

PRIVATE TRAINING CORPORATION

ACTIVITY PLAN

January 1, 2014 to December 31, 2016

Chairperson's Message

March 13, 2014

Honourable Kevin O'Brien
Minister of Advanced Education and Skills
West Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister:

In accordance with the *Transparency and Accountability Act*, I am pleased to present the Private Training Corporation's 2014-16 Activity Plan. This plan covers the three year period from 1 January 2014 to 31 December 2016.

The Private Training Corporation has reviewed the strategic directions provided by the Department of Advanced Education and Skills and determined that none apply to the Corporation at this time. This activity plan sets forth the Private Training Corporation's objectives for 2014-16 in accordance with its mandate.

The Corporation is intent on maintaining a financial safety net so that students who enter a course of study at a private training institution are able to complete their training even in the event of an institution's closure. Constant review of monitoring methods and vigilant collection of fees by the Corporation can maintain this financial safety net for students.

My signature below is indicative of the Corporation's accountability for the preparation of this plan, and the achievement of the specific objectives contained herein.

Respectfully submitted,



BEVERLY MOORE
Chairperson

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Overview

The Private Training Corporation is established under section 4 of the *Private Training Institutions Act* (the Act). As listed in section 3.1 of the *Private Training Institutions Regulations*, members of the Private Training Corporation are appointed by the Lieutenant-Governor in Council. As of 1 January 2014, the membership was as follows:

- Representative of the Department of Advanced Education and Skills, Mr. Brendan Hanlon;
- Representative of the Department of Finance or designate, Ms. Sharlene Jones;
- Representative of the Association of Career Colleges, Mr. Des Whelan;
- Owner or operator of a private training institution, Mr. James Loder;
- Student of a private training institution, Mr. Stephen Dinn; and
- Two representatives of the community, Ms. Beverly Moore and one vacant position.

At present, all members of the committee are located in St. John's and surrounding area.

Analytical and other support for the Private Training Corporation is provided by the Division of Institutional Services or the Division of Financial Services within the Department of Advanced Education and Skills. The billing and collection of fees as well as the preparation of correspondence is done on a contractual basis.

The Corporation usually meets at the Confederation Building in St. John's.

Correspondence may be forwarded to:

Private Training Corporation
Department of Advanced Education and Skills
P.O. Box 8700
St. John's, NL A1B 4J6

The Private Training Corporation's main function is to collect funds from registered private training institutions for the administration of the Train Out Fund. During 2013, the private training sector in Newfoundland and Labrador comprised of 23 registered institutions with approximately 3,000 students enrolled in registered programs as of fall 2013. Net tuition revenue expected to be generated by 31 December 2013 by the sector is approximately \$30,000,000. One percent of this revenue was submitted to the Corporation for the Train Out Fund.

The Private Training Corporation monitors private training institutions throughout the province to ensure that they submit their fees in a timely manner and to ensure that the Corporation is aware of any institutions that are at risk of closing.

Private training institutions are required to remit one percent of all student tuition fees collected to the corporation for the fund. The Train Out Fund is valued at approximately \$3.9 million as of 1 January 2014. The fund exists to protect students by ensuring stability in the private training system. In the event of the closure of a private training institution, the fund is used to assist students complete their education. Each year financial statements are prepared for the Train Out Fund.

Mandate

The Private Training Corporation was established in 1999 as per Section 4 of the *Private Training Institutions Act* (Appendix A).

The Corporation:

- Administers the Train Out Fund established under the Act;
- Makes recommendations to the Minister of Advanced Education and Skills with respect to:
 - the operation of the act and the regulations,
 - the financial stability of private training institutions based upon their annual audited financial statements, and
 - any other issues that the Minister may require to be reviewed; and
- Performs other duties as required by the Minister.

Lines of Business

Lines of business are the services and programs that a government entity provides to any external client. The Private Training Corporation has one line of business. It is:

Train Out Fund Management

The primary function of the Private Training Corporation is to collect fees from private training institutions throughout the province. The Private Training Corporation collects one percent of all private training institutions' tuition fees for the Train Out Fund. In the event of an institution's closure, the fund will be used to ensure students receive the training for which they have contracted.

Values

The Private Training Corporation performs its duties within the following set of core values:

Respect	Each person communicates with stakeholders in a timely fashion and thorough manner.
Quality	Each person performs their tasks to the best of their abilities.
Professionalism	Each person performs assigned duties in a dignified and respectful manner, recognizing that the success of students is the highest priority.
Accountability	Each person is responsible for the achievement of assigned roles and tasks.

Primary Clients

Primary clients are those groups of individuals who avail of the services or programs offered. The Private Training Corporation has two primary clients:

- private training institutions; and
- students enrolled at private training institutions.

Vision

The vision of the Private Training Corporation is of students graduating from financially viable private training institutions.

Objectives

The Private Training Corporation was created to ensure that the students attending private training institutions are protected in the event of a school closure. To achieve this, the Corporation monitors the fiscal health of institutions and manages a Train Out Fund established in the applicable legislation.

Issue: Effective Management of the Train Out Fund

The purpose of the Train Out Fund is to ensure that, in the unfortunate event a private training institution closes, appropriate financial resources are available to enable affected students to complete their course of study. Under the *Private Training Institutions Act*, all institutions are required to submit one percent of tuition fees collected for the fund. The following objective applies to the 2014, 2015 and 2016 fiscal years.

Objective: By December 31, 2014, the Private Training Corporation will continue to maintain an appropriate system for the collection and confirmation of fees from private training institutions.

Measure: Continued to maintain an appropriate system for the collection and confirmation of fees.

Indicator: 100 percent of required fees collected from private training institutions.

Issue: Effective Monitoring of Financial Data

The Private Training Corporation is tasked with the review of audited financial statements for all registered private training institutions. Under the *Private Training Institutions Act*, the Corporation is responsible for making recommendations to the Minister regarding the financial stability of registered private training institutions based on the review of the audited financial statements. The following objective applies to the 2014, 2015 and 2016 fiscal years.

Objective: By December 31, 2014, the Private Training Corporation will continue to maintain an appropriate review and feedback mechanism of the audited financial statements for all registered private training institutions.

Measure: Continued to maintain an appropriate review and feedback mechanism.

Indicators:

1. Reviewed annual audited statements of all registered private training institutions.
2. Where required, made recommendations to the Minister on the financial stability of a registered institution.

Appendix A: Applicable Legislation

Private Training Institutions Act sections 4, 5, 5.1.

Corporation established

4. (1) There is incorporated a corporation to be known as the Private Training Corporation.
- (2) The corporation is not a Crown corporation and is not an agent of the Crown.
- (3) The board of directors of the corporation shall be appointed by the Lieutenant-Governor in Council and shall consist of no less than 5 and no more than 7 persons, and the membership of the board of directors may be prescribed by the Lieutenant-Governor in Council under paragraph 19(1)(v).
- (4) The minister may designate one member of the board of directors as the chairperson and another as the vice-chairperson.
- (5) A director shall not hold office for more than 3 consecutive years and is eligible for reappointment.
- (5.1) A member of the board of directors appointed under this section whose term of office has expired shall continue to be a member of the board until he or she is reappointed or replaced and his or her decisions and actions as a director shall be considered to be valid.
- (6) A majority of the directors, one of whom shall be the chairperson or vice-chairperson constitutes a quorum.
- (7) Where a vacancy occurs on the board of directors, the minister may appoint a person to fill the vacancy for the balance of the term of the director replaced.
- (8) A vacancy on the board of directors does not impair the capacity of the board of directors to act.
- (9) The accounts of the corporation shall be audited at least once a year by an auditor appointed by the corporation.
- (10) The corporation has, subject to this act, all the rights, powers and privileges of a natural person.

Powers of corporation

5. (1) The Private Training Corporation established under section 4 shall have the powers vested by law in a corporation.
- (2) In addition to the powers referred to in subsection (1), the corporation may
 - (a) acquire assets and property both real and personal by purchase, lease, grant, hire, exchange or otherwise and dispose of that property;
 - (b) provide for the management of its property and effects and of its affairs and business;
 - (c) make by-laws concerning the meetings of the board and its transactions as approved by the minister;
 - (d) hold and administer those bank or trust accounts necessary for the administration of the Train Out Fund and the general operations of the corporation;
 - (e) invest the funds of the Train Out Fund in accordance with regulations made under paragraph 19(1)(z); and
 - (f) do all other matters and things including the employment of staff and other persons that may be necessary or desirable for exercising the powers conferred by this act.

Duties of corporation

- 5.1 The corporation shall
 - (a) administer the Train Out Fund established under section 17.1 in the manner that may be prescribed by the regulations;
 - (b) where required, make recommendations to the minister with respect to
 - (i) the operation of this act and the regulations,
 - (ii) the financial stability of a private training institution based upon annual audited financial statements of that institution as required by the minister, and
 - (iii) any other issues that the minister may require to be reviewed; and
 - (c) perform those other duties as required by the minister.