# PRIVATE TRAINING CORPORATION

# ACTIVITY PLAN

January 1, 2011 to December 31, 2013

Government of Newfoundland and Labrador
**Private Training Corporation**

## Chairperson's Message

February 1, 2011

Honourable Joan Burke
Minister of Education
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 2011-13 Activity Plan. This plan covers the three year period from January 1, 2011 to December 31, 2013.

The Private Training Corporation has reviewed the departmental strategic directions and determined that all are being addressed by other entities. This activity plan sets fourth the Private Training Corporation's goals and objectives for 2011-13 in accordance with its mandate.

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

Respectfully submitted,

Don Stapleton

**DON STAPLETON**
Board Member

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# Overview

The Private Training Corporation is established under section 4 of the *Private Training Institutions 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 January 1, 2011, the membership was as follows:

- Representative of the Department of Education, Mr. Don Stapleton;
- Representative of the Department of Finance, Mr. Terry Paddon;
- Representative of the Association of Career Colleges, vacant;
- Owner or operator of a private training institution, vacant;
- Student of a private training institution, vacant; and
- Two representatives of the community, Ms. Beverley Smith and one vacant position.

As of January 1, 2011, the Chairperson position is vacant.

At present, all members of the committee are located in St. John's with the exception of Ms. Beverley Smith, who is located in Corner Brook. This may change once vacant positions have been filled.

The Private Training Corporation, although empowered by the act to do so, currently has no employees. Due to the current amount and nature of the work involved, necessary analysis undertaken on the corporation's behalf is conducted by either the Division of Institutional and Industrial Education or the Division of Financial Services within the Department of Education. 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 Education
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 2010, the private training sector in Newfoundland and Labrador comprised of 25 registered institutions with 3,225 students enrolled in registered programs as of fall 2010. Net tuition revenue expected to be generated by December 31, 2010 by the sector is $32,000,000. 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 per cent of all student tuition fees collected to the corporation for the fund. The Train Out Fund is valued at approximately $2.9 million as of January 1, 2011. 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.

In 2010, government held four consultation sessions with current students and graduates of private training institutions on the *Private Training Institutions Act and Regulations* as part of a review to ensure that the legislation is current, relevant and effective. In addition, consultations were held with other stakeholders including private training institutions, funding agencies and professionals licensing bodies. Input received from stakeholders during the review process will inform the decision-making process in an effort to ensure that the legislation provides an appropriate level of protection for students' investments.

# Mandate

The Private Training Corporation was established in 1999 as per section 4 of the *Private Training Institutions Act.*

The corporation:

- Administers the Train Out Fund established under the act;
- Makes recommendations to the Minister of Education 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 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.

## Values

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

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|---|---|
| **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.

## Mission

The Department of Education's Mission has been considered and determined not to be applicable to the Private Training Corporation. Furthermore, a Mission for this planning cycle was not developed as it would be redundant given that the only activity is clearly articulated in the following goal.

## 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 One: 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 per cent of tuition fees collected for the fund.

**Objective:** By December 31, 2011, the Private Training Corporation will have maintained an appropriate system for the collection and confirmation of fees from private training institutions.

**Measure:** Maintained an appropriate system for the collection and confirmation of fees

**Indicator:** Maintained timely and accountable system for the collection and confirmation of fees

By December 31, 2012, the Private Training Corporation will have continued to maintain an appropriate system for the collection and confirmation of fees from private training institutions.

By December 31, 2013, the Private Training Corporation will have continued to maintain an appropriate system for the collection and confirmation of fees from private training institutions.

# Conclusion

Upon conclusion of the three year period covered by this activity plan, the Private Training Corporation will have continued to monitor the financial viability of private training institutions and managed the Train Out Fund.

The corporation is intent on maintaining a financial safety net so that students who have entered a course of study 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.

The activity listed in this plan will be referenced in the Private Training Corporation's Annual Report for 2011.

# 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.