we should educate people. Under this governor, we know we can educate people, and if everything goes right, we can probably get them through."

Appointments to key posts

Elmy Bermejo, who sits on the state's Commission on the Status of Women and has worked for several lawmakers at the state and national level, said Brown has already shown support for Latinos this year by appointing some to key positions in government. That includes naming Catherine Sandoval to the California Public Utilities Commission, appointing former Assemblywoman Anna Caballero as secretary of the State and Consumer Services Agency, and keeping the Schwarzenegger-appointed Ana Matosantos as director of finance.

"These are not lightweight appointments. They are really key things," she said. "When you have people like that, it sends a signal."

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For-profit colleges face suits, U.S. scrutiny

Schools from page A1

waste of money. And I'm one of the lucky ones who had a job to go back to."

According to the suit, students and lawyers, the school misrepresented its 98 percent job placement rate, exaggerated its prestige in the industry and suggested that it had a selective qualifying process.

"This rate is a lie," the suit states in regards to the school's placement rate. "The placement statistics included non-professional entry level jobs like prep cooks, \$8-\$12 an hour line cooks and Starbucks baristas. That culinary degree was not a pre-requisite or even relevant for many of the included jobs."

Ray Gallo, the lead plaintiff's attorney on the case, said, "In my opinion, very few of the class members would have bought what CCA was selling if they had the facts that I have today."

Suit called 'distracting'

CEC denies the allegations and agreed to settle the suit only because it was "distracting to our mission and extraordinarily expensive to litigate," Mark Spencer, a spokesman for the company, said in a statement.

"Since these allegations were made, we have carefully reviewed and modified our policies and practices for reporting job placement rates, admissions and advertising," he wrote. "While we believe our previous practices were legal, we have been very conservative in modifying our policies and

procedures to ensure that students understand that we are not promising any specific job outcomes or salaries."

According to information currently posted on CCA's website, the school shows a 48 to 87 percent placement rate, depending on the program and methodology used.

And despite the plaintiffs' claims that they were unable to find decent jobs after leaving the school, a number of CCA graduates during that period have gone on to successful positions, including Jill Barton, who owns San Francisco's Le Crepe Shoppe; Gonzalo de Castillo, who along with his brother owns and operates San Francisco's LaLola, a tapas bar; and Josh Becker, a chef at the Ritz-Carlton South Beach's DiLido Beach Club in Florida.

\$24 billion from feds

CCA is not the first for-profit school to come under scrutiny. There are 2,000 private vocational schools, ranging from psychology and cosmetology to business administration and medical training, receiving \$24 billion in federal money each year, according to government oversight investigations conducted last year. Some political leaders fear that high student loan default rates for these institutions could echo the subprime mortgage crisis.

The Obama administration has proposed a new rule that would require for-profit career colleges to have better job placement results and lower loan default rates or risk losing federal student aid. The "gainful-employment" rule has been

controversial on both sides of the aisle and has received resistance from lobbyists and members of Congress, including House Minority Leader Nancy Pelosi, D-San Francisco.

The U.S. Department of Education is in the process of revising the regulations and is close to a final recommendation that Secretary of Education Arne Duncan said will be "much more thoughtful."

4 Senate hearings

Sen. Tom Harkin, D-Iowa, has been seeking stringent rules. He led four Senate hearings to probe whether students and taxpayers are being well served by the schools and found them sorely lacking.

"At their best, for-profit colleges provide flexible alternatives for students to pursue postsecondary education," Harkin, who is planning to write legislation to overhaul the system, said in a statement. "But unfortunately, some have become highly profitable multi-state corporations while failing to provide the learning environment and career services that will enable their students to graduate and succeed."

Harkin's Senate Committee on Health, Education, Labor and Pensions found that for-profit schools have a high dropout rate. Nearly 62 percent of Career Ed Corp.'s students withdrew from their programs during the 2008-09 school year.

Statistics kept by the Department of Education also show that 47 percent of all student loan defaults come from for-profit schools. And in many

cases the same programs are available at community and city colleges for a lower price.

Last year, the Government Accountability Office released its findings after conducting a sting operation on 15 for-profit schools in six states, including California, Texas and Arizona. Those schools, whose names were not released, were chosen partly because they receive 89 percent or more of their revenue from federal student aid.

The congressional watchdog group sent undercover investigators posing as prospective students to each school and found that all 15 made deceptive and questionable statements, including exaggerating potential salaries after graduation, giving sketchy details about costs, and fudging the duration of the program.

Falsify aid forms

At four of the colleges, administrators encouraged the undercover applicant to falsify his or her financial aid forms to qualify for federal aid. In one case the admissions representative told an applicant to fraudulently omit \$250,000 in savings, according to the report.

Often, the schools target the most vulnerable segment of the population, said Robert Mills, another attorney representing the CCA plaintiffs. In the case of the Culinary Academy, many of the students were children of immigrants, who had family members co-sign for their loans thinking that they'd get lucrative jobs after graduation, he said.

Traci Joyce, who graduated from CCA in 2003, said she'll carry her \$130,000 debt to her grave.

"This is the elephant I sleep next to every night," the 40-year-old said. "I can't get rid of it even if I declare bankruptcy. Student loans are exempt. So it's ruined my credit, kept me from buying a house and putting money aside for my retirement."

'Making sandwiches'

Joyce, who worked in restaurants for 15 years and dreamed of being a chef, said she was sold by the CCA's program the moment she walked into the admissions office.

She said the admissions people made her feel like she had a good chance of becoming an executive chef because of the school's status in the industry.

But the only jobs she landed were positions at a catering company and a butcher shop. "I was making sandwiches," she said.

Finally she got her job back at Zachary's Chicago Pizza, but even that was a demotion. Before culinary school she was a manager, now she works in the kitchen.

"If I could go back and change this, I never would have done it," she said. "The most embarrassing part is what a farce I feel like. My friends and family introduce me as a chef. I want to say, 'Yeah, right. I make pizzas.'"

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