

Private Training Corporation

Activity Plan

January 1, 2020 - December 31, 2022

Chairperson's Message

Honourable Christopher Mitchelmore
Minister of Advanced Education, Skills and Labour
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 2020-2022 Activity Plan. This plan covers the three-year period from January 1, 2020 to December 31, 2022.

The Private Training Corporation (the Corporation) is a Category 3 public body. This activity plan sets forth the Private Training Corporation's objectives for 2020-22 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. A constant review of monitoring methods and collection of fees by the Corporation ensures 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,



Gerard Duggan
Chairperson

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Overview

The Private Training Corporation is established under section 4 of the **Private Training Institutions Act** (the Act) (Annex 1). The Corporation's main function is to collect one per cent of tuition revenue from registered private training institutions on a quarterly basis for the Train Out Fund. The fund exists to protect students by ensuring stability in the private training system. The Corporation also monitors private training institutions throughout the province to ensure that they submit their fees in a timely manner and to ensure that it is aware of any institutions that are at risk of closing. In the event of a closure of a private training institution, the fund is used to help students complete their education. Each year financial statements are prepared for the Train Out Fund and audited by an external accounting firm.

During 2019, the private training sector in Newfoundland and Labrador consisted of 23 registered institutions with approximately 1,630 students enrolled in registered programs. A complete listing of the 23 registered private training institutions can be found in Annex 2. Net tuition revenue expected to be generated by December 31, 2019, in the sector, is approximately \$24.5 million. The Train Out Fund is valued at approximately \$5.9 million as of January 1, 2020. As listed in section 3.1 of the **Private Training Institutions Regulations** (the Regulations), members of the Private Training Corporation Board (the Board) are appointed by the Lieutenant-Governor in Council. As of January 31, 2020, the membership was as follows:

- Chair and Community Representative, Edward Gerard Duggan;
- Community Representative, Paul Dube;
- Representative of the Department of Advanced Education, Skills and Labour, Brendan Hanlon;
- Representative of the Department of Finance, Ken Curtis;
- Representative of the Newfoundland and Labrador Association of Career Colleges, Ian Stokes;
- Owner or operator of a private training institution, Carl Barrett; and
- Student of a private training institution, vacant.

Analytical and other support for the Corporation is provided from the Department of Advanced Education, Skills and Labour. The billing and collection of fees and 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, Skills and Labour
P.O. Box 8700
St. John's, NL
A1B 4J6

Mandate

The Private Training Corporation was established in 1999 and, pursuant to section 5.1 of the **Private Training Institutions Act**, has the mandate to:

- Administer the Train Out Fund established under the Act;
- Where required, make recommendations to the Minister with respect to;
 - the operation of the Act and the Regulations;
 - the financial stability of a private training institution based upon a review of annual audited financial statements of that institution;
 - any other issues that the Minister may require to be reviewed; and
- Perform 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 Corporation has the following line of business:

Management of the Train Out Fund

The primary function of the Corporation is to collect fees from private training institutions throughout the province. The Corporation collects one per cent 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.

Objectives

The 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 1: Effective Management of the Train Out Fund

The purpose of the Train Out Fund (the fund) is to ensure that, in the unfortunate event a private training institution closes, appropriate financial resources are available to facilitate completion of students' courses of study. Under the **Private Training Institutions Act**, all institutions are required to submit one per cent of tuition fees collected for the fund. The following objective applies to the 2020, 2021 and 2022 calendar years.

Objective: By December 31, 2020, the Corporation will continue to maintain an appropriate system for the collection and confirmation of fees from private training institutions.

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

Issue 2: Effective Monitoring of Financial Data

The 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 2020, 2021 and 2022 calendar years.

Objective: By December 31, 2020, the Corporation will continue to maintain an appropriate review and feedback mechanism of the audited financial statements for all registered private training institutions.

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.

Issue 3: Effective Operation of the Private Training Institutions Act and Regulations

The Board may choose to identify other issues that the Minister may require to be reviewed. This is achieved at the Board level via board meetings, special meetings, other in-person dialogue or email. The Board will consider the operation of the Act and Regulations, and where required, make recommendations to the Minister. The following objective applies to the 2020, 2021 and 2022 calendar years.

Objective: By December 31, 2020, the Corporation Board will have made recommendations, as required on the operation of the **Private Training Institutions Act and Regulations**.

Indicators: 1. Reviewed any relevant Corporation operational challenges and industry trends.
2. Where required, made recommendations to the Minister.

Annex A: Applicable Legislation

Private Training Institutions Act sections 4, 5, 5.1, 5.2.

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.

Insufficient funds - liability limited

- 5.2** (1) The liability of the corporation with respect to the Train Out Fund is limited to the pay out of funds on deposit and the corporation has no other financial obligations with respect to the Train Out Fund.
- (2) If there is insufficient money in the Train Out Fund to provide compensation as required by the regulations, the compensation provided shall
- (a) not exceed the amount of money in the fund; and
 - (b) be provided on a proportional basis.

Private Training Institutions Regulations sections 26.1, 26.2, 26.3, 26.4.

Funds to be credited

- 26.1** The Train Out Fund established under section 17.1 of the Act may be credited with funds from the following sources:
- (a) contributions from a private training institution required under subsection 17.1(3) of the Act;
 - (b) any income and earnings from investments of the funds; and
 - (c) any loans provided to the fund by the Minister.

Payment of funds

- 26.2** (1) A private training institution shall pay to the corporation a contribution to the Train Out Fund as required by subsection 17.1(3) of the Act at an annual rate of 1% of collected student tuition fees.
- (2) Money paid under subsection (1) shall be paid on March 31, June 30, September 30 and December 31 in a year, and shall be based on the tuition fees collected by the private training institution for the 3 months of the preceding quarter.
- (3) The corporation shall reconcile the money paid under subsection (1) and shall make any adjustments necessary annually at the end of a private training institution's financial year and those adjustments shall be completed by March 31 following the end of the private training institution's financial year.

- (4) For the purpose of this section, where tuition fees are included in grant money received by an institution on behalf of a student, the superintendent shall determine that portion of the grant which shall be considered to be tuition fees.
- (5) Notwithstanding paragraph 5(4)(c), where a private training institution fails to pay to the corporation the contribution required under this section, the Minister may, in his or her discretion, revoke or limit the right of that institution to enrol new students.

Use of Train Out Fund

26.3 (1) The Train Out Fund may be used

- (a) where an institution with which a student had a contract fails to fulfil its obligation to that student due to closure to compensate the student in part or in full for the reasonable cost of completing his or her training with another institution, as determined by the corporation;
 - (b) to pay the cost of monitoring the financial operation of a private training institution, including the analysis of audited financial statements as required by these regulations;
 - (c) to pay the expenses of administering and auditing the Train Out Fund; and
 - (d) to reimburse members of the board of directors of the corporation for expenses incurred in relation to meetings and the work of the corporation in accordance with a scale for expenses that may be approved by the Minister.
- (2) Where the Train Out Fund is used to pay out money under paragraph (1)(a), the corporation shall hold back sufficient money to enable it to meet its obligations under paragraphs (1)(b), (c), and (d) and an amount it considers reasonable for the purpose of subsection 26.2(3).

Investments of Train Out Fund

26.4 Investments of the Train Out Fund by the corporation shall be investments in which a trustee is authorized to invest under the Trustee Act .

Annex B: List of Registered Private Training Institutions

Registered private training institutions in Newfoundland and Labrador as of
December 31, 2019.

<i>Institution</i>	<i>Campus location</i>
Academy Canada	Corner Brook
Academy Canada	St. John's
BAC Training Centre Inc./BAC Masonry College	Conception Bay South
Boilermakers Industrial Training Centre Inc.	Holyrood
Canadian Training Institute	Bay Roberts
Carpenter Millwright College Inc.	Paradise
Central Training Academy	Badger
DieTrac Technical Institute	Lewisporte
Eastern Academy	St. John's
Gander Flight Training	Gander
Ironworkers Education & Training Co. Inc.	Mount Pearl
Keyin College	Burin
Keyin College	Carbonear
Keyin College	Gander
Keyin College	Grand Falls-Windsor
Keyin College	Marystown
Keyin College	St. John's
Keyin College Western Campus	Stephenville
Operating Engineers College	Holyrood
Random Sound Paramedicine	Clarenville
U.A. Training Centre	Mount Pearl
Vanstone Scott College	St. John's
Woodford Training Centre Inc.	Conception Bay South

