

Consultation Session Phase 2 - Options for Regulation of Private Career Training Summary:

Background:

On April 17, 2014, the provincial government announced that it will assume direct responsibility for the regulation of private career training institutions. This decision was taken to strengthen quality assurance for private institutions and improve recognition of British Columbia credentials overseas. The new approach will result in more integrated and effective regulation of private institutions, elimination of overlapping regulatory processes and a reduced administrative burden on the sector.

Phase 1 consultations to obtain sector input were held in May and June 2014 and included 63 private career training institutions, 33 private language training institutions, and the sector associations. These consultations established the platform for the Phase 2 consultations by identifying areas for further discussion that included administrative efficiencies, risk management strategies and standards for the new regulatory system. See attachment 1.

Phase 2 consultations were held in the fall of 2014 in six sessions around the province that included representatives from private career training institutions (including flight training), in addition to private language training institutions. See table 1 below.

Table 1

Date	Location	Session	Participants
November 5, 2014	Vancouver, BC	Career training	63
November 14, 2014	Delta, BC	Flight training specific	22
November 21, 2014	Prince George, BC	Career training	7
November 24, 2014	Kelowna, BC	Career training	20
December 2, 2014	Vancouver, BC	Language training	37
December 4, 2014	Victoria, BC	Career training	27
Total			176

Responses to a series of questions were provided by the private career training and language training institution representatives and documented in “Records of Proceedings” that are available at <http://www.aved.gov.bc.ca/privatecareertraining/pctia-consultation.htm>.

This document summarizes the views expressed by participants from the four private career training sessions and the private language training session contained in the Records of Proceedings. The summary for the flight training sector was prepared and provided to members of this sector in December 2014, and is included in attachment 2.

Consultation with Private Career Training Institutions:

Four sessions were held for private career training institutions in Vancouver, Prince George, Kelowna and Victoria. A total of 117 representatives from the institutions, the Ministry and the Private Career Training Institutions Agency attended. The questions discussed at the sessions explored the institutions' views regarding: improving quality assurance standards; a risk based approach to determine the level of review required to ensure quality and consumer protection; and administrative requirements to effectively regulate private career training. The questions discussed in the career training sessions are included in attachment 3.

Responses:

Five main themes emerged from the views expressed across all sessions that the majority of private career training representatives would support regulatory change to:

- 1) Improve or strengthen the current system of regulatory oversight for private career training institutions.

The private career training institutions stated that accreditation standards should include Education Quality Assurance designation and eligibility for student financial assistance designation, and should not differentiate between domestic and international students. Participants expressed their views that student loan default rates are not a primary indicator of quality. The institutions identified a need to reduce administrative fees, simplify processes, and reduce paperwork and time required to comply with regulation.

- 2) Recognize differences within the private career training system.

The private career training institutions want the new regulatory system to recognize that some private career training institutions are also subject to requirements of other regulatory bodies. Some participants also felt that institutions are in the best position to determine instructors' credentials including consideration for industry experience, education record, and technical versus teaching skills.

- 3) Establish regulatory processes that enable differentiation based on risk status of an institution.

The institutions stated that accreditation standards should reduce requirements, reports and fees relative to an institution's size, successful business track record, and student feedback. Some institutions also indicated that risk status may be used to differentiate with respect to: setting fees; frequency of visits and audits; establishing the term of accreditation or designation; and regulatory reporting.

- 4) Explore alignment, parity and consistency between the private and public systems.

The private career training institutions stated that where possible, a level playing field should be created between the private and public systems including provision of grants, student loans and tuition levels. Participants felt there should be articulation for credit transfer of courses where applicable between private career training institutions and the public post-secondary system. The institutions also stated that there should be common policies in place, where applicable, for private career training institutions and the public post-secondary system.

- 5) Establish accreditation standards to include consideration of clear and measurable indicators of quality and institutional risk.

The private career training institutions identified that indicators of quality and institutional risk may include: number of students; institutional history, stability, student surveys; financial information/health (tuition revenue, total revenue, percent unearned income); industry relevance and certification; achievement of learning objectives; and availability of cash to meet short-term liabilities (liquidity).

The summary of responses above was derived from the “Records of Proceedings” for the private career training institutions sessions.

Consultation with Language Training Institutions:

On December 2, 2014 a dedicated session for the private language training institutions was held in Vancouver, British Columbia. It was attended by representatives from 37 language training institutions, the Ministry and the Private Career Training Institutions Agency. A number of questions were circulated in advance regarding: the proposed new regulatory approach; a risk based approach to determine the level of review required to ensure quality and consumer protection; and administrative requirements to effectively regulate private language training. The questions discussed in the session are included in attachment 4.

Responses:

Three main themes emerged from the views expressed by the private language training institution representatives that they would like the new regulatory process to:

- 1) Recognize that Languages Canada already ensures that private language training institution members offer sufficiently high quality services.
 - I. Accreditation under Languages Canada should be considered equivalent to accreditation under the current Private Career Training Institutions Agency model.

- II. Languages Canada provides quality assurance, student protection and course completion, and removes this responsibility from government and the institution.
 - III. Accredited Languages Canada members should be provided Education Quality Assurance designation with no additional requirements imposed.
- 2) Strengthen, support and recognize existing Languages Canada oversight role.
- I. The new regulatory approach should recognize that private language training institutions contribute to provincial and national economies by earning export and tax revenue.
 - II. There should be regulations that apply to all private language training including non-Languages Canada institutions.
 - III. The risk status of a private language institution could include factors such as: years in business; Canadian ownership; supplier relationships; Languages Canada accreditation; historical data; examples for managing risk; percentage of complaints; severity of complaints; resolution of complaints; and agents from a wide range of countries.
- 3) Recognize that language training is significantly different than career training.
- I. Private language training institutions should have legislation distinct from legislation applying to private career training institutions.
 - II. Institutions could be categorized as “small” or “large” considering factors that include: number of student weeks, export-derived tax revenue, tuition revenue, number of students, campus area, students – domestic versus international.

The summary of responses above was derived from the “Records of Proceedings” for the private language training institutions session.

Next Steps:

On February 11, 2015 the Government of British Columbia introduced Bill 7, the proposed *Private Training Act*, to strengthen education quality, streamline administrative and approval processes, and improve public confidence in the private career training sector domestically and internationally.

The proposed *Private Training Act* is intended to replace the *Private Career Training Institutions Act*, dissolve the Private Career Training Institutions Agency (PCTIA), and transfer PCTIA authorities and functions to the Ministry of Advanced Education later this year. The *Private Training Act* will create higher quality standards for the sector, broader enforcement mechanisms, better student protection, and streamline approval processes. It will also introduce a risk based approach that protects the public interest while reducing regulatory requirements for private institutions offering quality programs and having a history of strong compliance.

Government is working to develop regulations that support the legislation. The regulations will provide specific details about the legislative and regulatory framework under which government intends to oversee private career training institutions. Feedback from the consultations with private career training institutions and other stakeholders, which has been summarized in this report, is helping to shape this framework. The Ministry is continuing to engage with private training sector representatives in developing the new regulatory approach and would like to thank all the individuals and organizations that have contributed and continue to contribute their advice, time and expertise.

List of attachments:

Attachment 1: Summary of Phase 1 Consultations

Attachment 2: Flight Training Summary

Attachment 3: Private Career Training Questions

Attachment 4: Private Language Training Questions

Attachment 1 Summary of Phase 1 Consultations

Participants in the Phase 1 consultations in May 2014 identified the following areas that need to be addressed in establishing a new regulatory system for private career training:

Administrative improvement:

- Enhanced coordination needed by government to reduce or eliminate repetitive or multiple visits from different government offices (i.e., Private Career Training Institutions Agency [PCTIA] officials, Student Financial Assistance compliance officers);
- Coordinated reporting, to avoid multiple reporting deadlines (registration, annual enrollment, Education Quality Assurance [EQA], Student Aid BC);
- Reduced administrative requirements for smaller institutions;
- Reduced administrative requirements for dually regulated sectors;
- Reduced paperwork for minor program changes; and
- Streamlined forms and processes to reduce long processing times.

Risk management:

- Requiring a more accurate assessment of risk;
- Tightening controls on at risk institutions;
- Recognizing the lower risk offered by flight schools that offer commercial training on a pay as you go basis;
- Emulating aspects of the risk based approach used by Transport Canada for the flight training community;
- Providing recognition for high performers (i.e., institute a sliding inspection regime); and
- Educating institutions on financial and other expectations.

Quality assurance framework:

- Enhancing the contrast in educational, financial and administrative standards between registered and accredited institutions;
- Providing more flexibility in the process to accommodate different types of institutions; and
- Improving quality assurance at accredited institutions and overall.

Attachment 2 Flight Training Summary

Consultation with Flight Training Sector:

On November 14, 2014 a dedicated session for the flight school industry was held in Delta, British Columbia. It was attended by representatives from 22 flight training schools, the Ministry of Advanced Education (the Ministry), and Transport Canada. Participants chose to start the session by identifying general issues that they wanted to convey to the Ministry. Discussion then moved to a number of questions that were circulated in advance regarding administrative requirements to effectively regulate private career training and a risk based approach to determine the level of review required to ensure quality and consumer protection. The set of questions posed during the session is included in: Appendix i: "Flight Training Questions".

Responses:

All responses provided by the flight school representatives were documented in the Record of Proceedings for the flight training schools; the main messages summarized below were derived from a review of the Record of Proceedings for the flight training schools session.

Summary of Main Messages:

What are the issues?

1. The Private Career Training Institutions Agency (PCTIA)'s administrative requirements are hurting flight training schools.
2. Flight training schools are already regulated under Transport Canada so should be exempt from PCTIA requirements.
3. Flight schools are already regulated under Transport Canada so PCTIA requirements should be differentiated for flight schools.
4. "Pay as you go" students at flight training schools have little financial risk and so payments to the Student Training Completion Fund (STCF) are not needed.

Administrative requirements:

5. Areas of duplication between Transport Canada and PCTIA requirements include the review and approval of: instructor qualifications, programs, facilities, equipment, admission requirements, and student contracts.
6. Flight schools that have been registered and accredited for a period of time should be able to automatically get the Education Quality Assurance (EQA) designation.
7. Reduce the number and complexity of administrative requirements.
8. Recognize Transport Canada authorizations for flight training schools.

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Attachment 2 - continued

9. Reduce the number of audits.
10. Administrative requirements should consider financial risk and the unique nature of the flight school sector.
11. Administrative requirements are preventing some flight training schools from accessing the international student market.

Risk-based approach:

12. A process that differentiates based on risk should consider factors including: business track record, tuition policy, student mix, and curriculum.
13. The risk status of an institution could be considered in establishing an audit protocol.

Next Steps:

The Ministry and its stakeholders are currently reviewing information from the consultations. No date has yet been announced for the transition of private career training regulation from PCTIA to the Ministry. As an interim measure, the Ministry, PCTIA and Transport Canada are reviewing their respective regulatory requirements with the aim of providing flight training schools with greater clarity on PCTIA requirements. The Ministry wishes to thank all participants for the discussion that has occurred to date.

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Attachment 2 – continued

Appendix i: “Flight Training Questions”

Administrative Requirements:

There are currently a number of requirements in place to ensure quality assurance and consumer protection for students. Phase 1 consultations established that these requirements can be redundant, especially for the flight training sector that is also regulated by Transport Canada. The participants were asked four questions related to administrative requirements:

- 1) Which current Private Career Training Institutions Agency (PCTIA) requirements duplicate those of Transport Canada?
- 2) How can processes be streamlined without impacting quality assurance or consumer protection? For example, a streamlined fee structure that reduces the number of fee transactions?
- 3) What factors should be considered to categorize a “small institution” versus a “large institution”: number of students? Tuition revenue? Institutional risk? Other?
- 4) For accredited institutions, where do you see opportunities for coordination with Education Quality Assurance (EQA) and Student Financial Assistance (SFA) requirements and processes?

Risk-Based Approach:

The PCTIA is currently piloting a risk assessment tool to assist in determining whether an institution requires a relatively more or less comprehensive site visit based on factors that include amount of unearned tuition, financial health, complaints history and previous compliance concerns. The participants were asked four questions related to the risk-based approach:

- 1) What elements of Transport Canada’s approach to risk management could be utilized by the Ministry?
- 2) What are the factors to consider when evaluating the risk status of a particular institution?
- 3) What should an institution’s risk status be used for? Setting fee structure? Determining reporting requirements and schedule? Establishing standards to be met? Others?
- 4) What actions do you think are appropriate for institutions at risk?

Attachment 3 Private Career Training Questions

Quality assurance standards:

1. Quality Assurance Standards (Registration and accreditation) – How do you think the difference between registration and accreditation can be better delineated?
2. Quality Assurance Standards (Accreditation) - What accreditation standards of quality do you feel should be strengthened? If so, how?
3. Quality Assurance Standards (Registration and accreditation) – What standards do you see being modified, added or removed for either registered or accredited institutions?

Risk based approach:

4. Risk based approach – What are the factors to consider when evaluating the risk status of a particular institution?
5. Risk Based Approach – What should an institution’s risk status be used for: setting fee structure? Determining reporting requirements and schedule? Establishing standards to be met? Others?
6. Risk Based Approach – What actions do you think are appropriate for institutions at risk (i.e. financial instability, high percent of complaints, poor compliance history)?

Administrative requirements:

7. Administrative Requirements – How can processes be streamlined without impacting quality assurance or consumer protection?
8. Administrative Requirements – What factors should be considered to categorize a “small institution” versus a “large institution”: number of students? Tuition revenue? Institutional risk? Other?
9. Administrative Requirements – For accredited institutions, where do you see opportunities for coordination with Education Quality Assurance and Student Financial Assistance requirements and processes?

Attachment 4 Private Language Training Questions

Proposed new regulatory approach:

1. How would regulation of private language training institutions differ from the regulation for private career training institutions?
2. What would be additional or different policy objectives for the regulation of private language training institutions as compared to the objectives stated by the Ministry of Advanced Education for the regulation of private career training?

Risk based approach:

3. What are the factors to consider when evaluating the risk status of a private language training institution?
4. What should an institution's risk status be used for: setting fee structure? Determining reporting requirements and schedule? Establishing standards to be met? Others?
5. What actions do you think are appropriate for private language training institutions at risk (i.e. requiring additional financial security, increased compliance monitoring, more frequent financial reporting, and restrictions on operation)?
6. What considerations would be appropriate for institutions considered to be low risk?

Administrative requirements:

7. How can processes be streamlined without impacting quality assurance or consumer protection?
8. What factors should be considered to categorize a "small institution" versus a "large institution"?
9. For private language training institutions, where do you see opportunities for coordination with Education Quality Assurance (EQA) requirements and processes?