



July 25, 2016

Ms. Carol Strachan  
Superintendent of Private Career Colleges  
Private Career Colleges Branch  
Ministry of Advanced Education  
PO Box 977, 77 Wellesley Street W.  
Toronto, On, M7A 1N3

Via email to: [PCC\\_Consultations@Ontario.ca](mailto:PCC_Consultations@Ontario.ca)

RE: Proposed Amendments to Ontario Regulation 414/06 and 415/06 (Training Completion Assurance Fund and Other Financial Matters), and Proposed Amendments to Ontario Regulation 414/06 and 415/06 (General Regulation)

Dear Ms. Strachan,

Please find below responses on behalf of Career Colleges Ontario (CCO) to the Ministry of Advanced Education and Skills Development Consultation Paper – Reform of the Private Career College Sector.

### **Proposals for Discussion**

1) Strengthening financial protections for students affected by private career college closures

### **Questions for consideration:**

1) Which of the two approaches to enhancing the financial protection of students do you think is preferable, and why:

a) Including private career colleges with revenues exceeding \$25 million in the Training Completion Assurance Fund, or

b) Requiring private career colleges that are excluded from the Training Completion Assurance Fund to post a financial security with the Superintendent that will be sufficient to cover the full cost of a training completion in the event of its closure.

2) If private career colleges with revenues exceeding \$25 million in the Training Completion Assurance Fund are included in the Training Completion Assurance Fund, do you believe that there are any interim steps that should be taken to ensure a smooth transition?

## **Answer**

**All private career colleges, including those with revenues exceeding \$25 million, should be included in the Training Completion Assurance Fund, and new participants should be provided sufficient notice and time to transition from the segregated fund and to secure the requisite financial premium contribution and security.**

2) Creating a rebate mechanism for Training Completion Assurance Fund contributions

### **Questions for consideration:**

- 1) Do you agree that the correct point at which rebates should be issued from the Training Completion Assurance Fund is when its balance exceeds 110% of the target balance? If not, at what level of overfunding do you believe the Superintendent should consider issuing a rebate?
- 2) Do you believe that the formula that was proposed by the actuarial firm should be used to calculate rebates when they are issued? If not, what alternative formula should be used, or what other considerations should be built into the formula?

## **Answer**

**When TCAF has exceeded its target balance by at least 10%, the Superintendent should have the discretion to issue rebates to private career colleges.**

**The rebates should be divided among private career colleges that are registered at the time of the rebate, proportionate to the share of premiums paid by the private career college since the creation of the fund.**

**However, since consideration is being given to looking at contributions over a 3 year period or a 10 year period, CCO recommends that a comparative analysis of the impact of the two approaches on small, medium and large private career colleges be conducted to determine the fairness of using a 3 year period versus a 10 year period. If the variances for those career colleges that have contributed the longest are minimal, CCO might support using three years. If the variances are significant, CCO recommends using 10 years.**

3) Determining the target balance of the Training Completion Assurance Fund using prepaid unearned revenue instead of gross vocational revenue

### **Questions for consideration:**

- 1) In your opinion, should the target balance of the Training Completion Assurance Fund be determined based on the gross vocational revenue of participating private career colleges, or their maximum prepaid unearned revenue?

2) Would your answer to question number one change should private career colleges with revenues exceeding \$25 million be required to participate in the fund?

**Answer**

**The target balance of the Training Completion Assurance Fund should be based on a private career college's maximum prepaid unearned revenue, and the answer would be the same if private career colleges with revenues exceeding \$25 million were required to participate in the fund.**

4) Prohibiting the use of misleading images in private career college advertising

**Questions for consideration:**

1) Would you support creating a new requirement that would prohibit the use of visual imagery that misleads or is likely to mislead the public?

2) Are there other types of misleading advertisements that you believe should be prohibited under the Act or its regulations?

**Answer**

**Misleading visual imagery should be prohibited provided this does not exclude "stock" representational imagery.**

5) Updating the requirements for private career college instructors

**Questions for consideration:**

1) Do you believe that private career colleges should be required to hire instructors with recent experience?

2) If so, how would you define recent? (E.g. Should the experience have been obtained within the past five years? Ten years? Should the requirement refer to the entire body of the qualifying experience, or only a portion of the working experience?)

3) Do you believe that time spent providing instruction related to a vocation should be considered qualifying experience?

**Answer**

**Requiring instructors to have recent experience as defined within 10 years at the time of hiring is appropriate provided that current employment of an instructor at a private career college, a college of Applied Arts and Technology or University, qualifies as employment experience.**

## 6) Clarifying the requirements for student contracts

### **Requirements currently being considered by the ministry include:**

A more specific breakdown of the hours of instruction (e.g. hours per subject of study, and hours per delivery format at the program level [classroom/lab/distance education, etc.]);

An itemized list of the products and/or services that will be provided in relation to any non-tuition-related fees;

A list of all physical locations at which the training will be delivered;

A mandatory sign-off advising students that they are entitled to a copy of the contract; and

A requirement for non-vocational program contracts to state that the Act does not apply to the program.

### **Questions for consideration:**

1) Do you agree that the terms described above should be included in private career college contracts, or do you have any concerns about including these terms in enrolment contracts?

2) Are there any other terms that could be added to student contracts to ensure that private career colleges and students fully understand and agree upon their respective obligations?

### **Answer**

**The approximate aggregate number of hours for classroom, lab or internship instruction should be provided.**

**A list of products and/or services that will be provided in relation to any non - tuition - related fees should be provided.**

**A list of all physical locations at which training will be delivered should be provided.**

**A mandatory sign-off advising students that they are entitled to a copy of the contract and a statement that the Private Career College Act does not apply to non-vocational programs should be included in the student contract.**

**It is suggested that any itemized list be attached as an appendix to the contract rather than being included within the body of the contract.**

7) Updating the definition of a vocational program to reference the 2011 National Occupational Classification code

**Questions for consideration:**

- 1) Do you believe that the regulations made under the Act should be updated to refer to the National Occupational Classification, 2011?
- 2) Do you believe that updating the regulations made under the Act to refer to the National Occupational Classification, 2011 would create any difficulties for currently registered private career colleges?

**Answer**

**The regulations made under the Act should be updated to refer to the National Occupational Classification, 2011, and CCO is not aware of any difficulties this would pose for currently registered private career colleges.**

- 8) Removing transitional language from the regulations made under the Act

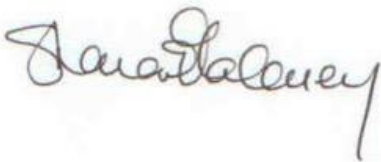
**Questions for consideration:**

Do you believe that removing transitional language from the regulations made under the Act will help simplify the regulations for private career colleges and students?

**Answer**

**Transitional language from the regulations under the Act should be removed.**

Yours Truly,



Sharon E. Maloney  
Chief Executive Officer  
Career Colleges Ontario