

Private Career Training Institutions Act

Review

By

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PCTI Act Review

Executive Summary

Private career training institutions and English as a Second Language (ESL) schools in BC serve about 165,000 students per year. I estimate they contribute (directly and indirectly) close to a billion dollars to the economy.

In preparing this report, I reviewed the *Private Career Training Institutions Act*, its regulations, the PCTI Agency bylaws and administrative practices. I met with stakeholders, read submissions and considered background documents from BC and other jurisdictions.

Private career training institutions provide diverse and much-needed opportunities to British Columbians seeking increased skills and qualifications they have not chosen to pursue in our public institutions. These institutions fill an important niche in providing education and training in British Columbia, at no cost to the taxpayers.

Many of these institutions provide high-quality education and training, however, the actions of a small number of institutions are reflecting poorly on the sector as a whole. In addition, I heard concerns about the current regulatory framework, especially the need for improved protection for students. My review convinced me that BC and the industry would benefit from improvements in key areas so that we can protect and expand our share of the multi-billion dollar worldwide market for education. Overall, I conclude that both students and BC's Education Brand would be well served with enhancements in student protection, increased institutional accountability and effective quality assurance.

Private ESL institutions are currently not under the scope of the *Private Career Training Institutions Act*, (a few have voluntarily registered with PCTIA). Because of this, there is no requirement for the estimated 150-200 ESL schools in BC to meet educational or quality standards and no protection is in place for the approximately 100,000 ESL students in BC. ESL schools primarily recruit and serve international students. I recommend ESL schools be brought under the PCTI Act.

If my recommendations are implemented, they will offer international and local students more protection, ensure that institutions are accountable for the extent to which students achieve the advertised program outcomes, provide improved tools to deal with non-compliance, enhance the BC Education Brand and bring consistent high standards to the industry through a quality assurance process. I also make recommendations that will reduce costs and simplify administration for compliant institutions.

The report contains recommendations to help develop a deeper pool of experienced academics and administrators and thereby improve student outcomes and credit transfer for Aboriginal institutions.

Private Career Training Institutions Act

Review

Introduction

Geoff Plant, in his April 2007 report “Campus 2020—Thinking Ahead”, described the important role of private post-secondary institutions in our post-secondary system. He also noted the public interest in protecting students and protecting BC’s reputation for high-quality education. Mr. Plant’s recommendation that an independent review be done of the *Private Career Training Institutions Act* and its regulatory framework led to the Minister of Advanced Education commissioning this review.

British Columbia’s private post-secondary institutions attract a large and diverse population of students. For the year ending June 2007, institutions registered with the Private Career Training Institutions Agency (PCTIA, or the Agency) show more than 65,000 enrolments and about \$265,000,000 total tuition paid to just under 500 private institutions. In addition, an estimated 100,000 students attend approximately 150 to 200 private English as a Second Language (ESL) institutions. Because the ESL schools are not regulated, official statistics about them are not available.

The sector provides education and training to students who, for a wide variety of reasons, have not found what they need to succeed in the public education system. These private institutions function in a very challenging part of the education spectrum, serving niche markets and providing many students with the opportunity to develop the skills, knowledge and behaviours necessary to enter and succeed in the labour market.

BC has a large stake in ensuring the success of the institutions. The province is facing a skills shortage and private career institutions are key players in helping to address that shortage. They will help provide work skills to a substantial number of the 1.1 million new workers the province will require by 2015.

Educating and training students in the private sector removes a huge burden from the taxpayers of BC and directly contributes in a substantial way to the economy of the province through payrolls and expenditures on goods and services. If one takes into account tuition, spending on accommodation, food, transportation and entertainment, plus the usual economic multipliers, the economic impact of this (PCTIA plus ESL) sector on BC’s economy can reasonably be estimated at almost a billion dollars per year.

Beyond that, the sector represents a great economic opportunity for the province. International education is estimated to be a multi-trillion-dollar worldwide industry and BC comes to that industry with a significant competitive advantage: our education system has a reputation for producing skilled and knowledgeable graduates with highly respected credentials. Our opportunity is enhanced by the world’s positive views of Canada and BC’s location as the gateway to the fastest developing regions. It is widely accepted that

the sector has room to grow in BC and thereby contribute more to our economic well-being.

In conducting meetings and following up on submissions associated with this review, I came across many hard-working, committed professionals who own and operate private institutions and training establishments in BC. I am convinced that the majority of private post-secondary institutions do a good job. I believe it is appropriate to celebrate and encourage the people who have built this industry.

This report recommends introducing a more flexible regulatory approach, reducing the financial and administrative burdens on compliant institutions and providing incentives for continuous improvement of the sector.

However, there are concerns about a small number of institutions and this has reflected poorly on the sector as a whole, as well as on BC's international reputation for post-secondary education. I also heard from a broad spectrum of contributors that the current regulatory framework has significant shortcomings, resulting in inadequate protection for students, lack of oversight of a significant part of the industry and the need for educational standards as part of the registration process. I quote from the submission made to me by the PCTIA board:

“...the current regulatory framework is not sufficient to ensure quality and protect British Columbia's reputation for excellent post-secondary education. The Act restricts the Agency's oversight of registered institutions to providing consumer protection, and does not provide the authority for the PCTIA to set educational standards for the 200-plus institutions that are registered with, but not accredited by the Agency. The Board also expressed the view that the current approach to funding the Agency severely limits its capacity to fulfil its mandate.”

I believe government will better serve the interests of the students, the industry and the province by introducing changes to the current legislative and regulatory scheme governing private training institutions that would:

- enhance student protection;
- bring ESL schools under the PCTI Act;
- require higher standards for entry into the industry, by introducing educational standards into the registration process and require mandatory quality assurance in the ongoing operations of the industry;
- increase accountability and transparency in the governance of the sector;
- increase the resources and tools available to the Agency for enforcement and monitoring; and
- bring more flexibility to the regulatory process in order to reduce costs and administrative burdens for compliant institutions while focussing more resources on non-compliant ones.

Specifically, PCTIA should have increased ability to deal effectively and expeditiously with owners who do not serve the best interest of their students, do not meet the standards necessary to sustain our trust and, through their actions, harm students and damage the good name of BC post-secondary education.

ESL schools are unregulated and I share the view of almost everyone I spoke to outside the ESL industry, that these schools should be brought under PCTIA. Their primary market is international students and the current lack of student protection and quality standards poses a risk to students and to the BC Education Brand.

The following section sets out the specific questions contained in my terms of reference along with a summary of my findings and recommendations.

Responses to Questions Posed in the Terms of Reference

The terms of reference for this review direct me to consider:

the views of all stakeholder groups and the public,

the overall goal of public confidence (both domestic and international) in private post-secondary education in BC and BC's reputation for providing excellent post-secondary education, and

the need to have safeguards for individual students (domestic and international) as well as to protect BC's reputation as a jurisdiction offering high quality and reliable post-secondary education opportunities.

In conducting this review I sent letters inviting submissions to 47 stakeholders, met directly (in a few instances by phone) with 32 individuals and groups, some more than once, reviewed 24 submissions and read many documents pertinent to the subject of regulating private career training institutions. My recommendations are largely based upon the comments, suggestions or concerns expressed during this consultative process.

In the terms of reference, I am directed to:

inform the government on the effectiveness of the current legislative and regulatory regime and advise on changes to build on the foundation that already exists, including (but not limited to) answering the following questions:

(Note: Some recommendations address more than one of the questions listed below. I have placed the recommendation with the question most directly pertinent. My recommendations may require changes to legislation, regulations, bylaws and/or administrative policies and procedures. Except in a very few specific cases, I have not attempted to suggest the locus of the changes.)

Question 1.

How can we ensure quality and protect the British Columbia Education Brand reputation (internationally and domestically)? Is the current regulatory framework sufficient to achieve this?

The BC Business Council told me that:

“...the current structure needs tightening up as it is probably not adequate for the job. BC has a brand to protect. ... [We are] somewhat alarmed by concerns expressed by foreign governments. There is a need to move more towards the ‘regulating’ end of the spectrum.”

The submission from the University Presidents’ Council of BC summarized their concerns succinctly:

“The collapse of some entities, and the continuing poor performance of others, has had an adverse impact on the international reputation of British Columbia’s post-secondary system. The resulting erosion of BC’s reputation is a matter of concern for BC’s universities and we understand that the

consequences may be even more significant for high quality private institutions that also depend upon the preservation of BC's reputation as a destination of choice for international students.

More robust efforts will be required from the government of British Columbia to ensure that appropriate quality controls are in place both to protect the interests of students and to make certain that programs offered by private institutions meet acceptable standards. It now appears that deregulation, particularly in the context of ESL institutions, has facilitated a decline in quality control. This must be reversed.

We take the position that improved student protection and complaints processes could be re-established as critical strengths of the BC system. Strengthening these elements would do a great deal to make it clear to the external marketplace that BC is serious about moving to address the significant concerns that have emerged in recent years about some private providers.”

The current regulatory framework, which sets out a model of compulsory registration and voluntary accreditation, was criticized by a number of stakeholders who felt that there should be a single standard – compulsory accreditation. They did not feel the current scheme was sufficient to ensure quality and to protect the BC Education Brand. I heard particular criticism of the fact that the current registration process does not include any component relating to educational standards. Since only 40 per cent of PCTIA institutions have sought voluntary accreditation, this leaves 60 per cent of the private career institutions operating with no review of their educational capabilities, resources or quality standards.

The current model is also confusing for students who do not know or understand the difference between registered and accredited, and who believe that registration signifies that those institutions have met government quality standards.

My review finds that the current framework should be strengthened in order to protect students and the BC Education Brand.

I recommend:

- a more rigorous process for registration, including consideration of educational standards and
- the introduction of outcome-based quality assurance for all PCTIA institutions.

I believe these changes will ensure quality across the industry and will protect the BC Education Brand.

Enhancement of registration standards is not intended to measure all institutions relative to Harvard or UBC, but instead it is intended to assess whether a proposed institution has:

- soundly designed programs
- well organized institutional processes,
- credible administrators and
- qualified, experienced teachers.

Consideration of these factors during the registration process will allow the Agency to judge whether the applicant has the ability to deliver the courses and programs in a manner that gives students a fair chance of achieving the outcomes promised.

Once they are operating, institutions should be required to implement an ongoing quality assurance process. The quality assurance (QA) process should be founded on two premises:

- Institutions should be accountable for the extent to which students achieve the outcomes promised or implied in their programs and advertising.
- Institutions must have a commitment to continuous improvement.

The QA program replaces accreditation and in my view it should concentrate on institutional effectiveness and student success and should provide incentives for continuous improvement. I believe a compulsory QA program is entirely consistent with self-regulation.

I anticipate that by shifting from accreditation to QA, the focus will shift from an emphasis on how things are done to measuring and evaluating the results of the institutions' work with students.

Private institutions have an opportunity to provide real competition and leadership for the public institutions particularly in the area of quality assurance. By focusing on educational outcomes rather than inputs, private institutions can help engender an effective, efficient approach to quality across the education spectrum.

The BC Career Colleges Association (BCCCA) reports that most of their members feel overburdened and over-regulated with the paperwork required by PCTIA and urge that consideration be given to reducing this burden. A move to output-based quality assurance measures could help reduce paperwork, but systems to collect the required information (e.g. surveys of graduates and employers) will have to be carefully designed, in consultation with PCTIA members.

PCTIA may also wish to consider

- developing a specialized QA process for institutions wishing to admit international students,
- developing a specialized QA process for online programs, and
- requiring institutions to show that their transfer credit arrangements meet appropriate QA standards.

Balance

PCTIA could consider providing incentives for institutions to excel, for example, by lowering fees for institutions achieving certain student outcomes benchmarks, or by establishing quality-linked criteria under which an institution can qualify for expedited consideration of applications for new programs. Expedited approval of applications for new programs could follow the model used by the Degree Quality Assessment Board (DQAB) for exempt institutions.

By allowing PCTIA to work with external organizations and institutions to adapt and ultimately recognize their QA processes, a great deal of expertise can be utilized at low cost and with high credibility. Individual institutions, while having to meet quality assurance standards will be relieved of some of the costs and frustrations of adapting to standards and requirements inappropriate to their sector.

Focussing on outcomes provides students a more objective means of assessing the value of the education. For British Columbia, an effective, outcome-based quality assurance system offers the promise of an increasingly valuable BC Education Brand.

Recommendation 1:

To ensure quality and protection of the BC Education Brand:

- **replace the current PCTIA system of registration and voluntary accreditation with a more rigorous registration process that includes consideration of educational standards,**
- **replace voluntary accreditation with a mandatory, outcome-based quality assurance process, and**
- **hold institutions accountable for the extent to which students achieve the stated program outcomes and for continuous improvement.**

Question 2.

Does the existing framework provide for adequate student protection? If not, what measures should be put in place to enhance protection?

I received a lot of comments about the need to improve the protection of students.

Under the current framework, student protection is limited to tuition refunds in the event that an institution closes before a student completes his or her program. There are other situations that justify refunds and PCTIA should be in a position to require such refunds, where appropriate.

There is also no formal student complaint mechanism. Avenues of complaint are available through the Better Business Bureau, the Business Practices and Consumer Protection Authority, as well as the courts, but these fall short of meeting student needs and public expectations.

International students in particular are highly unlikely to pursue redress through the courts. Instead many complain to their consul as well as their friends and families back home.

Individuals typically have a window of opportunity during their life when education and training can be their focus. For many, if their educational endeavours are unsuccessful for any reason, that window closes and they must move on to deal with work and family responsibilities. I believe BC has a responsibility to ensure its regulatory framework is effective at minimizing the incidence of disruptions to students' education arising from non-compliance by institutions or by the actions of unregulated institutions. Within the public institutions, student complaint processes adhere to very high standards and there is no reason this cannot be the case in for private institutions.

Buying education or training is not like buying a car or a pair of shoes, where quality issues are readily apparent and where remediation of the fault is relatively easy. The shortcomings of a weak training program may not be apparent in the short run and no remedy will replace the time and effort. Tuition is often the smallest part of the cost of education. Living expenses, books and foregone income often contribute more to the cost and none of this is recovered through tuition refunds.

For this reason, quality assurance and student protection are particularly important in education.

I believe a person studying in BC should have student protection that meets standards such as these:

- transparency and clarity with respect to institution status, programs, accreditation, fees and policies so that students can make informed choices;
- financial protection so that tuition is not lost or wasted due to an institution's bankruptcy, fraud or misrepresentation;
- quality assurance that ensures an institution's programs are designed and delivered in a manner that gives a student a fair chance to achieve the educational outcomes and embrace the career opportunities promised or implied in the institution's programs and advertising; and
- natural justice in administrative matters so that serious complaints or grievances against an instructor, administrator or institution can ultimately be adjudicated without undue delay by a party not directly involved in the complaint,.

Standards of student protection could be set out in a Charter of Student Rights and Responsibilities, as has been done elsewhere.

Additionally, the PCTIA board could support this through improved transparency and clarity of the information about institutions, particularly those under sanction. To do this, I believe it needs a stronger focus on the public interest. (See Recommendation 6 on page 15)

Financial protection of students could also be improved by providing PCTIA with the authority to order refunds and other financial remedies to students. To deal with cases where the cost of such refunds cannot be charged back to the offending institution, I suggest the scope of the Student Training Completion Fund (STCF) be expanded to permit the fund to be used for compensating students.

Refunds need to be paid to students as quickly as possible, so the students can enrol elsewhere. Timely reimbursement helps ensure students can get on with their lives and not suffer the loss of a full semester of study. Adjudicated student refunds should not be delayed by institutional appeals, particularly since the amounts in question are generally highly significant to the student, but less so to the institution. Accordingly, I suggest the refunds initially be paid from the STCF, with the fund being reimbursed by the institution. However, in cases where an institutional appeal is upheld, the cost of the refunds already paid to students could be left as a charge to the STCF rather than recovered from the student.

Finally there should be a formal mechanism by which PCTIA can resolve student complaints (financial, academic and administrative). BCCCA recognized this by recommending it in their submission.

In order to be useful, the student complaint mechanism needs to consider both the needs of the student to have their complaints addressed in a timely manner and the need for institutions to operate with a degree of certainty. There are many variables that come into

play in a complaint process, making it important for the Registrar to have discretion into how they are investigated and resolved, for example, the authority/discretion to:

- reject or discourage frivolous or vexatious complaints, (perhaps including charging a small, refundable fee to process complaints),
- act without a written complaint or written requests for refunds,
- pay into the STCF any payments or refunds for students that cannot be located (thereby ensuring the institution involved does not directly benefit in such cases), and
- order a refund where a student cannot complete a program due to changes made by the institution.

Part of student protection is ensuring that students have access to records of their education. A central repository is key to this in a sector where institutions can and do go out of business. Recent developments on the Internet may make this repository a more straightforward and less expensive proposition than in the past.

In sum, based on my review, I find that the existing framework needs to be strengthened to provide better protection for students. If students get good value and good outcomes for the time and money they invest in BC private education, the sector will flourish and the province's reputation will be enhanced.

Recommendation 2

Create a Charter of Student Rights and Responsibilities, implement a student complaint system based on that charter and give the Registrar discretion to address issues of student protection, with or without student complaints.

Question 3.

Is it appropriate/effective to have the regulatory function and quality assurance in the same place?

Although opinion was mixed, I came to the conclusion that there would be no useful purpose served to separate the regulatory function from the quality assurance function at this time. Separating the functions would create additional costs and another layer of bureaucracy.

Recommendation 3

Keep the regulatory and quality assurance functions under PCTIA

Question 4.

What is the appropriate scope of application of the PCTI Act, in respect of types of institutions and programs caught by the Act? Is the definition of career training appropriate? Should institutions that provide both career training and non-career

training programs be covered by the Act? What about university transfer programs?

The Act currently applies only to private institutions offering career training as defined by the National Occupational Classification system and that meets certain thresholds of time and cost. It does not apply broadly to the private post-secondary sector as a whole. Some institutions are excluded (e.g., private academic non-degree and private ESL schools). It is difficult to argue that some institutions providing education and training do not require regulation while others do.

I heard from many stakeholders that the field of private training is changing rapidly, with new combinations of institutions (alone or in partnerships), programs and credentials appearing all the time, so a broad definition for coverage is required to ensure appropriate oversight of the field.

I believe it would be prudent to require all institutions offering non-degree level post-secondary education/training (including both non-degree academic programs and English as a Second Language schools) to be under the scope of the legislation, but discretion should be provided to the Minister to exclude institutions or classes of institutions (such as theological institutions) or specific programs.

Jindra Repa of Arbutus College summarized the issue well:

“...the framework is too rigid and its career focus was limiting from the beginning. Time to open up the framework to the variety of institutions that actually operate in the province rather than cram them all under the career heading.”

If there is to be a broader scope as outlined above, an issue arises with respect to applicability of the National Occupation Classification (NOC) system (embedded in the current regulations as the basis for defining career training). It is my understanding that the NOC is often five years out of date and would not cover all program areas. The broadly used list Classification of Instructional Programs (CIP) is used elsewhere in BC post-secondary education and would be more appropriate and flexible.

Recommendation 4

All private institutions offering career training and academic studies (as listed in the Classification of Instructional Programs) below the Associate Degree level should be covered by the Act, and discretion should be provided so that, where appropriate, programs can be excluded entirely or assigned to the DAA.

Question 5.

Should private English as a Second Language (ESL) institutions be included in the regulatory framework? What is needed to ensure the quality and accountability of private ESL institutions?

Private ESL institutions are currently not under the scope of the *Private Career Training Institutions Act* and although they may voluntarily register with the PCTIA, very few have done so. Because of this, there is no requirement for the estimated 150-200 ESL schools in BC to meet educational or quality standards and no protection is in place for

the approximately 100,000 ESL students in BC. ESL schools primarily recruit and serve international students.

Everyone I spoke to from outside the ESL sector, including the PCTIA board and the BCCCA, feels there should be some form of regulatory oversight of ESL schools. Some ESL schools did not support regulation as they argue they have taken steps within the sector to establish a voluntary quality assurance process. (Thirty-nine ESL schools are part of this process.) While there are without doubt good quality institutions within the ESL sector, there have also been many reports from consulates, the press and from other stakeholders that point to significant problems with respect to the lack of consumer protection, instances of victimization of students, lack of standards as well as immigration and visa scams.

To quote from one submission:

“If the objectives are consumer protection, quality education and protection of BC’s reputation ... then there are no strong arguments for exempting any sector. ... students, prospective students, parents, ... public opinion ... media [and] interest groups... do not distinguish between sectors, ... or between registered and accredited schools. School failures, negative student impacts and reputational damage should be avoided in all sectors.” John Boon, HKMK Law Corporation

Another submission from a private institution notes that ESL institutions:

“... range from a great learning experience for foreign students to total scams where money equals successful completion even if the student does not attend. The current visa problems are for a large part, resulting directly from those institutions. ... [What is needed is] ... regulation, accreditation and curriculum reviews to ensure basic competencies are taught/learned.”

I met with the consul of Korea and he reinforced the view that all institutions should be regulated. Some 30,000 Korean students currently come to BC annually. This flow will be threatened by the upcoming relaxation of US-Korea visa requirements. Likewise the Consuls of China and India expressed their concerns to me about unregulated, unaccredited ESL schools in BC.

Additionally, the line between career training and language training is beginning to blur. Some ESL institutions are starting to offer courses and programs such as Career Preparation English, Business English and Academic Preparation English. In some cases those programs are comparable to those at registered career training institutions, including providing internships with local businesses, but because they are called ESL courses, they do not come under PCTIA. It is getting more and more difficult to draw a distinction between these types of programs.

What is needed to ensure quality and accountability in this sector is registration and quality assurance by PCTIA. In the first instance, this quality assurance could be largely based on an improved Canadian Association of Private Language Schools (CAPLS) and Canada Language Council (CLC) accreditation program, so that the 39 schools already using it would not face significant additional burdens.

In terms of accountability, it is important to note that relatively low-cost, worldwide, standardized tests of English, provided and marked by independent agencies, are available. Pre- and post-testing of students would provide objective measures of progress. The results of these tests should be part of the QA program.

Recommendation 5

Bring all private ESL institutions under the Act, require them to contribute to the STCF and require pre- and post-testing of all students, using PCTIA approved tests.

Question 6.

What governance structure best supports an effective, credible system in this sector (including addressing issues of transparency, accountability and public interest)? Is self-regulation working, and if yes, what does it mean for this sector? If no, what changes could be made to give maximum effect to self-regulation?

Many stakeholders expressed concerns about the credibility of PCTIA because its board is industry-dominated and lacks sufficient representation from the public. The perception of the non-industry contributors to this review is that the PCTIA board is biased towards industry and concerned primarily with the bottom line of owners rather than the interests of students. This was the single biggest criticism I received of the PCTIA, and most critics see it as the root of many other problems in the sector. Issues mentioned included conflict of interest, and the lack of an arms-length relationship with the industry.

Ensuring quality, protection of students and protection of the BC Education Brand all require that regulation (whether self-regulation or not) be and be seen to be effective. The view of many is that self-regulation as it is currently implemented is not sufficiently credible or effective at the moment.

Some also expressed the view that this industry is not a good candidate for self-regulation because it doesn't have the characteristics of other self-regulating sectors, such as the professions. Typical self-regulating sectors (physicians, lawyers or pharmacists, for example) are bound together by licences to practice, by codes of ethics, by professional structures and policies. Their ability to practice is at risk if they breach the rules of their professions. Owners in the PCTI sector come from diverse backgrounds, with little common experience or shared values. The PCTIA board reflects this diversity and this can make it difficult for the board to reach a common understanding of the extent and nature of their governance responsibilities.

PCTIA's board noted at their June 2007 strategic planning session that there is a lack of clarity on the role of the board members vis-à-vis the sector and there is a lack of consensus on the role of the board among its members.

One operator of a private institution echoed the views of many external stakeholders when he said the move to self-regulation was a step backwards. He pointed to the conflict of interest inherent when owners are expected to put the public interest above their own financial interest.

Another submission stated:

“ Of course, business would like to self-regulate because it is so much easier to operate. However the reality should be clear that this is the slippery slope that we are stumbling down right now. Quality control was thrown out and the inevitable result is that we are left dealing with the fall-out. Minimizing regulatory burden may be sound policy for industries that are not perceived in the same light as education. However, public trust with regard to education is paramount. Once the

reputation of an education system is damaged it can be difficult to repair, so better to be heavier on the regulatory side and require more of ...[the] profession than to ease off because of the pressure from business. ... A globalized education sector is ... current reality and if students do not have confidence that our system is fair, transparent and of high quality, then we will lose that business to other parts of the world....” TEAL BC.

While the PCTI Act makes the responsibilities of the board very clear, there is still confusion among some board members and within the sector itself as to what self-regulation is and the role of the board in this regard. Some feel that self-regulation means the board should be promoting or advocating for the industry rather than regulating it.

My assessment of the situation is that self-regulation is not working as expected and that, under the current system of electing industry-based board members, this is likely to continue. The last PCTIA board election elicited fewer than 60 votes, with the final board member being elected with about 30 votes, out of almost 500 eligible voting members.

I considered recommending the Business Practices and Consumer Protection Agency model, of a very small board of experts with no industry representation, but after listening to submissions from stakeholders, I concluded that continued industry representation on the PCTIA board is preferable.

However, I believe that governance and self-regulation could be strengthened if the industry representatives to the board were appointed rather than elected under the current process. This would ensure appropriately motivated members serve on the board and representation comes from a spectrum of institutions.

I believe that the voice of the public is not strong enough on the current PCTIA board and a PCTIA board made up of a mix of public representatives and industry representatives would be a stronger, more credible model under which to provide governance to the Agency and regulation to the industry.

I also heard several suggestions that the governance of the sector would be enhanced through the appointment to the board of a private career training institution student (or recent graduate) and Aboriginal representatives. This would add useful perspectives to the board, and would be consistent with boards of public post-secondary institutions in the province. The size of the board should be kept to 11 members or fewer, if possible.

Recommendation 6a

Enhance the protection of students and the credibility and accountability of PCTIA governance by:

- **appointing to the PCTIA board a majority representing the public interest,**
- **using the government’s highly regarded board appointments process to appoint the industry board members rather than the current election process, and**
- **considering student and Aboriginal representation on the board**

A further accountability issue raised by many relates to the level of resources available within PCTIA to carry out its operations effectively. Funding for Agency operations is solely provided through institutional fees. Currently, PCTIA staff carry large caseloads

with each officer responsible for overseeing more than 100 institutions and limited budgets for site visits. As a result some institutions are registered and operating before site visits can be carried out, or institutions move and PCTIA does not have sufficient resources for effective and timely follow-up.

Catherine Wayne of CDI College echoed the views of many others when she wrote:

“...PCTIA does not have enough staff to make the number/type of visits to institutions that are required to ensure that institutions are meeting the minimum compliance standards.”

Canada Border Service Agency (CBSA) representatives supported this view, and noted that the impact of delays in inspecting registered institutions can result in visa mills turning out letters of acceptance before they are found and de-registered.

Sufficient resources must be available to provide oversight and the tools need to be in place to enforce the Act, regulations, bylaws and policies

Currently, the total cost of STCF contributions and fees for Agency operations amounts to less than 1.5 per cent of industry revenues. Because of the way the fees are charged, larger institutions pay as little as 1.1 per cent of revenues (STCF plus PCTIA fees) while smaller institutions pay much as eight per cent. At the same time, the STCF has reached a value of about \$7 million and continues to grow.

I believe it is feasible to increase the resources available for Agency operations without increasing the overall burden on members. This could be done in the following way:

1. Reduce the STCF contribution from 1% of revenues to 0.5% after an institution has contributed for a certain period and has not been the source of any claims against the fund.
2. Assess Agency fees on a per-student basis (or as a percentage of tuition), rather than the current method. This would have the effect of reducing the costs for small institutions by charging the costs of PCTIA more or less equally to all students. Any higher costs to larger institutions would be offset by the reduced STCF contribution.
3. Charge new applicants for the full cost of registration. Existing institutions should not have to subsidize the cost of investigating every new application.
4. Charge back the full costs of investigation and enforcement to non-compliant institutions. Compliant institutions should not have to pay the cost of dealing with non-compliant ones.

Investing more in PCTIA operational funding should help reduce the costs to the STCF through proactive intervention to discourage inappropriate practices by institutions.

Recommendation 6b

Restructure PCTIA fees and charges so that:

- **STCF contributions are decreased**
- **the costs of operating the Agency are borne fairly by institutions (on a per student basis),**

- **PCTIA operations are adequately funded, and**
- **the costs associated with new applicants and non-compliant institutions are charged back to those institutions rather than to all institutions in the sector.**

Question 7.

Are current enforcement and compliance mechanisms a sufficient deterrent to non-compliance with the regulatory requirements established by the Act and bylaws?

In addressing this question, I spoke with a number of parties to gain their perspectives including the Canada Border Services Agency, Citizenship and Immigration Canada, PCTIA staff, and institutions themselves.

The Canada Border Services Agency expressed very serious concerns about visa scams and counterfeiting schemes originating with some private institutions.

PCTIA staff indicates that approximately 30 per cent of institutions present the greatest challenges in terms of compliance and enforcement, and disproportionately tax PCTIA resources. Credible and compliant institutions feel they shoulder the costs related to these institutions.

Based on my consultations and on my own experiences dealing with some institutions in other situations, I recommend the current enforcement, compliance mechanisms and deterrents be strengthened by:

- increasing the number of offences,
- significantly increasing the maximum fine, and
- giving the Registrar the authority, independence, and discretion to impose progressive discipline and deal with non-compliant institutions.

I note that Australia has built an enviable international brand image for education. Their Education Services for Overseas Students provides examples of the robust measures they have taken to protect students and Australia's education brand.

Rather than applying one-size-fits-all rules to the entire membership, it is important to provide appropriate balance and relieve the financial and regulatory burden for compliant institutions. Through the use of classes of institutions, resources for inspections and regimes of fines and discipline can be focused on non-compliant institutions.

Recommendation 7

Increase the deterrence to non-compliance by:

- **expanding the number of offences listed in the Act;**
- **strengthening the status and independence of the Registrar;**
- **authorizing the Registrar to impose progressive discipline, including fines and administrative penalties on non-compliant institutions and**

- **providing authority to the Registrar to limit the activities of non-compliant institutions.**

Question 8.

Does the current regulatory framework provide sufficient flexibility to cover the ever-expanding range of program offerings and models of instruction?

The pace of change in the industry is very rapid. Moves to online delivery are accelerating, international markets are shifting, new credentials are created and relationships between institutions are adjusted, re-negotiated, expanded and dissolved with increasing frequency.

Some issues I have been made aware of that contribute to the case for additional flexibility in regulating:

- career institutions that have been involved well beyond their institutional mandate or capabilities in recruiting, hiring, supervising faculty to deliver degree-level teaching and assessment on behalf of universities from outside BC;
- students victimized by institutions advertising transfer credit to dubious “degree-granting institutions”. Since many students, particularly international students, are anxious to obtain bachelor’s and master’s degrees, the promise of significant transfer credit is a powerful incentive to enrol at an institution;
- fees and other charges involved in transfer agreements that may be fostering conflicts of interest, institutional misbehaviour or market distortion detrimental to the interests of students;
- confidentiality requirements in partnership agreements that limit the ability of the Registrar to investigate and deal with situations affecting students or one of the partners; and
- institutions that are said to have traded on the brand of BC public institutions by selecting names with the same initials.

In relation to the issue of new credentials referenced above, it is interesting to note that Ontario and other jurisdictions are moving to regulate the name and level of certain credentials. The Ontario Qualifications Framework provides a basis for regularizing the use of terms such as certificate, diploma, and advanced diploma. BC might consider taking similar action so as to provide students with greater certainty about the level, outcome and relative value of programs. To quote from a submission:

“... there is a growing acknowledgement of the necessity of attaching some definition and rigour to the credentials offered, both as an issue related to consumer protection and drawing a substantial and logical connection between the credential awarded and the nature of the program and the people delivering the program.” Royden Trainor, Canadian Director of Regulatory and Compliance Affairs for Education Management Corporation

To adapt quickly to these changes and to be responsive to this rapidly evolving sector, I recommend that the legislation be amended to be less prescriptive within the Act itself and allow for the broader use of regulations, bylaws and policies.

Under the current framework, PCTIA has the authority to establish classes of institutions and charge different fees on that basis. However, this has never been used. I see it as a very useful tool for a variety of purposes including promoting a more balanced approach in the regulation of the sector. For example, institutions with a poor compliance record could be put into a class with higher fees (justified by more frequent inspections), as could new institutions (requiring closer oversight). Likewise, online programs could be grouped together in a class with a modified quality assurance regime.

Overall, the use of classes is a powerful tool that can be used to provide flexibility in fees, enforcement, quality assurance, as well as more focussed application of PCTIA resources. Use of classes requires no changes to legislation, or regulations; it can be done with the development of new PCTIA bylaws. I recommend the PCTIA board move in this direction.

A common thread in my review was the need for greater discretionary powers, both to avoid imposing further regulatory burdens on the large majority of institutions that are compliant and to provide more tools to deal with non-compliant institutions. My recommendation includes expanding the discretionary powers available to PCTIA and to the Registrar.

Recommendation 8

Expand the use of regulations and bylaws to ensure the Minister, PCTIA and the Registrar have sufficient flexibility and discretionary powers to keep up with changes in the industry, oversee new developments, models of instruction and agreements between institutions.

Implement the existing authority to establish classes of institutions and use these to provide for flexibility in such areas as fees, quality assurance and enforcement.

Question 9.

Is adequate protection provided for international students?

The BC Progress Board in its 2005 report on international education makes an excellent case that we have an opportunity to build on BC's international reputation for high-quality education in order to expand this part of the education sector, saying it has a significant potential to contribute to BC's economic well-being. However, they note some concerns about protection for international students:

“... the poor quality of instruction and consumer protection found in a handful of private sector providers has had a negative impact on the overseas perception of British Columbia as a place to study.”

My review found that the current framework does not adequately protect international students, who can be more vulnerable than domestic students, or protect BC's Education Brand. While this concern is greatest with respect to ESL schools, it is not limited to them, as many private schools attract a large international student market.

To illustrate, I read a letter from a foreign student describing how she and several of her friends had each been defrauded of about \$16,000 by a Canadian agent who attracted

them using notices posted and seminars held at a public Canadian University. The students were convinced to take courses online through a PCTIA-registered institution in order to accelerate their studies (and subsequent employment), and were promised this would lead to guaranteed success in being accepted as skilled immigrants. It was, unfortunately, not the case, and I was particularly touched by the final paragraph of her letter:

“... I can give you my name because I trust the Canadian government very much. My name is ...[]... from PR China. However, I would like to remain anonymous because I am quite ashamed of myself.”

I also met separately with representatives from the consulates of Korea, China and India. Discussions with the staff of the consulates are summarized as follows: they have concerns about the current state of regulation of the private career institutions and ESL schools in BC, about the quality of education offered by some and about the treatment of some their citizens by some BC institutions. An issue of particular note raised by the Indian consul was the impact on Indian students resulting from the closures of Kingston College and Lansbridge University. This issue was so serious that it led to discussion and questions in the Indian Parliament.

The consuls were consistent in changes they wish to see, specifically:

- their students’ rights better protected,
- all institutions regulated by the government of BC,
- the quality of education at all institutions certified through a credible accreditation process, and
- steps taken to address problems with:
 - refunds
 - fake letters of acceptance and
 - visas.

Consulate staff members interviewed all noted that in the absence of a PCTIA student complaints process, students come to their offices looking to them to intervene on the students’ behalf, and they are hearing a full range of complaints (justified and unjustified) about our private institutions. Unfortunately, these complaints are being conveyed back to their governments at home, and it is affecting negatively the reputation of our BC Education Brand.

One official noted that after years of unregulated activity and many unfortunate incidents, his government issued a warning to students about studying in another Commonwealth country and enrolments there from his country have now fallen dramatically. There is little doubt that BC faces the same risk if regulation is not enhanced here.

We owe a special duty to international students. They are attracted to the Canada known to the world as open, free and caring. We are seen as a country with an excellent education system, featuring high standards and widely respected credentials. Because of their limited English, their unfamiliarity with their rights in Canada and because they are far from family, friends and trusted advisers, they are particularly vulnerable. If these

students are victimized in the course of their Canadian experience, it reflects badly on us all, and our reputation for fair dealing and quality education suffers. As the submission from CUFA BC noted:

“Many [foreign students] simply leave the country, never receiving justice and becoming embittered by their Canadian educational experience.”

The PCTIA board made a very useful suggestion to me with respect to providing greater oversight of institutions admitting international students (excerpts provided below):

“In order to ensure consumer protection and educational quality for all international students applying to private career training institutions in British Columbia (including ESL schools), it is recommended that the PCTIA’s mandate be expanded to include responsibility for issuing Letters of Acceptance on behalf of all registered institutions, and for holding in trust all fees prepaid by international applicants until the international student arrives in British Columbia and signs an enrolment contract with the institution.

If accepted, this recommendation will eliminate the student-visa mills; will provide comfort to overseas governments that their students can be assured of consumer protection and educational standards if they choose to study in BC; and will relieve the STCF from the burden of refunding fees to international applicants whose visas are refused or whose schools have closed for business before the student arrives in Canada.”

This approach will provide better protection for foreign students; however, it will mean that PCTIA will have to give performance guarantees, so that institutions are not adversely impacted by delays.

At the same time, I believe the Registrar needs the authority to require institutions to provide more international student information of the kind recommended by the PCTIA board in its submission. The Registrar should also have the authority to share information with federal agencies and to require an institution to post financial security.

Recommendation 9

PCTIA schools admitting international students should be subjected to a higher level of oversight and control than other schools.

Question 10.

Are there opportunities for streamlining between the PCTI Act and the Degree Authorization Act (e.g., financial security)?

The *Private Career Training Institutions Act* regulates career training institutions, while the *Degree Authorization Act* provides authority for private and out-of-province public degree granting institutions. There are not so many differences between PCTIA-regulated programs and DAA-regulated programs as to justify completely different processes for gaining provincial approval to offer them. Many of the issues one would consider in making judgements about the capability of an applicant are the same whether the applicant is seeking to offer a B.Comm., a diploma in computer programming or a program leading to employment as a cook. To the extent the policies, processes and mechanisms can be aligned, it will lead to more consistent and predictable administration of the two acts and make BC a more attractive place to do business.

Based on my experiences with degree quality assurance processes, and based on discussions I held with several stakeholders, I believe coordination and streamlining between the two acts is necessary and there are many different opportunities and requirements to do this. As new programs and credentials arise, the line between the DAA and the PCTI Act becomes less clear, as with, for example, career programs that lead to an applied degree.

Institutions wanting to do business in BC have a right to expect BC to avoid unnecessary complication and duplication of effort when dealing with two allied regulators operating in different parts of the same field. Likewise, students coming to BC should expect to find consistent standards of protection at regulated institutions.

The following are examples of areas in which consistent standards could be required:

- Code of institutional conduct
- Code of advertising
- Charter of student rights and responsibilities
- Student complaint process
- Conflict of interest guidelines

As a matter of policy, PCTIA and DQAB should undertake to work together to find ways of streamlining policies and procedures.

It is appropriate to ensure that PCTIA and DQAB can share information, ensure that as much as possible student protection and basic administration requirements of institutions are reasonably consistent and that fees and charges are harmonized.

One area that is clearly a high priority for streamlining is financial protection for students. I recommend that the STCF be expanded in scope and apply to institutions coming under the DAA. Administration of the STCF could be left with PCTIA, thus avoiding additional administrative costs.

At the moment BC doesn't regulate the names and descriptions of credentials, so the same two-year academic program can be called an associate degree, bringing it under the DQAB, or it can be called a diploma, meaning it is not required to be regulated at all. Consideration should be given to standardizing the regulation of academic programs by having them all come under the DAA regardless of the level of credential.

A Single Act?

I heard from some parties that private institutions and entrepreneurs seeking to do business in BC are faced with two complex, differing regulatory requirements.

Increasingly we are seeing institutions that straddle both career and academic programming, or that work together in career/academic partnerships to offer services to students 'laddering' from one to the other.

There is logic to the idea that there should be a consistent system to regulate private post-secondary institutions, whatever type and level of credentials they offer. From this it follows that consideration could be given to bringing PCTIA and DQAB under the same

act, with consistent regulatory mechanisms and policies regarding consumer protection and quality assurance.

We already have both academic and career programs within the same school. A single regulator would streamline processes for the industry and reduce compliance and oversight costs. It would not prevent the use of different criteria or mechanisms for judging academic programs versus career programs.

Recommendation 10

Take steps at all levels to streamline policies, procedures and practices between the PCTI Act and the DAA, including applying the STCF to DAA institutions, to support consistent decision-making and make BC more attractive for business.

Explore the potential for a single act.

Question 11.

Consider issues of accountability for the PCTIA and registered institutions, including (but not limited to) annual performance reporting requirements. For example, are the current reporting requirements sufficient to ensure that adequate and appropriate information is available for students to make informed choices?

In addressing this question, I need to reiterate some of my earlier recommendations, as they are directly applicable. I believe that the outcome-based quality assurance program outlined in Recommendation 1 would, by its nature, constitute a new standard for accountability in private post-secondary institutions by providing annual disclosures of institutional and program outcomes.

Additionally, as referenced in relation to Recommendation 2, accountability can be strengthened through enhancing transparency of information to enable students to make more informed choices. For example, the PCTIA board should take more vigorous action to publicize the names and infractions of institutions sanctioned by PCTIA. This will also provide a strong incentive for institutions to remain compliant.

At the moment, I believe there is room for considerably more accountability within the PCTIA framework, particularly for non-compliant institutions.

During my review, it was suggested to me that PCTIA should adopt a reverse-onus provision with respect to institutional compliance, an approach used in many other jurisdictions. In this case, the onus would be on the institutions to continuously demonstrate that they are meeting or exceeding the standards established by PCTIA and would require institutions to self-report non-compliance to PCTIA, promoting continuous improvement and organizational awareness.

An important part of any self-reporting mechanism must be the involvement of students and faculty in such a process. They are the front line of education and their views are most pertinent to many of the issues that arise in day-to-day operation of the institutions and certainly are most affected by institutional non-compliance.

I believe that a requirement to self-report is entirely consistent with self-regulation, and would further strengthen accountability in the sector. Over time, self-reporting should reduce the extent to which compliant institutions are required to undergo inspections and other compliance mechanisms.

Recommendation 11a

Accountability should be increased by requiring institutions to self-report non-compliance and by requiring the PCTIA board to ensure full transparency in reporting in cases of significant non-compliance.

Institutions have the right to expect accountability from PCTIA. The Agency should undertake to provide performance guarantees related to service to PCTIA members. A policy on such guarantees should ensure they take reasonable account of circumstances and don't become either too rigid or so loose as to be meaningless. Over time, the performance of PCTIA staff should be evaluated relative to the guarantees.

Recommendation 11b

PCTIA should give performance guarantees with respect to processing of various documents, including applications for registration.

Question 12.

Explore issues of balance including:

12a. Regulating in the public interest versus minimizing regulatory burden

Not surprisingly, my review found proponents on both sides of this issue. I believe in my recommendations I have balanced changes to better protect the public interest in some areas (e.g., a more vigorous registration process and the introduction of an outcome-based quality assurance program), with opportunities to reduce the regulatory burden for many institutions by providing more scope for discretion in the exercise of authority, especially through the use of 'classes'.

The issue of 'the public interest vs. minimizing the regulatory burden' requires regular attention and should form a section of PCTIA's annual report to the Minister.

Recommendation 12a

PCTIA should conduct periodic reviews of its activities, including surveying its members, stakeholders and the public to obtain suggestions as to how to fine-tune the balance between the public interest and the regulatory burden.

12 b. The social responsibilities associated with providing educational services versus profit-focussed business interests

In my view there is no dichotomy between social responsibilities associated with providing educational services and profit-focussed business interests, so long as the business interests are conducted ethically and with due regard to the power imbalance between owners and students. My recommendations regarding a Charter of Student Rights and Responsibilities and outcome-based quality assurance process tend to reduce that power imbalance by giving students both protection from arbitrary decisions and the information they need to make informed choices about which school to attend. For their part, institutions need protection against unjust accusations and vexatious complaints when student fail to meet reasonable education standards. I have no further recommendations to make in relation to this issue.

12c. Enhanced quality versus low fees/competitiveness issues

I don't see enhanced quality in opposition to low fees. No one will advertise that they keep fees low by reducing quality. The outcome-based QA program will help shed a light on the actual quality. As increased emphasis on quality improves the BC Education Brand, the volume of business will grow and drive down unit costs. I have no recommendations to make in relation to this issue.

12d. Powers of the Minister – are they too much? Not enough? What is the appropriate balance?

The current Act permits the Minister to direct the PCTIA board to make bylaws, but not the power to approve bylaws. In order that the Minister can provide proactive leadership, I propose that the PCTIA bylaws do not come into force until approved by the Minister.

I also propose that the Act be amended to provide more scope in the use of regulations. As noted earlier in this report, the private education and training field is evolving and developing very quickly and it is important that the Minister and the PCTIA board have maximum flexibility in adapting the power and authority under the Act to meet new opportunities, circumstances and challenges.

Throughout this report I have tried to balance the additional powers required to deal more effectively with non-compliant institutions with increased discretion in the use of that authority so that compliant institutions can operate in a less burdensome environment. Empowering the Minister to be more proactive and providing more flexibility through increased scope for the use of regulations are both steps that are consistent with maintaining balance.

Recommendation 12d

The Minister should have more powers, specifically to approve PCTIA bylaws, coupled with more flexibility in the application of Ministerial authority through increased scope for the use of regulations.

Question 13.

Addressing Aboriginal Issues

While the terms of reference for this review do not specifically direct me to address issues related to Aboriginal schools, it is clear they need some assistance and PCTIA may be a vehicle with which to provide that assistance.

As part of the broader review of the Act, I met with officials of the First Nations Education Steering Committee (FNESC) and they shared with me an analysis they had done of working with PCTIA. Aboriginal groups have concerns about trying to work within the existing PCTIA framework citing costs, lack of Aboriginal perspective and infrastructure/systems, among other things.

In describing their needs, including the need to achieve appropriate official recognition of the quality of education in their institutions and programs so that they qualify for federal funding, it struck me that some of the preparatory and intermediate steps, for example building capacity by increasing their pool of experienced academics and administrators, might best be accomplished through a modified relationship with PCTIA.

About 17 (the number varies) private Aboriginal owned schools are currently registered with PCTIA. Another 20 to 30 such institutions (also known as education centres or learning centres) exist in the province. They tend to be owned and operated by members of the Aboriginal community and serve Aboriginal clients whose tuition their Band pays. Many are very small and very remote.

FNESC officials explained to me the challenges faced by some of these Aboriginal institutions. For example, some schools are working to prepare First Nations teachers to work in Aboriginal schools teaching endangered native languages, but:

- The languages are spoken by very few people and so the teachers in the schools are not qualified in the ways that would normally allow the schools and programs to be recognized.
- Without official approval of their programs, the schools have difficulty accessing federal funding and without federal funding, the schools cannot produce enough graduates to staff First Nations schools and pass on the endangered languages.

Other First Nations schools offer job preparation programming, such as flagging, truck driving, etc. These schools likewise need program approval to qualify for federal funding.

In my view, one important component in meeting the current PCTIA and/or DQAB requirements is the development of a much deeper pool of experienced academics and administrators than is currently available to the vast majority of these institutions and this is but one of their challenges.

With appropriate consultation and engagement of stakeholders from Aboriginal institutions and organizations, BC could:

- Create a class of PCTIA Aboriginal institutions (and a similar class of DQAB institutions) with voluntary membership from Aboriginal institutions and/or organizations.
- Appoint Aboriginal representatives or advisory committees to PCTIA and DQAB.

- Develop a formative program of quality assurance and an approval system designed to help Aboriginal institutions build on their strengths and address areas where challenges exist. This should initially focus on capacity building, including developing personnel so that a critical mass of Aboriginal administrators and educators can accumulate and develop the skills necessary to design and implement quality assurance programs in preparation for program and/or institutional recognition. Institutional development and stability should be promoted through mentoring programs, exchanges with public institutions and other such programs as part of this initiative. The aim would be to put the Aboriginal institutions in a position to apply for PCTIA recognition (or DQAB approval) for targeted programs by an agreed time for each Aboriginal institution or organization.
- Fully fund this PCTIA and DQAB activity, so as to remove cost as a barrier to full participation.

Recommendation 13

Engage with interested Aboriginal institutions and organizations about ways to help them strengthen and sustain their post-secondary institutions, with the aim of achieving transferability of credits to public and private BC institutions where desired.

Additional notes about Recommendation 13 may be found in Appendix A.

Appendix A

Additional Notes About Recommendation 13

Addressing Aboriginal Issues

Improving Aboriginal education outcomes is a provincial priority and is a hallmark priority for the Ministry of Advanced Education (AVED). AVED works closely with the Ministry of Aboriginal Relations and Reconciliation to coordinate initiatives and advance government's goal to "close the socio-economic gap for Aboriginal people" in accordance with the Transformative Change Accord (TCA) and the New Relationship based upon mutual respect, trust and recognition.

There is recognition among Ministries, Aboriginal political organizations, and post-secondary education organizations and agencies, that to increase Aboriginal education outcomes, government must undertake a comprehensive and collaborative approach to addressing educational barriers and an acknowledgement that action must extend from early childhood education across the lifelong learning continuum.

The Ministry is poised to build on the consultation and success of the strategy to expand its scope to further address capacity building in Aboriginal communities; education and training needs associated with self-government and treaty implementation; and engage learners and communities to create relevant educational opportunities that will support sustainability, strong economies, and improved health in Aboriginal communities in BC.

Aboriginal organizations and institutions are trying to achieve cultural, social and economic development goals through the development of Aboriginal controlled, governed and managed post-secondary institutions that include academic, career, technical and vocational programs. These Aboriginal groups recognize that in many cases, to be successful, in addition to meeting their own cultural requirements, programming must be transferable for credit to non-Aboriginal public institutions. Presently, I understand that in order to qualify for federal funding, programs must be accredited or formally recognized by an appropriate authority.

Recommendation 13 might provide a basis for exploring how PCTIA and DQAB could provide assistance to Aboriginal institutions, learning centres and educational organizations, without imposing additional costs on what are in many cases very small organizations.

The wording of this recommendation acknowledges the need for full consultation, engagement and agreement with Aboriginal groups prior to making any final decisions. It may be appropriate to undertake pilot projects to test some of the ideas with minimal risk.

Appendix B

List of Contacted Stakeholders

External	Submission Received Date
Mr. Jim Wright, Registrar Private Career Training Institutions Agency	Sept. 20, 2007
Mr. Kevin Williams, Chair Private Career Training Institutions Agency Board	
Ms. Monica Lust, Executive Director BC Career Colleges Association	Sept 7, 2007
Ms. Lois McNestry, President BC Career Colleges Association	Sept 7, 2007
Mr. Marv Westrom, President Alexander College	
Ms. Deborah Lovett, QC Lovett & Westmacott	
Dr. Brian Gillespie, Chair Degree Quality Assessment Board	Aug 29, 2007
Mr. Robert Clift, Executive Director Confederation of University Faculty Associations of BC	Sept 11, 2007
Ms. Christa Williams, Executive Director First Nations Education Steering Committee	Sept 18, 2007
Mr. Gerry La Belle, President, Board of Directors Canadian Association of Private Language Schools	Sept 7, 2007
Dr. Frank Gelin, Executive Director BC Council on Admissions & Transfer	Aug 23, 2007
Mr. Don Avison, President The University Presidents' Council of British Columbia	Sep 7, 2007
Mr. Brian Clewes, Chief Executive Officer Industry Training Authority	
Mr. Rob Fleming, MLA	Aug 1, 2007
Mr. Dean Duperron, President Sprott-Shaw Community College (submission sent by C Purcell)	Aug 31, 2007
Mr. Jim Reed, President BC College Presidents	
Mr. Robert Buchan, President University College Consortium	
Ms. Wendy Lee, Executive Director British Columbia School Superintendents Association	
Mr. Michael Galli, President Teaching English as a Second Language in Canada	Aug 28, 2007
Ms. Louise Aerts, Executive Director Teaching English as a Second Language in Canada	
Ms. Barbara Judge Canada Language Council	
Dr. David Strong, President and Vice-Chancellor University Canada West	

Consulate General of China	
Consulate General of India	
Consulate General of the Republic of Korea	
Mr. Gordon Lee, VP Strategic Services Kwantlen University College	Aug 29, 2007
Ms. Sue Williams SCW & Associates	
Mr. Adrian Kershaw	
Mr. John A. Boon, President HKMK Law Corporation and HKMK Management & Media Corporation	Aug 29, 2007
Mr. Gary Mullins Retired Deputy Minister of AVED	
Ms Jocelyn Mandruk, Assistant Registrar Coquitlam College	
Dr. Trevor Toone, Principal Columbia College	July 26, 2007
Ms. Norma Ann Eaton, Chair & CEO Cosmetology Industry Association	Sept 7, 2007
Mr. Francois Lambert Headhunters School of Hair & Esthetics	Aug 21, 2007
Ms. Manjit Bains, Vice President Business Practices and Consumer Protection Authority	Telephone discussion Jul 30, 2007
Dr. Kelvin Ogilvie Past-President, Acadia University	
Mr. John Winter, Chair Coalition of BC Businesses	
Ms. Bev Hudson, Managing Director Fraser International College	Aug 31, 2007
Verna Billy-Minnabarriet, Chair Indigenous Adult and Higher Learning Association	
Ms. Joy McLean, Past President, BCCCA c/o Blanche Macdonald Centre	
Ms. Pauline Waterfall, Exec Administrator, Hailzaqv College/Waglisla Integrated Services Centre	
Jim Sinclair, President, BC Federation of Labour - BCFL advised that the Federation of Post-Secondary Educators would be responding and they would support that submission.	Sept 21, 2007 (FPSE)

Government	Submission Received Date
Ms. Deb Zehr, Director, Immigration Policy and Intergovernmental Relations Division, Multiculturalism and Immigration Branch, Ministry of Attorney General	
Ms. Gail Greenwood, Executive Director, Regulatory Reform Office	Relayed via email Sept 6, 2007
Mr. Peter Owen, Assistant Deputy Minister, Governance and Accountability, Ministry of Education	
Toby Louie, Director, Corporate Policy and Planning, Ministry of Public Safety and Solicitor General	
Craig Knight, ADM, Ministry of Health	

Other Submissions Received	Submission Received Date
Robert Adams, Director of Operations Career Gate Community College	Aug 24, 2007
Greg Culos The Institute of Advanced Media	Aug 31, 2007
Royden Trainor, Director, Regulatory and Compliance Affairs Education Management Corporation (EDMC)	Aug 17, 2007
Jeff Skosnik Pacific Artificial Intelligence System Corp	Aug 31, 2007
Edel Walsh (on behalf of Clearmind Students)	Sept 25, 2007

Appendix C

PCTI Act Review Face-to-Face Meetings

Meeting Participants
Jim Wright, Registrar, PCTIA
Robert Clift, Exec Director & Chris Petter, President, CUFA
Rob Johnston, Director, and staff, Pacific Region Enforcement Centre, Canadian Border Services Agency
Jock Finlayson, VP Policy, Business Council of BC.
Jindra Repa, BCCCA exec member
Rob Fleming, MLA
Huia Martin, President, Native Education Centre
Jeff Skosnik, retired BCIT instructor
Robert Godfrey, A/Regional Director General; Nadine Gomm, Regional Program Adviser. Citizenship & Immigration Canada
Monica Lust, Executive Director and 30 members of BCCCA
BCCCA committee and Executive Director
BCCAT staff - Frank Gelin, Finola Finlay & Stephanie Oldford
PCTIA Board
PCTIA staff
David Sylvester, President Corpus Christi College
Brian Gillespie, Chair, DQAB
Moura Quayle, DM, AVED
Luwyna Li, Managing Director, Winston College
Student Aid BC staff (by teleconference) - Victoria Thibeau, Thomas Wall, Mike Colter, Jay Fedorak
Richard Novek, Director of Operations, International Language Schools of Canada
Christa Williams (Exec Dir.) & Karen Bailey-Romenco (Mgr, Post-Secondary), First Nations Education Steering Committee
Jo-Ann Archibald, Associate Dean of Indigenous Education/Associate Professor UBC
Tom Kim, President of the Art Institute of Vancouver
AVED Directors
Gerry LaBelle, President of CAPLS
Consulate General of the Republic of Korea
Royden Trainor, EDMC (conf call)
Linda Martin, A/President VCC
Consulate General of China
Degree Quality Assessment Board
John Boon, HKMK Law Corporation
Consulate General of India

Appendix D

TERMS OF REFERENCE

PCTI Act Review

Background

In his April 2007 Report “Campus 2020 – Thinking Ahead”, Geoff Plant noted the important role that BC’s private post-secondary institutions play in our post-secondary education system. Mr. Plant also noted the public interest in quality assurance in this sector arising from two primary sources: the need to protect students and the need to protect BC’s reputation as a jurisdiction that offers high quality and reliable post secondary education opportunities. Mr. Plant recommended that an independent review of the *Private Career Training Institutions Act* (PCTI Act) and its regulatory framework be undertaken. While Mr. Plant’s report does not provide detail on the issues to be addressed in the review, the overarching message deals with quality, perception and governance.

Timeframe

- The review is expected to be completed in the fall of 2007.

Expectations

- It is expected that the review will consider the views of and impacts on all stakeholder groups, including (but not limited to) students, institutions, employers, British Columbia Council on Admissions and Transfer (BCCAT), British Columbia Career Colleges Association (BCCCA), Private Career Training Institutions Agency (PCTIA), Degree Quality Assessment Board (DQAB), Confederation of University Faculty Associations of British Columbia (CUFA) and the public.
- It is expected that the review will consider the overall goal of public confidence (both domestically and internationally) in private post-secondary education in British Columbia, and British Columbia’s reputation for providing excellent post-secondary education.
- It is expected that the review will consider the need to have safeguards for individual students, domestic and international, as well as the need to protect British Columbia’s reputation as a jurisdiction offering high quality and reliable post-secondary education opportunities.

Scope

The scope of the review is to inform government on the effectiveness of the current legislative and regulatory regime in meeting the above listed expectations, and advise government on proposed policy and/or legislative changes that build on the positive foundation that has already been laid with the existing regulatory framework. This includes, but is not limited to, addressing the following questions:

1. How can we ensure quality and protect the British Columbia Brand of Education reputation (internationally and domestically)? Is the current regulatory framework sufficient to achieve this?
2. Does the existing framework provide for adequate student protection? If not, what measures should be put in place to enhance protection?
3. Is it appropriate/effective to have the regulatory function and quality assurance in the same place?
4. What is the appropriate scope of application of the PCTI Act, in respect of types of institutions and programs caught by the Act? Is the definition of career training appropriate? Should institutions that provide both career training and non-career training programs be covered by the Act? What about university transfer programs?
5. Should private English as a Second Language (ESL) schools be included in the regulatory framework? What is needed to ensure the quality and accountability of private ESL schools?
6. What governance structure best supports an effective, credible system in this sector (including addressing issues of transparency, accountability and public interest)? Is self-regulation working, and if yes, what does it mean for this sector? If no, what changes could be made to give maximum effect to self-regulation?
7. Are current enforcement and compliance mechanisms a sufficient deterrent to non-compliance with the regulatory requirements established by the Act and bylaws?
8. Does the current regulatory framework provide sufficient flexibility to cover the ever-expanding range of program offerings and models of instruction?
9. Is adequate protection provided for international students?
10. Are there opportunities for streamlining between the *PCTI Act* and the *Degree Authorization Act* (e.g., financial security)?
11. Consider issues of accountability for the PCTIA and registered institutions, including (but not limited to) annual performance reporting requirements. For example, are the current reporting requirements sufficient to ensure that adequate and appropriate information is available for students to make informed choices?
12. Explore issues of balance including (but not limited to):
 - a. Regulating in the public interest versus minimizing regulatory burden;
 - b. The social responsibilities associated with providing educational services versus profit-focused business interests;
 - c. Enhanced quality versus low fees/competitiveness issues; and
 - d. Powers of the Minister – are they too much? Not enough? What is the appropriate balance?

Note: Based on input received during my review, I added:

13. Addressing Aboriginal Issues

Appendix E

Summary of Recommendations

Recommendation 1

To ensure quality and protection of the BC Education Brand:

- replace the current PCTIA system of registration and voluntary accreditation with a more rigorous registration process that includes consideration of educational standards,
- replace voluntary accreditation with a mandatory, outcome-based quality assurance process and
- hold institutions accountable for the extent to which students achieve the stated program outcomes and for continuous improvement.

Recommendation 2

Create a Charter of Student Rights and Responsibilities, implement a student complaint system based on that charter and give the Registrar discretion to address issues of student protection, with or without student complaints.

Recommendation 3

Keep the regulatory and quality assurance functions under PCTIA.

Recommendation 4

All private institutions offering career training and academic studies (as listed in the Classification of Instructional Programs) below the Associate Degree level should be covered by the Act, and discretion should be provided so that, where appropriate, programs can be excluded entirely or assigned to the DAA.

Recommendation 5

Bring all private ESL institutions under the Act, require them to contribute to the STCF and require pre- and post-testing of all students, using PCTIA approved tests.

Recommendation 6a

Enhance the protection of students and the credibility and accountability of PCTIA governance by:

- appointing to the PCTIA board a majority representing the public interest,
- using the government's highly regarded board appointments process to appoint the industry board members rather than the current election process, and
- considering student and Aboriginal representation on the board.

Recommendation 6b

Restructure PCTIA fees and charges so that:

- STCF contributions are decreased
- the costs of operating the Agency are borne fairly by institutions (on a per-student basis),
- PCTIA operations are adequately funded, and
- the costs associated with new applicants and non-compliant institutions are charged back to those institutions rather than to all institutions in the sector.

Recommendation 7

Increase the deterrence to non-compliance by:

- expanding the number of offences listed in the Act;
- strengthening the status and independence of the Registrar;
- authorizing the Registrar to impose progressive discipline, including fines and administrative penalties on non-compliant institutions and
- providing authority to the Registrar to limit the activities of non-compliant institutions.

Recommendation 8

Expand the use of regulations and bylaws to ensure the Minister, PCTIA and the Registrar have sufficient flexibility and discretionary powers to keep up with changes in the industry, oversee new developments, models of instruction and agreements between institutions. Implement the existing authority to establish classes of institutions and use these to provide for flexibility in such areas as fees, quality assurance and enforcement.

Recommendation 9

PCTIA schools admitting international students should be subjected to a higher level of oversight and control than other schools.

Recommendation 10

Take steps at all levels to streamline policies, procedures and practices between the PCTI Act and the DAA, including applying the STCF to DAA institutions, to support consistent decision-making and make BC more attractive for business. Explore the potential for a single act.

Recommendation 11a

Accountability should be increased by requiring institutions to self-report non-compliance and by requiring the PCTIA board to ensure full transparency in reporting in cases of significant non-compliance.

Recommendation 11b

PCTIA should give performance guarantees with respect to processing of various documents, including applications for registration.

Recommendation 12a

PCTIA should conduct periodic reviews of its activities, including surveying its members, stakeholders and the public to obtain suggestions on how to fine-tune the balance between the public interest and the regulatory burden.

Note: No recommendations made for 12b and 12c.

Recommendation 12d

The Minister should have more powers, specifically to approve PCTIA bylaws, coupled with more flexibility in the application of Ministerial authority through increased scope for the use of regulations.

Recommendation 13

Engage with interested Aboriginal institutions and organizations about ways to help them strengthen and sustain their post-secondary institutions, with the aim of achieving transferability of credits to public and private BC institutions where desired.