OACC Recommendations for Amendments to the 2005 PCC Act

Submission to the Ministry of Training, Colleges and Universities

May 2013
In February 2013, the Canadian Chamber of Commerce released a report that identified the growing skills crisis as the greatest impediment to the success of Canadian business. In his 2012 discussion paper, the Minister of Training, Colleges and Universities, Glen Murray, put forward a platform outlining the need to lower rates of spending growth for publicly-funded universities within the context of an increased labour market demand for greater levels of knowledge and skills, combined with burgeoning enrolment rates.

Sometimes great opportunities come from insoluble problems.

The review of the Private Career Colleges Act presents such an opportunity. Career Colleges are an essential component of the solution. Estimated to save Ontario taxpayers over $1 billion annually* through the provision of state-of-the-art skills training and upgrading to over 67,000 students each year, the Career College sector and the people of Ontario deserve an Act that provides a strategic framework for the future and that enables innovative, creative growth to propel this province’s postsecondary education (PSE) system, and that of Canada, towards global competitiveness.

The recommendations in this Report are written on the premise that the government of Ontario strives for excellence in education and the economic growth that it can bring; and further, that it recognizes the value, strength and potential of the Career College sector to help realize those goals.

*Impact Study (Appendix B)
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Our Vision

As the government continues to engage higher education in social and economic change, any new vision to transform postsecondary education will affect individuals, communities, institutions and society. It will take the collaborative effort of all education stakeholders, public and private, to succeed.

How do we create an Act that will give Ontario the postsecondary education system it deserves? One that is part of the greater vision; that gives the government enough flexibility to leverage the resources of the sector; that gives the sector enough flexibility to innovate, grow and flourish, both nationally and globally; and that serves the students and employers of this province. Any revisions to the current Act must reflect the principles of greatest benefit to students, and our recommendations have been made with students uppermost in mind – protection, equal access to opportunities, and mobility - not only in Ontario’s PSE system, but nationally and globally. This will be achieved by ensuring that only quality Career Colleges are operating, that the programs those institutions are offering deliver the best learning outcomes, that Career College students have the same access to funding as others in the postsecondary education system, that students are financially protected, and that the Career Colleges themselves are allowed to innovate in the global community to the economic and social benefit of Ontario. The changes we propose in this document reflect and reaffirm these principles.

The province ignores the contributions and potential of the Career College sector at its peril. Publicly-funded PSE institutions alone do not have the resources to meet the current enrolment demands for skills training and upgrading. This is especially true given the broad diversity of students who are seeking that training. Nor do they have the infrastructure to deliver urgently needed skills at the pace of technological change. Career Colleges are alleviating the strain that this creates on public system resources insofar as the current Act allows; but this Act was written years before the recent recession and the resulting economic consequences that we now face. The Career College sector in Ontario offers more than 5,000 programs at over 600 campuses in 70 communities. It employs 12,000 staff, and educates more than 67,000 students annually at a minimal cost to taxpayers. By choosing to study at Career Colleges, graduates actually save taxpayers more than $1 billion per annum. At the same time, the Career College sector also generates more than $94 million in business and payroll taxes. The sector is efficient, productive, nimble, flexible, innovative and accountable. With appropriate legislation it will be able to better shape and expand its programming in response to market forces.

Each year, more than 67,000 new students choose to enrol and study at Career Colleges, and like all postsecondary students must be assured of continued access to high quality programs of excellence, postsecondary mobility through credit transfers, credential recognition, equal access to funding opportunities, flexibility in learning modalities, and meaningful performance measures. Thus, government policies and programs should be inclusive and embrace all individuals who are pursuing their dreams through postsecondary education, in whatever manner is best suited to their circumstances. That is how a fair society moves forward. Rather than excluding students who have chosen to attend a Career College, we should be looking for ways to strengthen the sector to benefit those students.
We fully support the Drummond Report’s recommendation that the province of Ontario should establish program standards for the Career College sector that are consistent with Colleges and Universities. In this way, lifelong learning takes on a new meaning. It removes barriers to motivated students, and gives them the opportunity to advance and succeed through credit transfer and student mobility. In keeping with this, we demand representation of the sector, alongside the other PSE institutions in all stakeholder discussions concerning program standards. Performance indicators are an important student tool to enable them to make good decisions about what is right for them. The adoption of KPI’s by the Career College sector is a step towards greater accountability for quality education and standards. We welcome the introduction of KPIs to our sector, and urge the government to ensure that these are consistent with the public sector – that they are exactly the same indicators, gathered and published in the same manner.

The Ministry must stand by its promise to phase in the Ontario Qualifications Framework at Career Colleges to establish guidelines for learning outcomes, pathways, assessment and accreditation of qualifications, allowing students to move in a straightforward manner between levels of study and institutions. Some of the most successful PSE systems in the world, Australia for example, focus on learning outcomes, and have developed a taxonomy that ensures private Career Colleges are held to the same standards as public Community Colleges in terms of institutional and program standards. The Drummond Report went on to say that this would not add administrative burden to the Ministry, but could be regulated “through a Delegated Administrative Authority (DAA) vehicle by enlisting an association such as the Ontario Association of Career Colleges or some other comparable body to provide oversight and ensure accountability.”

No country can afford a weak private sector. Now is not the time to further segregate a successful Career College sector that contributes more than $1 billion annually to the provincial economy. Now is the time to innovate, to think creatively and strategically, and to make the adjustments necessary for even greater success. Working in partnership, we have an opportunity to shape an Act that facilitates necessary and meaningful change to position the sector and the province to take full advantage of the changing landscape of postsecondary education.
Executive Summary

A fundamental component of the province’s postsecondary education system, Career Colleges comprise over 600 campuses and educate more than 67,000 students annually. The sector is poised to contribute solutions to the challenges associated with a shortage of skilled workers, a provincial budget that needs to be balanced by 2017/2018, and with equal opportunity for all Ontarians to access post-secondary education. Career Colleges reduce reliance on welfare and social services by getting people back to work quickly through skills training and retraining that matches the pace of technological innovation. Not only do they save on operating and capital grants, they generate additional tax revenues for the government. Already, taxpayers save more than $1 billion annually as a result of training programs provided by Career Colleges.

There is currently a bias in government policy that disadvantages Career College students who will contribute to the economic recovery. Recent high school graduates entering Community Colleges and Universities receive financial assistance through a variety of programs that are not available to all Ontario students. The average age of a Career College student is 28; roughly 30% are over the age of 35; and 40% previously attended a University or Community College. The Career College student population includes laid-off workers, sole-support parents, recent high school graduates, injured workers, aboriginal people, newcomers to Ontario and persons with disabilities. Graduation rates are over 80% and the post-graduation employment rate is over 83%. Of particular note is the high rate of employment among those who were previously unemployed or out of the labour market; there is a difference of 30 percentage points in the pre- and post-study employment rates of Career College graduates. It is obvious that for a great many students, Career College is the optimal choice.

If the potential contributions of the Career College sector to postsecondary education are embraced within an efficient and collaborative partnership, Ontario’s vision to “put students first by providing the best possible learning experience for all qualified learners in an affordable and financially sustainable way” will become a reality. Accomplishing this requires change. The Ontario Association of Career Colleges strongly recommends that the province should carefully consider and adopt our proposed amendments to the current PCC Act.

Highlights of OACC recommendations include:-

A) Putting Students First

1. Students, with changing needs that demand more flexibility in program delivery, must be the foremost consideration. We are strongly recommending Continuing Education as a means to meet those needs.

2. In keeping with its global counterparts and current trends, Ontario should de-emphasize the public/private distinction and embrace a cohesive, comprehensive and fluid vision of PSE. The new Act should be named the “Career Colleges Act”;

3. The government must end its discriminatory practices towards students who choose to attend a Career College as their best option for postsecondary education. Current fiscal policies that treat Career College students inequitably serve as a barrier to access, and should be revised to reflect equality of opportunity;
B) Ensuring Quality Institutions

4. Better screening of the financial viability of new entrants to the Career College sector and stronger deterrents to prevent non-compliance by existing Career Colleges can achieve a significant reduction in potential risk across the entire sector. To help accomplish this, we are proposing that the minimum financial security posted by new applicants, by Career Colleges that have been in operation for less than 3 years, and by Career Colleges experiencing compliance difficulties, should be considerably increased;

5. OACC would like to see the implementation of pre-registration Training Workshops, which we believe will provide a strong framework for sound practice, identification of potential issues and reduction of risk, thus protecting students, the public and the Ministry.

6. Clarity will be achieved by the introduction of precise definitions for a number of terms used in the current Act;

C) Creating Efficient Processes

7. Career Colleges that have reached a stage in their development whereby past performance, processes, records of compliance, accountability, delivery of learning outcomes and accreditation have consistently proven to be of high quality, should be afforded greater independence. Thus we are recommending the introduction of a new category of “Accredited” Career Colleges. These institutions will have met rigid and stringent Ministry criteria for standards of excellence.

8. We are recommending an overhaul of the Program Approval process. This is one area where the Career College sector could add real value, ensure quality outcomes, and significantly reduce Ministry workload.

9. Expanded program standards and learning outcomes for Career Colleges must be consistent with those of Community Colleges, Universities and Apprenticeship Programs. This will facilitate a seamless pathway for all Ontario postsecondary students.

10. The role of the Training Completion Assurance Fund Board should be transitioned from advisory to governing; a logical and timely move that would considerably reduce the administrative burden on the Ministry.

11. The Career College sector must be efficient and nimble to keep pace with rapidly changing skills and labour needs. We are, therefore, recommending the introduction of MTCU standards of service to enable us to shape and expand programming to quickly adjust to market forces.
ACT Part I: Interpretation

Name of the Act

Career Colleges are an integral component in the quality continuum of the province’s postsecondary education system (PSE). If Ontario is to keep pace globally, we must develop strategic policies and legislation that support the Career College sector’s potential to contribute to the province’s social and economic well-being. To that end, it is important that any definition of a Career College should remain broad enough to allow the sector to continually innovate and evolve to meet the needs of students and employers. All pillars of PSE are working towards and contributing to the same end. It is, therefore, appropriate to de-emphasize the public/private sector gaps and begin to embrace a vision of the Ontario postsecondary education system that is cohesive, comprehensive and fluid.

Recommendation I.1 (Schedule L; 414/06; 415/06)

Recommendation I.2 (Schedule L; 414/06; 415/06)
Throughout the Act and Regulations, the word private is removed from all references to “private Career Colleges”.

Definitions

More clarity of interpretation can be achieved through precise definitions of a number of terms that are used throughout the current Act, as well as some new concepts that have been introduced into our suggested revisions. Recommendations I.3 to I.5 clarify existing notions; Recommendations I.6 and I.7 introduce new terms that are described further in the document. The sector itself recognizes that some organizations are operating without regard for regulations and would like to see those institutions distinguished from the ones that are compliant.

Recommendation I.3 (Schedule L, 1(1) (f)
Proposed Addition: Unregistered Vocational Training Institution” means an entity that is offering vocational programs without having been approved for registration as a Career College by the Superintendent.

Recommendation I.4 (Schedule L, 1(1) (g)
Proposed Addition: Throughout the legislation, all reference to ‘days’ indicates ‘calendar days’.

Recommendation I.5 (Schedule L, 1(1)(j)
Proposed Addition: Throughout the legislation, all references to the “Registry” shall refer to the Province of Ontario online listing of registered Career Colleges and approved vocational programs offered by those Career Colleges.

Recommendation I.6 (Schedule L, 1(1)(h)
Proposed Addition: All Registered Career Colleges shall be designated by the Superintendent as either “accredited” Sched. L, 14(5), or “regular”.
Recommendation I.7 (Schedule L, 1(1)(i)

Current: “vocational program” means instruction in the skills and knowledge required in order to obtain employment in a prescribed vocation. (“programme de formation professionnelle”) 2005, c. 28, Sched. L, s. 1 (1); 2009, c. 33, Sched. 25, s. 5 (1).

Proposed Additions: To introduce TCAF protection for a student enrolled in only one vocational course.

a) Full-time Vocational Program (FTVP) is a vocational program offered by a Career College comprising a minimum of 20 hours per week of class time with continuous delivery.

b) Part-time Vocational Program (PTVP) is a vocational program offered by a Career College comprising fewer than 20 hours per week of class time with continuous delivery.

c) Continuing Education refers to sequential enrolment in individual vocational courses that are part of an approved vocational program and that may or may not lead to a credential.

d) A Vocational Course is a single module of a vocational program

Act Part II: Administration and Financial Matters

Training Completion Assurance Fund (TCAF)

Any revisions to the current Act must reflect the principle of greatest benefit to and protection for students, not only in the quality of the programs, but also the financial protection of their investment in education. Fortunately, we can have a much different discussion today around student protection, due to the establishment of the Training Completion Assurance Fund (TCAF), the creation of which was originally proposed by the Ontario Association of Career Colleges.

Much of the Ministry’s activity has little to no impact on the quality of education but is spent on time-consuming management and administration relating to TCAF. The financial protection to students afforded by this $12 million fund now enables the Superintendent to step back from his/her involvement in the business side of the sector to focus on the real purview of MTCU, which is the assurance of quality learning outcomes. We believe this to be a valid policy discussion, since the creation of TCAF has changed the landscape of the Career College sector. One of the major recommendations of the Report is to create a Governing Board for TCAF; a logical and timely move that would considerably reduce the administrative burden on the Ministry.

It is OACC’s position that there needs to be better screening of the financial viability of new entrants to the Career College sector and stronger deterrents to prevent non-compliance by existing Career Colleges. We also believe that this could be partially achieved by significantly increasing the minimum financial security to be posted by new applicants, by Career Colleges that have been in operation for less than 5 years, and by Career Colleges experiencing compliance difficulties. These changes would result in significantly reducing any potential risk across the entire sector.
Recommendation II.1 (Schedule L, 3(1)) – Training Completion Assurance Fund
That the current wording, “A fund to be known as the Training Completion Assurance Fund in English and Fonds d’assurance pour l’achèvement de la formation in French shall be established in accordance with the regulations. 2005, c. 28, Sched. L, s. 3 (1)”, be either removed or revised to reflect that the TCAF fund is established.

Recommendation II.2 (Schedule L, 3(2) – Purpose of Fund
Current: The purpose of the Fund is to ensure that in the event a private career college ceases to provide a vocational program in which students are enrolled, the students
(a) will be given the opportunity to complete the vocational program as provided by another private career college or by another institution, agency or entity; or
(b) will receive a refund of that portion of the fees they paid in relation to the program for which they did not receive any instruction or other benefit. 2005, c. 28, Sched. L, s3(2)
Proposed: The purpose of the Fund is to ensure that in the event a Registered Career College ceases to operate and discontinues the provision of registered vocational programs in which students are enrolled, the students
(a) will be given the opportunity to complete the vocational program as provided by another private Career College or by another institution, agency or entity; or
(b) will receive a refund of that portion of the fees they paid in relation to the program for which they did not receive any instruction or other benefit. 2005, c. 28, Sched. L, s3(2)

Recommendation II.3 (414/06 Part II (2): Establishment of Board
Current: For the purposes of section 4 of the Act, an advisory board is hereby established to be known in English as the Training Completion Assurance Fund Advisory Board and in French as Conseil consultatif du Fonds d’assurance pour l’achèvement de la formation. O. Reg. 414/06, s2.

Proposed: For the purposes of section 4 of the Act, a Governing Board is hereby established to be known in English as the Training Completion Assurance Fund Governing Board and in French as Conseil d'administration du Fonds d'assurance pour l'achèvement de la formation O Reg 414/06, s.2.

Recommendation II.4 (414-06 Part II, 3) – Composition of Board
Current: 3. (1) The Board shall be composed of,
(a) the Superintendent, who is a member by virtue of his or her office; and
(b) five to nine members who shall be appointed by the Minister. O. Reg. 414/06, s. 3 (1).

Proposed: 3. (1) The TCAF Governing Board shall comprise:-
(a) 1 Government representative appointed by the Superintendent;
(b) Seven members who shall be appointed by the Minister. O. Reg. 414/06, s. 3
   (i) 5 Career Colleges that are OACC member institutions;
   (ii) 2 Career Colleges that are non-OACC member institutions;
(c) 2 non-sector representatives (ideally from the legal and financial sectors); and,
(d) Executive Director of the Ontario Association of Career Colleges (OACC) or his/her designate.

Recommendation II.5 (Schedule L 18(2) – Registration
Current: Subject to section 19, the Superintendent may refuse to renew a registration or may suspend or revoke a registration…
Proposed: The Superintendent shall in all instances where there is a potential impact on the TCAF Fund, consult with the TCAF Governing Board prior to refusing to renew or to suspend or revoke a registration.
Recommendation II.6 (414/06, 9)) Board Functions
Proposed: 9. The TCAF Governing Board shall perform the following functions:

1. Make decisions with respect to the administration of the Fund, including the amount of premiums, surcharges and levies to be paid into the Fund by Career Colleges and the frequency of the payments.
2. Make decisions governing situations where a Career College ceases to provide a vocational program and, in particular, the provision and administration of training completion and the payment of training completion costs and refunds under Part VI in such situations.
3. Make decisions with respect to the measures to be taken in the event a particular Career College ceases to operate.
4. Make decisions on the suitability of any person, Career College or organization that may be approved under section 40 to provide training completion to the former students of a Career College that ceases to operate.
5. Develop strategies to promote public awareness of the Fund.
6. Engage persons to provide professional, technical or other assistance to the TCAF Governing Board under section 19.
7. Make recommendations to the Superintendent prior to the suspension, revocation or refusal of renewal of a Career College.

Recommendation II.7 (TCAF 414/06, 17(1)) Administration of the Fund
Current: 17(1) The Superintendent is responsible for the administration and management of the Fund. O. Reg. 414/06, s 17 (1)
Proposed: The TCAF Governing Board is responsible for the administration and management of the Fund. O.Reg.414/06,s 17(1)

Recommendation II.8 (TCAF 414/06 18(3) Payments Out of Fund
Proposed Addition: 6. To pay the amount of individual premium refunds to individual Career Colleges as per Section 26, Subsection (6).

Recommendation II.9 (TCAF 414/06, 21(3)) – Premiums and Levies, Collection of Information
Proposed Additions:
(3) The Superintendent shall request the submission of audited financial statements from a Career College as required in subsection (2) only if the Career College has total annual revenue from its vocational programs exceeding $5 million in the Province of Ontario.
(4) A Career College with total annual revenue from its vocational programs that is less than $5 million in the Province of Ontario must submit an audited prepaid unearned revenue schedule.
(5) Career Colleges that submit audited financial statements are not required to submit audited prepaid unearned revenue schedules.
Recommendation II.10 (TCAF 414/06, 26(6-8)) – Premiums and Levies, Subsequent Annual Premiums

Proposed Additions:

(6) Despite subsection (2), if, at the end of one of the Fund's fiscal years, the value of the Fund is greater than 110% of an actuarially-determined target value percentage of the total gross revenues from vocational programs of all Career Colleges in Ontario for the Fund's previous fiscal year, the TCAF Governing Board shall, during the Fund's next fiscal year, give notice of and issue a premium refund to all Career Colleges still in operation, based on the proportion of the total that they contributed to TCAF since the inception of the fund. Career Colleges no longer in operation would not be eligible to receive any surplus premium refund. In the event of a surplus, annual TCAF fees for that year are paid as usual. Segregated Career Colleges would qualify for a surplus refund if they had contributed into the fund at any point since its inception. No Career College shall receive more in total premium refunds than the total amount they have contributed.

(7) The TCAF Governing Board shall calculate the premium refund owing as per subsection (6) according to the formula A*B/C, where:

A is the amount by which the fund exceeds the target value based on an actuarially-determined percentage of total vocational program revenue;

B is the total amount of TCAF premiums paid by a Career College eligible for a refund under subsection (6) above since January 1, 2007 and prior to December 31 of the most recent TCAF year-end; and

C is the total amount of premiums paid to TCAF by all Career Colleges eligible for a premium refund under subsection (6) between January 1, 2007 and December 31 of the most recent TCAF year-end.

(8) The TCAF Governing Board shall make all premium refund payments within 60 days of December 31 of the year in which the fund had exceeded 110% of the actuarially-determined target value percentage of total vocational program revenue.

Recommendation II.11 (TCAF 414/06, 32(7) Security, Amount of Security

Current: 32(7) An applicant for registration, or for renewal of a registration, under section 14 of the Act is not required to provide security under this section if the applicant is a registered charity as defined in subsection 248 (1) of the Income Tax Act (Canada) and has a charity registration number issued by the Canada Revenue Agency. O. Reg. 414/06, s. 32 (7).

Proposed: That this be deleted from the Act.
Recommendation II.12 (TCAF 414/06, 33(1-3 and 6)) Security, Amount of Security

Current Minimum Amount: $10,000
Proposed Minimum Amount: $50,000

33(1) Subject to subsections (4), (6) and (7), the amount of the security shall be,
(a) in the case of a new applicant for registration or for renewal of registration for the two consecutive years following initial registration under the Act, the greater of,
   (i) $50,000, and
   (ii) the amount determined under subsection (2);
(b) in the case of a registrant at the time this Act comes into force, for renewal of registration, the greater of,
   (i) $10,000, and
   (ii) the amount determined under subsection (3);

33(2) For the purposes of clause (1)(a), the amount shall be equal to the greater of
(i) $50,000; or
(ii) 10 per cent of the Career College's gross annual revenue from fees that will be paid by students in respect of vocational programs during the Career College's first 12 months of operation, as indicated in the applicant's pro forma financial statements.

33(3) For the purposes of sub-clause (1)(b)(i), the amount shall be equal to the greater of
(i) $10,000; or
(ii) 25 per cent of the Career College's highest monthly prepaid unearned revenue account balance from fees paid by students in respect of vocational programs during the college's last fiscal year that ended before the application for renewal is made, as set out in the college's financial statements for that fiscal year.

Recommendation II.13 (TCAF 414/06, 33(6)) Security, Amount of Security

Current: The Superintendent may,
(a) subject to subsection (4), increase the amount of the security to be provided by an applicant under this section if the applicant opens a campus or offers a vocational program at a campus that did not previously offer the program, or in any other circumstance in which the Superintendent is satisfied that the increased amount is necessary to provide appropriate protection for the students of a career college; or,
(b) decrease the amount of the security to be provided by an applicant under this section if the Superintendent is satisfied that the decreased amount will provide appropriate protection for the students of the Career College. O. Reg. 414/06, s. 33(6)

Proposed: The Superintendent or his/her designate shall,
(a) subject to subsection (4), determine any increase or decrease in security solely on the basis of a prescribed formula determined by actuarial review, that is consistently applied to all Career Colleges;
(b) provide a Career College with 60 days advance written notice of any change to the prescribed formula as determined by actuarial review;
(c) Post the prescribed formula on the Ministry website.

Any new financial security to be posted by a Career College for TCAF purposes as a result of revisions to the prescribed formula will take effect at the time of re-registration.
Refunds

Recommendation II.14 (415/06; 25 (3)) Full Refunds

Current: (3) A refund is not payable under paragraphs 1 to 6 of subsection (1) unless the student gives the private career college a written demand for the refund. O. Reg. 415/06, s. 25 (3).

Proposed: (3) A refund is not payable under paragraphs 1 to 6 of subsection (1) unless the student gives the Career College a written demand for the refund within 30 days of the student’s last date of attendance at the institution. O.Reg. 415/06, s.25(3)

Recommendation II.15 (415/06; 27 (4)(5)) - Partial refunds: withdrawals and expulsions after program commenced

Current: (4) If the student withdraws or is expelled from a vocational program within the first half of a period referred to in subsection (3), the amount of the refund that the private career college shall pay the student shall be equal to the full amount of the fees paid in respect of the program less,
   (a) an amount that is equal to the lesser of 20 per cent of the full amount of the fees in respect of the program and $500; and
   (b) the portion of the fees in respect of the portion of the period that had elapsed at the time of the withdrawal or expulsion. O. Reg. 415/06, s. 27 (4).
(5) If the student withdraws or is expelled from a vocational program during the second half of a period referred to in subsection (3), the private career college is not required to pay the student any refund in respect of that period. O. Reg. 415/06, s. 27 (5).

Proposed Addition:
(7) Notwithstanding subsections 4 and 5 of Section 27, in the case where the total tuition fees collected by the Career College from the student is less than the amount that the Career College has earned based on the calculation in those subsections, the Career College shall be permitted to collect the excess amount from the student.

Recommendation II.16 (415/06; 36 (1)(a)) – Student Complaint Procedure

Current: 36. (1) The student complaint procedure required under section 31 of the Act shall include, (a) a requirement that a complaint be made in writing;

Proposed: 36. (1) The student complaint procedure required under section 31 of the Act shall include, (a) a requirement that a complaint be made in writing within 30 days of the student’s last date of attendance at the institution;
ACT Part IV: Registration

Quality Assurance

All Career Colleges must meet the threshold of Ministry standards in order to be registered. In principle, we believe that the registration of new Career Colleges should remain the responsibility of MTCU. A lot more can be done, however, to ensure quality in the Career College sector. More training and guidance for new registrants at the front end of the process has been shown to reduce compliance problems at the back end. British Columbia, for example, has developed a pre-registration training Workshop on legislative and regulatory compliance requirements that is mandatory for all new institutions, and we would like to see a similar training program implemented in Ontario. It would provide a strong framework for identifying potential issues and reducing risk, thus protecting students, the public and the Ministry.

These Workshops would help to ensure that new registrants are familiar with provincial standards and regulations, that they have developed the policies, processes and forms needed prior to registration, and that they understand their responsibilities and ongoing reporting requirements. It is a good litmus test for potential institutions to decide whether they can or should continue to registration.

There are currently more than 600 Career Colleges in Ontario, all at varying levels of size and stage of maturity. Not only is it unfair to paint them with the same brush, it is administratively unsustainable. Career Colleges that have reached a stage in their development whereby past performance, processes, records of compliance, accountability, delivery of learning outcomes and accreditation reflect an established standard of quality, should be afforded greater independence. Thus, we have proposed a category of ‘Accredited’ Career College, referring to those institutions that have met rigid and stringent Ministry criteria for standards of excellence.

**Recommendation IV.1 (Regulations 5(2)) – Conditions of Registration: Insurance**

Current: Every person who operates a Private Career College shall ensure that the college is insured and that the insurance coverage is sufficient to,

Proposed: Every person who operates a Career College shall ensure that the college is insured and that the general liability insurance coverage is valued at a minimum of $2 million and is sufficient to,

**Recommendation IV.2 (Regulations 10(1)) – Application for Approval (Regulations 10(2); Schedule L (25(1) - Credentials**

Current: 10 (1): In addition to any information that may be required by the Superintendent under subsection 23 (2) of the Act or section 43, an application for approval of a vocational program shall include the following information: 3. Two copies, in blank, of the credential that the college proposes to issue to students who successfully complete the program. Copies of the credential need not be provided in cases where there is no change to the Career Colleges credential.

Proposed: For the purpose of the approval of a new, first-time program, or in the case where a credential changes, two copies, in blank, of the credential that the college proposes to issue to students who successfully complete the program.

Current: 25. (1) Upon approving the provision of a specified vocational program by a private Career College, the Superintendent shall also approve the credential that the college may grant a student who successfully completes the program, in accordance with the policy directives issued by the Superintendent. 2005, c. 28, Sched. L, s. 25.

Proposed: 25(1) Upon approving the provision of a specified vocational program by a Career College, the Superintendent or his/her designate through a 3rd party service provider shall also approve the credential of the program, which will be valid until either i) the Career College makes any change to the credential; or, b) a policy directive is issued to formally change the prescribed content.
**Recommendation IV.3 (Regulations 19(8)) – Admission Requirements**

Proposed Addition: (8) Despite subsection (2), a student who has met all admission requirements except the submission of required medical reports or police reports before the program commences, may be enrolled and may commence the program, as long as the student agrees to submit the required medical reports within 30 days of the commencement of the program.

**Recommendation IV.4 (Schedule L 14.(1)) – Registration and (Regulations (3)(1)) – Registration, Content of Application**

Current: 14(1) The Superintendent shall register an applicant to operate a private career college and shall renew an applicant’s registration if the Superintendent is satisfied that,

Proposed Addition: For all new registrants, that they have successfully completed a Superintendent-approved Training Workshop on legislative and regulatory compliance requirements.

Current: 3(1) In addition to the information that may be required by the Superintendent under section 13 of the Act, a person applying for registration with respect to a Career College shall include the following information in the application:

Proposed Addition: 18) Evidence that the applicant has successfully completed the Superintendent-approved Training Workshop on legislative and regulatory compliance requirements.

**Recommendation IV.5 (Schedule L: 14(1)) – Registration**

Current: 14(1) The Superintendent shall register an applicant to operate a private Career College and shall renew an applicant’s registration if the Superintendent is satisfied that,

Proposed Addition:

(e) the past conduct of the applicant or, if the applicant is a corporation, of its officers and directors, provides grounds for the belief that the Career College will be operated in accordance with the law and with integrity and honesty; and

(i) The Superintendent shall render a decision to operate a new Career College within 90 days of receipt of a complete application;

(ii) The Superintendent shall render a decision on renewal of registration of a Career College within 45 days of receipt of a complete application.

Failure to provide notification within the prescribed time period will result in the application fee being refunded, regardless of the outcome of the application.

**Recommendation IV.6 (Schedule L 14(2)) – Criteria for Public Interest**

Current: 14(2) In determining whether it is in the public interest to register a person or renew a registration under subsection (1), the Superintendent shall consider the prescribed criteria. 2005,c.28, Sched. L, s14 (2).

Proposed: In determining whether it is in the public interest to register a person or renew a registration under subsection (1), the Superintendent shall consider the prescribed criteria, and at the time of registration or renewal of registration, shall refer to and identify whether the Career College is ‘Regular’ or ‘Accredited’.
Recommen
dation IV.7 (Schedule L 14(3)) – Several Locations
Current: 14(3) If an applicant intends to provide a vocational program at more than one location, the Superintendent may register the applicant to operate one Career College at the several locations. 2005, c. 28, Sched. L, s. 14 (3).
Proposed Addition:

(i) The Superintendent shall register any new campus locations of said Career College in the same category as the pre-existing campuses (‘Regular’ or ‘Accredited’)
(ii) The Superintendent shall render a decision within 90 days of receipt of such applications.

Recommen
dation IV.8 (Regulations 34(1)(5)) – Student Transcripts
Current: A private Career College shall inform the Superintendent of any of the following changes at least five days prior to the change.
Proposed Addition: And the Superintendent shall issue an acknowledgement to the Career College in writing, confirming receipt of such notice within five days of receiving the notice from the Career College.

Recommen
dation IV.9 (Schedule L 14(4)) – Certificate of Registration
Current: 14(4) Upon registering a person to operate a private Career College, the Superintendent shall issue a certificate of registration to the person. 2005, c. 28, Sched. L, s. 14 (4).
Proposed: Upon registering or renewing a person’s registration to operate a Career College, the Superintendent shall

(i) issue a signed certificate of registration to the person within 10 days, including information denoting whether the Career College is regular or accredited;
(ii) post confirmation of the registration and/or renewal on the Registry within 10 days, which shall serve as proof of the Career College’s registration.

Recommen
dation IV.10 (Schedule L 14(5)(6)) – Registration
Proposed Addition: New Heading “Accredited Career Colleges”

(5) In accordance with the prescribed Regulations, the Superintendent shall designate a Career College to be Accredited if it:
   a) has been a Registered Ontario Career College for the past 5 consecutive years;
   b) is institutionally accredited by an agency that is sanctioned by the Province of Ontario at either,
      (i) all campus locations; or,
      (ii) a minimum of 50% of its campus locations, and the remaining campus locations are all currently in the process of undergoing accreditation;

(6) Accredited Career Colleges shall be eligible to:-
   (a) Receive expedited Program Approval by the Superintendent or his/her designate through a 3rd party service provider;
   (b) Approve their own programs provided that the institutional approval process has been sanctioned by the Superintendent or his/her designate through a 3rd party service provider;
   (c) Offer any or all of its approved programs at multiple branch campuses that are covered by its institutional registration;
   (d) Be automatically included on the Ministry’s list of designated institutions for International Students.
Recommendation IV.11 (Regulations 415/06 (3. (1)) – Registration

 Proposed Addition: All applicants for registration as Career Colleges must undergo a Superintendent-approved Training Workshop on legislative and regulatory compliance requirements. The training would be at the applicants’ expense.

Recommendation IV.12 (Regulations 415/06 (3. (6)(7)) Registration - Content of Application

Current: (6) If a private Career College fails to apply for renewal of its registration within the time period referred to in subsection (5), the college shall pay, in addition to the renewal fee payable under subsection (7), a penalty in an amount that is 50 per cent of the renewal fee unless the Superintendent is satisfied that there were reasonable grounds for the failure to apply in time.

(7) An application for registration or for renewal of registration shall be accompanied by the fees required by the Minister under section 7 of the Ministry of Training, Colleges and Universities Act.

Proposed: (6) If a Career College fails to apply for renewal of its registration within the time period referred to in subsection (5), the college shall pay, in addition to the renewal fee payable under subsection (7), by electronic or credit card payment, a penalty in an amount that is 50 per cent of the renewal fee unless the Superintendent is satisfied that there were reasonable grounds for the failure to apply in time.

(7) An application for registration or for renewal of registration shall be accompanied by the fees required by the Minister under section 7 of the Ministry of Training, Colleges and Universities Act, payable by electronic or credit card payment.

Recommendation IV.13 (Schedule L 23) Approval required to provide vocational programs

Current: 23(1) It is a condition of every registration that the private Career College only provide those vocational programs for which it has received the approval of the Superintendent under this section. 2005, c. 28, Sched. L, s. 23 (1).

Proposed: It is a condition of every registration that the Career College only provide those vocational programs or any combination of courses within those programs for which it has either:

(i) Received the approval of the Superintendent or his/her designate through a 3rd party service provider under this section. 2005, c. 28, Sched. L, s. 23 (1); or

(ii) Is registered as an Accredited Career College.
Program approval delays are slowing down the pace of innovation and the speed at which Career Colleges are able to respond to market forces through skills training. This is one area where the sector could add real value to the process, ensure quality outcomes, and significantly reduce Ministry workload. As in the case of performance indicators, there needs to be common program standards and learning outcomes for Career Colleges that are consistent with Community Colleges, Universities and Apprenticeship Programs to create a seamless pathway for all Ontario postsecondary students. Enabling credit transfer and credential recognition for all qualified students is the only way to facilitate student mobility nationally and globally, which is a key to our global competitiveness. The Pennsylvania model, for example, uses outcome-focused standards; the Australian model lists competencies associated with diplomas, allowing greater credit transferability and student mobility. In this way, future employers can be assured that the skills and abilities of graduates can be consistently relied upon. Needless to say, representatives from the sector must be part of discussions that determine those standards.

Technological innovation, methods of delivery, experiential learning, and other similar mechanisms are not in themselves a guarantee of quality education, nor of meeting industry standards, nor of ensuring specific learning outcomes. To ensure quality, the sector needs to set benchmarks in many areas, including course content, key performance indicators, student assessments and administrative practices. The expansion of program standards and learning outcomes across the sector would be a step toward credit transferability, and enable qualified students to participate in lifelong learning throughout the PSE system. In many cases, these standards already exist, and it is simply a matter of reaching out to regulatory bodies to take advantage of accepted industry standards. In the interest of efficiency and productivity, it does not make sense to duplicate what someone else has already done well.

**Recommendation V.1 (Schedule L 8(1)) - Prohibitions:**

Current: 8(1) No person shall offer or provide a vocational program for a fee unless the person is registered and the provision of the vocational program has been approved by the Superintendent. 2005, c. 28, Sched. L, s. 8 (1).

Proposed: No person shall offer or provide a vocational program for a fee unless the person is registered and the provision of the vocational program has been approved by the Superintendent or his/her designate through a 3rd party service provider. 2005, c. 28, Sched. L, s. 8 (1).

Proposed Addition: The Superintendent or his/her designate through a 3rd party service provider shall offer a voluntary ‘program pre-screening’ service to identify to new programs as vocation or non-vocational, and shall respond to these requests within 15 days of receipt.
**Recommendation V.2 (Schedule L 23(4)) – Conditions**

Current: 23(4) The Superintendent may approve the provision of a specified vocational program by a private Career College subject to such conditions as the Superintendent may specify and may, as a condition of the approval, specify performance indicators for the vocational program and standards and performance objectives that the vocational program must meet in addition to the performance indicators, standards and performance objectives set out in the Superintendent’s policy directives. 2005, c. 28, Sched. L, s. 23 (4).

Proposed: The Superintendent or his/her designate through a 3rd party service provider may approve the provision of a specified vocational program by a Career College subject to such conditions as the Superintendent or his/her designate through a 3rd party service provider may specify and may, as a condition of the approval, specify performance indicators for the vocational program and standards and performance objectives that the vocational program must meet in addition to the performance indicators, standards and performance objectives set out in the Superintendent’s policy directives. 2005, c. 28, Sched. L, s. 23 (4).

Proposed Addition: a) The Superintendent or his/her designate through a 3rd party service provider, shall render a decision on applications and notify the applicants within 30 days of receipt to provide new vocational programs; b) The Superintendent or his/her designate through a 3rd party service provider, shall notify the applicant within 30 days of receipt of the application if further information is required; c) Failure to provide notification within the prescribed time period will result in the application fee being refunded, regardless of the outcome of the application process.

**Recommendation V.3 (Schedule L 23) – Conditions**

Proposed Addition:

(8) A Career College may follow one of two paths for program approval. A Career College that is ‘Accredited’ may apply to the Superintendent or his/her designate through a 3rd party service provider, to have its program approval process authorized. All other Career Colleges (Regular) will follow proposed legislation Sched. L, s. 23 (4);

(9) A Career College with a Superintendent-authorized program approval process will be exempt from Subsections (1) to (7), and will not be required to submit individual vocational programs to the Superintendent for approval;

(10) A Career College that has a Superintendent-authorized approved program approval process, as defined in 23(8) shall be required to submit its vocational programs to the Superintendent for inclusion on the Registry prior to offering the program to students;

(11) The Superintendent shall add all vocational programs per Subsection (10) to the Registry within 5 days of their submission;

(12) The Superintendent shall notify the Career College of the inclusion of vocational programs on the Registry as set out in Subsection (11) within five days;

(13) A Career College shall be permitted to offer a vocational program in its entirety or in part, immediately after receiving confirmation that the program has been added to the Registry;

(14) An Accredited Career College (Sched. L 14(5)(6) with an authorized program approval process as defined in 23(8), shall be permitted to offer any or all of its programs that are posted on the Registry, in their entirety or in part, at any or all of the branch campuses that are covered by its institutional registration;

(15) A Career College may apply to the Superintendent or his/her designate through a 3rd party service provider for approval to offer any or all of its programs in their entirety or in part, which are included on the Registry at any or all of the branch campuses that are covered by its institutional registration;
Recommendation V.4 (Act 23(6) – Changes to Vocational Programs)

Current: (6) A private career college shall not make a substantial change to a vocational program that it has been approved to provide without the further approval of the Superintendent. 2005, c. 28, Sched. L, s. 23 (6).

Proposed Addition: A substantial change is defined as greater than 20%, and requires a new program approval application.

Recommendation V.5 (New) See also I.6 (Definitions)

Proposed Addition:

a) Career Colleges may offer any individual course that is part of an approved program.
b) Career Colleges must report tuition revenue derived from students enrolled in a single course of an approved vocational program as vocational revenue;
c) Any student who is enrolled in a minimum of one vocational course is protected by the TCAF Fund.
d) Any course or combination of courses taken by a student within the previous 12-month period that exceeds $1,000 or 40 hours is deemed to be vocational in nature; and, in the event that the student enrolls in a subsequent vocational course, then Career Colleges must enter into a vocational contract with the student, informing him/her of his/her rights and responsibilities and disclosing all future courses needed to complete the credential;
e) Continuing Education courses may only be offered for an approved vocational program;
f) Continuing Education programs must be completed within a time period not to exceed 3 times the length required for the Full-time Vocational Program equivalent and may be completed in less time.

Recommendation V.6 (New) 415-06 – Condition of Duration and Approval

Current: (2) For the purposes of subsection 23(5) of the Act, the period during which an approval of a vocational program granted by the Superintendent is valid is a period of five years or such lesser period as may be specified by the Superintendent in the approval. O. Reg. 415/06, s.12 (2).

Proposed: (2) For the purposes of subsection 23(5) of the Act, the period during which an approval of a vocational program granted by the Superintendent is valid is a period of ten years or such lesser period as may be specified by the Superintendent in the approval. O. Reg. 415/06, s.12 (2).
Part VI: Operation of Career Colleges

Ministry Standards of Service

Diminished resources are creating a gap between the level of quality assurance guaranteed by the Act, and the Ministry’s capacity to effectively and efficiently administer the Career College sector. It is strongly believed that the Act, which rightfully places expectations on Career Colleges to meet deadlines, should also place expectations on the Superintendent to require a minimum standard of service comparable to those used in other Ministries. The types of service standards envisioned might include deadlines for the issuance of acknowledgement to Career Colleges by the Ministry of having received documentation/notices from applicants and registrants; deadlines for processing applications received from applicants and registrants.

Initiatives currently underway, such as institutional designation for International Student Study and Work Permits, an approval framework for distance education, and the implementation of KPIs in the sector will only add to the administrative burden of the Ministry. It is our view that the Career College sector, through the recommendations outlined in this document, can do much to alleviate the administrative workload, while freeing up Ministry resources to focus on Regulatory and Compliance issues, which are at the heart of student protection.

Recommendation VI.1 (Regulations 43(3)) – Itemized List of Fees

Current: 43. (1) Upon application for approval of a vocational program, a private Career college shall provide the Superintendent with an itemized list of all fees that will be charged by the college to a prospective student or a student who enrols in the program, including tuition fees, cost of books, and any administrative charges and other compulsory or optional fees, whether or not such fees are charged in relation to the vocational program. O. Reg. 415/06, s 43 (1); O. Reg. 377/08, s C

Proposed Addition: (3) Optional fees for the purpose of Subsections (1) and (2) include, but are not limited to: i) A fee charged to a student to cover the service charge incurred by the Career College as a result of an NSF payment by the student; ii) A fee charged to a student for writing a second certification exam; iii) a fee for completing a Prior Learning Assessment for students seeking advanced standing; iv) Graduation event fees; v) A fee for providing a second copy of a credential document; vi) A fee for providing a second copy of a transcript; vii) A fee for providing a second copy of a T2202A; viii) A fee for retaking a failed course; ix) A fee for re-writing an exam; x) A fee for printing and photocopying; xi) Fees for optional events; xii) Fees for parking.

I want to challenge the government and its administrators to embrace openness and transparency not just as generic policy, but as their creed and their greatest contribution.

Ombudsman Ontario, 2010/11 Annual Report
Recommendation VI.2 (Schedule L34 (1,2); Regulations 34(2)(b)) – Same
Proposed Addition: And the Superintendent shall issue an acknowledgement to the registrant in writing confirming receipt of such notice within five days of receiving the notice from the registrant.

Recommendation VI.3 (Schedule L34 (1,2); Regulations 47(2)) – Notice re: Change of Ownership
Proposed Addition: And the Superintendent shall issue an acknowledgement in writing to the Career College confirming receipt of such notice within five days of receiving the notice from the Career College.

Recommendation VI.4 (Regulations 48(1,2,3)) – Notice of Other Changes
Proposed Addition: And the Superintendent shall issue an acknowledgement in writing to the Career College confirming receipt of such notice within five days of receiving the notice from the Career College.

Recommendation VI.5 (Regulations 40(3)) – Qualifications of Instructional Staff
Current: Despite subsection (1), a private Career College may employ a person who does not meet the requirements of subsection (1) as an instructor in a vocational program if the person is approved by the Superintendent for the purposes of providing instruction at the college. O. Reg. 415/06, s. 41 (3).
Proposed: Despite subsection (1), a Career College may employ a person who does not meet the requirements of subsection (1) as an instructor in a vocational program if the person has a minimum of 3 years relevant instructional experience at any of the following: i) a Canadian Community College; ii) a Canadian University; iii) a registered Canadian Career College; iv) the Canadian Military; or is approved by the Superintendent for the purposes of providing instruction at the college. O. Reg. 415/06, s. 41 (3).

ACT Part VII: Enforcement

OACC has concerns regarding some points under the current enforcement legislation and we would like to have the opportunity to address these during further discussions with the Ministry.
**ACT Part VIII: General**

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*Set up monitoring and audit systems to catch problems, but do not waste everyone’s time by drawing them away from important policy and service delivery objectives to attend to minute details of reporting and compliance.*

_Ombudsman Ontario, 2012 Annual Report_

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**Recommendation VIII.1 (Section L53(5)) – Policy Directives, Consultation:**

Current: 53(5) A policy directive issued under this section is not a regulation within the meaning of Part III (Regulations) of the Legislation Act, 2006. 2005, c. 28, Sched. L, s. 53 (5); 2006, c. 21, Sched. F, s. 141 (3).

Proposed Addition: New Heading “Consultation”; and,

(6) The Superintendent shall in all cases only issue a policy directive that falls within the scope of his/her prescribed authority;

(7) Fact Sheets do not have the force of law, and Policy Directives shall not refer to Fact Sheets;

(8) The Superintendent shall consult with the Ontario Association of Career Colleges (OACC) and share with them the final drafts of Policy Directives in advance of them being posted;

(10) The Ministry shall have a dedicated location on its website for the posting of all Policy Directives;

(9) Policy Directives do not become effective until they are posted on the Ministry Website; and must be posted for public viewing at least 6 months prior to becoming effective unless:

   1. The policy directive introduces a new standard related to public health or public safety.

2. The policy directive revoking the approval relates to a vocational program that is regulated by a third party and,
   i) the third party changes the entry requirements necessary to practise the vocation, and,
   ii) the changes are such that unless the private Career College adopts the requirements prescribed by the third party, graduates from the program would not meet the entry requirements to practise the vocation. 2010, c. 12, s. 21.

(10) All new and revised Policy Directives and Fact Sheets shall be sent to every operating, registered Career College, and to OACC;

(11) If a Policy Directive is issued in its final form and a revision is required, the revised Policy Directive must undergo the same level of consultation and display as the original.

**Recommendation VIII.2 (Regulations 17(1) 4) - Advertisements**

Current: If the advertisement contains a testimonial, endorsement or representation of opinion, a separate text of the testimonial, endorsement or representation of opinion signed by the person making it.

Proposed: If the advertisement contains a testimonial, endorsement or representation of opinion, a separate text of the testimonial, endorsement or representation of opinion signed by the person making it, except in the case where the individuals have themselves appeared in the delivery of the testimonial or endorsement.
Conclusions

We agree wholeheartedly with the Ministry’s sentiments expressed in the following quote from the recent White Paper. Career Colleges are part of the postsecondary system and it is time to recognize both existing contributions and potential significance.

The Career College sector is part of the solution.

The vision and goals outlined in the MTCU White paper can only be accomplished through the collaborative efforts of all the partners working on a level playing field. The sector wants to be held to the same quality standards and outcomes as its Community College and University partners; it wants its students to have access to the same opportunities as their counterparts in the Province; it wants to show that Ontario Career Colleges rank amongst the best in the world. This can only be accomplished if we have an Act that is visionary rather than oppressive, and an environment that reflects trust rather than suspicion. If the sector is to be part of the economic recovery of Ontario, then it needs an Act that guarantees accountability and quality without stifling innovation.

Acknowledgements

The Ontario Association of Career Colleges would like to thank and acknowledge the participation and contributions of its member institutions. Consultation meetings were held across the province to provide the opportunity for broad input into the development of this Report.
Appendix A

Backgrounder on Career Colleges and Their Students
Ontario citizens seeking to acquire basic job skills, or upgrade their existing skills, or learn new skills required for a career change, are increasingly choosing to attend private post-secondary institutions that are members of the Ontario Association of Career Colleges (OACC).

Founded in 1973, OACC is a non-profit organization whose membership consists of a network of more than 280 career colleges that have an exemplary track record in specialized career training.

Career Colleges have existed in Ontario for more than 144 years and are regulated under the Private Career Colleges Act by the Ministry of Training, Colleges and Universities.

Since the inception of the first career college campus in Belleville in 1868, the Career College sector has grown steadily and today remains a fundamental component of Ontario’s post-secondary resource, training more than 67,000 individuals annually.

Career Colleges offer a wide range of diploma and certificate programs in a variety of career disciplines including: Automotive, Broadcasting, Business, Computer, Culinary, Design, Electronics, Healthcare, Information Technology, Legal, Personal Care, Travel and Welding.

While some students enter a Career College directly out of high school - the average age is approximately 27; roughly 30 percent are over the age of 35; and 40 percent having previously attended a university or community college.

Students use a variety of sources to finance their studies including personal funds, Employment Insurance funds, Second Career funding, WSIB sponsorship, or government sponsored student loans.

With no direct operational or capital funding from any level of Government to fall back on, career colleges must rely heavily on satisfied graduates, satisfied employers, and their local community reputation to generate referrals of future students.

Career colleges make a major contribution to the Ontario economy. Career colleges employ 12,000 staff, and annually save the taxpayers of Ontario more than $1 billion, while generating over $94 million in business and payroll taxes.

Career colleges provide a major share of the trained specialists in Canada at low cost to the taxpayer. The cost to taxpayers to produce a career college graduate is 18% of the cost of producing a community college graduate.
Appendix B

The Impact of Ontario Career Colleges
The Impact of Ontario Career Colleges

Final Report

June 1, 2012

Higher Education Strategy Associates
400-460 Richmond Street West
Toronto, Canada
M5V 1Y1
Executive Summary

This paper was commissioned by the Ontario Association of Career Colleges in January 2012. It is designed to shed light on the question of the value of career colleges to the Ontario economy by looking not only at its own economic footprint, but also the economic impact of its graduates, and its overall efficiency at getting people through programs and established in the world of work.

The key points of this survey are as follows:

* 62,500 students were enrolled in career colleges in August 2011

* Career colleges boast graduation rates of slightly over 80%, which is comparable to or better than public community colleges

* The Post-graduation employment rate (excluding those who return to studies) is 83.4%;

* Of particular note is the high rate of employment among those who were previously unemployed or out of the labour market and transitioning them to jobs; there is a difference of 30 percentage point in the pre- and post-study employment rates of career college graduates.

* Career College Graduates’ income six months after graduation was equal to $26,045.

* Total revenues for institutions were $788 Million in 2010, of which less than a third came from students who have benefitted from government loans or subsidies of their training costs; if “other” (i.e. non-instructional) revenue is excluded, total the figure is $538 Million, of which 51% comes from government loans and subsidies to students.

* Taking into account other subsidies such as tax credits, but also accounting for the fact that most loans are eventually paid back, the total net cost of government subsidies to students attending career colleges - excluding the Ontario Student Opportunity Grant (for which data was not available) – are just over $248 Million, of which 73% comes from the Government of Ontario.

* Career Colleges employ around 12,000 people and collectively pay $94 million in business and payroll taxes. Their employees and graduates pay hundreds of millions in taxes and reduce welfare and EI costs by helping to bring people into the labour market.

* Adjusted for the different lengths of program, Career College graduates receive only 18% of the subsidy that Community College Students do.
Introduction

This paper was commissioned by the Ontario Association of Career Colleges in January 2012. It is designed to shed light on the question of the value of career colleges to the Ontario economy by looking not only at its own economic footprint, but also the economic impact of its graduates, and its overall efficiency at getting people through programs and established in the world of work.

This work is somewhat challenging in the sense that good quality data about the sector is scarce. However, by cobbling together data from a number of sources, it is possible to develop a relatively complete picture of the sector.

In section 1 we outline briefly the main data sources used to compile the data in this document. In section 2, we look at students and their outcomes – specifically their rate of graduation and their economic outcomes in terms of employment and income. Section 3 examines the economic impact of the sector itself, in terms of its size, its revenues, and taxes paid. Section 4 looks at the cost of government subsidies to students who choose to study at career colleges. Section 5 examined data from provincial and federal job projections in order to look at areas of high potential demand and hence opportunity for career college providers. This is followed by a brief conclusion.
1. Data Sources

The main challenge in this project lay in obtaining high-quality data. Career colleges are an under-studied phenomenon, and consisting as it does of many small training providers (as well as a few major ones), it is a difficult sector in which to collect data.

For this project, the data came from 4 main sources.

1) The Registration Information for Career Colleges (RICC) System. Each year, career colleges operating in the province of Ontario are required to submit data about student enrolments and finances to the Ministry of Training, Colleges and Universities’ Private Career Colleges Branch. The Branch agreed to release aggregate enrolment and income to this project on an aggregate basis, meaning that we were able to look at certain figures at the provincial level.

2) Ontario Student Assistance Program (OSAP) administrative files. OSAP kindly agreed to release data on student aid use and expenditures on a sectoral basis for this project. Unfortunately, OSAP was not able to provide us with a breakdown of funds for the Ontario Student Opportunity Grant, which is the main source of non-repayable aid for students in Career Colleges.

3) The Survey of Canadian Career College Students. This survey, funded by Human Resources and Skills Development Canada and the Canada Millennium Scholarship Foundation and conducted by R.A. Malatest Associates. This was a two-phase survey. In the first phase, just over 13,000 students in career colleges across Canada answered questions regarding their program of study, their finances, and their activities in the pre-study period. In the second phase, just under a third (4,065) of the respondents of the original survey agreed to a second interview six months after graduating from their career college program. In this second survey, they answered questions about their educational experience and labour market activities. In this survey, we use only the data for the roughly 1300 students who attended an Ontario Career College and answered both waves of the survey.

4) A Survey of Ontario Career Colleges conducted specially for this project. In February 2011, Higher Education Strategy Associates sent a survey (attached to this document as Appendix A) to most of the provinces 400-plus career colleges. The survey was designed specifically to obtain data requested by the client which was not available through the other three data sources. As a result, it focuses specifically on issues related to program completion, numbers of staff employed, and taxes paid. Regular follow-up emails and calls were placed over the following 8 weeks in order to raise the response rate. In the end, completed responses for 59 career college locations were received. Though this was a very small response rate, it is still possible to make estimates for the full population by norming results against certain data points (number of institutions, student population and total income) for which independently-confirmed data (for instance, data collected by RICC) are available.

On occasion, other sources were consulted, though these are fairly rare. In these cases, sources are referenced directly in the text.
2. Educational Outcomes

a. Graduation rates

Perhaps the most important educational outcome measure is completion: what percentage of an incoming class finishes the courses it began? Table 1 shows the graduation rates as reported by institutions participating in the Survey of Career Colleges.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>% graduated</td>
<td>79.5%</td>
<td>84.1%</td>
<td>80.3%</td>
</tr>
<tr>
<td>% withdrew</td>
<td>15.5%</td>
<td>13.2%</td>
<td>13.8%</td>
</tr>
<tr>
<td>% remaining</td>
<td>5.0%</td>
<td>2.7%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Source: Survey of Ontario Career Colleges

According to the survey of Ontario Career Colleges, graduation rates over the past three years have averaged between 79 and 84%. How does this compare to other types of education? According to Colleges Ontario’s summary of KPI data, the province-wide graduation rate from colleges is 65%.

While it would therefore be true to say that graduation rates in the career college sector are higher than those in the public sector, a skeptic would likely raise the incompatibility of the two standards because of the different lengths of programs. However, we know from previous studies of the college sector that slightly more than half of those who drop out of a college program do so in year 1 (see Finnie and Qiu, 2008). As a result, it would be true to say that the pace of drop-outs is very similar in the two sectors, with roughly one in five leaving after one year.

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1 The 2011-12 KPI Graduation Rate is based on students who started one year programs in 2009-2010, two year programs in 2007-08, three-year programs in 2005-2006, and four-year programs in 2004-2005, and who had graduated by 2011-12.)
b. Graduate Employment

There is unequivocal evidence that PCCs in Ontario improve employment outcomes. Using the Survey of Canadian Career College Students, we were able to look at the pre- and post-schooling activities of 1376 Ontario students. Table 2, below, shows the results.

Table 2: Pre- and post-PCC activity status

<table>
<thead>
<tr>
<th>Status</th>
<th>Pre-Study</th>
<th>Post-Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>39.69%</td>
<td>73.45%</td>
</tr>
<tr>
<td>self-employed</td>
<td>3.09%</td>
<td>2.33%</td>
</tr>
<tr>
<td>In school or training</td>
<td>7.26%</td>
<td>2.04%</td>
</tr>
<tr>
<td>Unemployed (looking for work)</td>
<td>25.02%</td>
<td>14.88%</td>
</tr>
<tr>
<td>Unemployed (Not looking for work)</td>
<td>2.47%</td>
<td>3.06%</td>
</tr>
<tr>
<td>Full time stay at home parent</td>
<td>7.50%</td>
<td>1.75%</td>
</tr>
<tr>
<td>Employed and in school or training</td>
<td>4.94%</td>
<td>1.82%</td>
</tr>
<tr>
<td>Self-employed and in school or training</td>
<td>0.54%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Other</td>
<td>9.50%</td>
<td>0.58%</td>
</tr>
</tbody>
</table>

Adding the various forms of employment together, only about 48% of PCC students reported working in the three months prior to the start of their program. However, when interviewed six months after their program, that figure rose to over 77%. Part of this came from a reduction on the number of people who were formally unemployed (i.e. actively looking for work), but much also was the result of transitioning people who had not previously been in the labour force back into work.2

The resulting employment rate of PCC graduates – that is, the number employed as a percentage of all those employed and or looking for work of 83.4%

How does this compare to results in other sectors? This data was collected on students who were enrolled during the 2007 calendar year. The equivalent group of graduates from Ontario Community Colleges, measured after a similar period (6 months) had an employment rate of 90.5%. This suggests that the absolute employment outcomes of college students are better; however, since community college graduates tend to be younger and more employable, such a direct comparison may not be the most useful in looking at outcomes.

2 It should be acknowledged, however, that this survey had a significant response bias towards people who graduated from PCC. 98% of survey respondents were graduates, compare to an 80-85% system average, as calculated in Table 1. Thus, while we can make strong claims about how graduates fare in the labour market, it is less clear what the outcomes are for the 20% who enter but do not finish.
c. Graduate Income

Data from the Survey of Canadian Career College Students indicated that the average salary for all graduates, 6 months after graduation, was $26,045. The manner in which the survey was constructed did not permit a direct observation of students’ income prior to their entering a career college. However, given their age and education and what we know about their labour force status, it is possible to provide a relatively crude estimate of their incomes using 2006 Census data.

For people who were employed in both the pre-study and post-study periods, the increase in income 6 months after the end of studies was a relatively modest $765/year. However, as we saw in the previous section, the real gains of a PCC education come from taking people who were outside the labour market and putting them into work. For these people, a much larger increase was in store: more on the order of $11,376/year. For those who were employed prior to attending a PCC and subsequently were not in work (7% of the total), there was a negative effect of roughly the same size. For those who were not in work in either period, there does not appear to have been any benefit.

Weighted across these three groups, the net increase in salary from immediately prior to immediate post-schooling is therefore approximately $3655.

Longer-term benefits of career-college education is harder to quantify. We effectively have no data on the income path of these graduates beyond six months. One would expect, based on post-graduation data in other types of institutions that with age and experience, these returns continue to increase over time; however, there is no way to be sure at what rate this occurs. We therefore do not provide any estimates of longer-term benefits of career college training to graduate earnings, though clearly such benefits must exist.
3. Economic impacts

a. Institutional Income

When looking at the benefit of Career Colleges to the economy, the first place to look is at their income statements: how much economic activity flows through their books? Data on this subject was obtained from the RICC database for both 2009 and 2010. In their first fiscal year of operations, PCCs submit pro-forma financial statements to the ministry; full financial statements are not available until the second year of a college’s operations. Data in a given year therefore excludes any institutions that began operations in that year. Not quite all institutions are present in the data - the 2009 data represents 384 active PCCs out of a total of 485, while the 2010 data represents 388 PCCs out of a total of 498. The figures therefore understate the size of the sector somewhat.

Table 3 – PCC sector revenue by source – 2009 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government Sources</td>
<td>Non-government Sources</td>
</tr>
<tr>
<td>Vocational Revenue</td>
<td>$223,508,768</td>
<td>$127,948,658</td>
</tr>
<tr>
<td>Non-Vocational</td>
<td>$20,886,760</td>
<td>$52,748,441</td>
</tr>
<tr>
<td>Revenue</td>
<td>--</td>
<td>$107,894,704</td>
</tr>
<tr>
<td>Total</td>
<td>$244,395,528</td>
<td>$288,591,803</td>
</tr>
</tbody>
</table>

Source: Ministry of Training, Colleges and Universities, Private Career College Branch

The terms “vocational” and “non-vocational” refer to the types of programs offered by the college. Revenue from “other revenue” is not received from government sources and is usually not related to the educational business operations of the PCCs (e.g. interest income).

Clearly, there was an enormous increase in Career College income in 2010. Vocational revenue was up 22%, non-vocational revenue up 49% and “other revenue” up 132%, meaning an overall increase of 48% in a single year. Nearly all of this increase was due to increases in non-government revenue sources; these jumped 78% from $288.6 Million to $512.7 Million. In contrast, the increase in revenue from government was much more modest – a jump of 13%, from $244.4 Million to $275.1 Million. There are two things to note about these government funds. First, they do not come in the form of base funding; rather, it is money that follows student choice either via student loans, WSIB or Second Career. Second, these figures count loan dollars as full subsidy dollars when in fact students end up paying most of this back – as a result the true net cost to government is substantially lower than what is portrayed here.
Colleges Ontario reports that total income for Community Colleges was just over $3.2 billion in 2010-11. That means that the Career College sector is roughly one quarter the size of the public college sector.

b. Employment

Our source for data for this subject is the Survey of Career Colleges which was undertaken for OACC specifically for the purpose of this paper. Because of the low response rate and the generally low level of data available about the sector, generalizing sector-wide data from the responses received is difficult because it is hard to know how representative our sample was.

There are data points collected in this sample against which it is possible to compare our sample with the full system, based on data gathered by the PCCC. These points are: total institutional locations, finances and students. In all cases, we know what percentage of an actual system-wide total was obtained through the survey. The difficulty is that scaling the data upwards to match each of these three points results in substantially different values.

For instance, if we scale up based on the proportion of institutional locations responding, we obtain an estimate of 14,583 employees in the sector as a whole. If we scale up based on reported revenue, we get an estimate of 12,022, and if we scale up on based on reported enrolments, we get 9527. There is no way to tell which of these estimates is correct. However, it seems prudent to expect that the figure lies somewhere near the middle of these three estimates. The average of these three estimates is just over 12,000, which would seem to be a reasonable figure upon which to settle as a global estimate of employment, albeit with a significant margin of uncertainty.

Figure 1 – Distribution of Employment by Status and Type

![Figure 1](image-url)
Of the staff members reported by the survey, roughly 63% were instructional staff, 28% were administrative staff and 9% were listed as “other”. However, this hides some significant differences by full-time and part-time status (full-time here being defined as being more than 25 hours per week). Overall, the data implies a very low student-staff ratio. Given that most programs in the sector of short duration, the RICC figure of 62,500 on 1 August 2011 is almost certainly an underestimate in terms of total students. But if we take the RICC figure as a denominator, the ratio of students to instructors is about 8 to 1, which implies relatively individualized instruction.

c. Taxes Paid

Another area covered by the survey of Ontario Career Colleges was taxes paid. Individual institutions were asked a variety of questions about the taxes they either paid or withheld – property taxes, corporate taxes, HST, and employer payroll. For exactly the same reasons described in the section on staff numbers, there are a number of ways to estimate total taxes paid. Table 4, below, shows the various possible estimates as well as the “blended” estimate which we believe to be the most reasonable single estimate of taxes paid by the sector.

**Table 4 – Survey-based estimates of taxes paid by Ontario PCC sector (in $ Millions)**

<table>
<thead>
<tr>
<th></th>
<th>Location-scaled Estimates</th>
<th>Revenue-scaled estimate</th>
<th>Enrolment-scaled estimate</th>
<th>Blended Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>27.8</td>
<td>22.9</td>
<td>18.2</td>
<td>23.0</td>
</tr>
<tr>
<td>Corporate / Business taxes</td>
<td>15.7</td>
<td>13</td>
<td>10.3</td>
<td>13</td>
</tr>
<tr>
<td>Net HST</td>
<td>23.2</td>
<td>19.1</td>
<td>15.1</td>
<td>19.1</td>
</tr>
<tr>
<td>Employer Payroll Taxes</td>
<td>51.8</td>
<td>42.7</td>
<td>33.8</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Aggregate Taxes Contributed</strong></td>
<td><strong>113.1</strong></td>
<td><strong>93.3</strong></td>
<td><strong>73.9</strong></td>
<td><strong>93.4</strong></td>
</tr>
</tbody>
</table>
4. Total Cost to Taxpayers of Career Colleges

According to the RICC data cited above in section 2, total funding from government sources (excluding OSAP) were $150,485,372 in 2010, mostly through Employment Ontario programs and WSIB programs. In addition to this are funds related to various forms of student assistance, which are detailed below.

*Loans*

In 2010, OSAP provided loans to 9,679 students in career colleges. Collectively, these students borrowed just over $67 Million, meaning that the average amount borrowed was $7,054. Since this is substantially above the provincial limit for borrowing for single students ($4760 for a 34-week program), it follows that a substantial proportion of student borrowers from this sector are either married or have children. In addition to this provincial borrowing would be borrowing from the Canada Student Loans Program. Data is unavailable on this program, but it would be reasonable to assume a roughly similar loan volume.

The costs of lending this come from three sources. The first is defaults. The most recent figures suggest that borrowers from the Career College sector default at a rate of about 13%. The government of Ontario does not release the value of defaults by sector, but assuming that defaulted loans are no different from average, that implies that the default cost of these loans will be 8.71 Million (though in fact some of these loans may already have been forgiven via OSOG). In addition, there are the carrying costs of the loan while the student is in school. Because PCC programs are so short, these are very small. Assuming i) a one-year loan period and ii) carrying costs equal to the latest provincial bond issue (3.34%), the costs for the 2012 loan cohort would be roughly $2.23 Million. At the federal level, assuming similar repayment rates, the default cost would be roughly the same, but the loan carrying costs would be about half of the provincial ones due to the much lower borrowing costs.

*Grants*

There was no data available on the most important source of grants, OSOG. With respect to other grants, the total amount delivered was $670,000.

*Tax Credits*

Part of government expenditure on public colleges comes in the form of tax breaks to students. Students are entitled to two significant types of tax credits: *tuition tax credits* that provide relief based on the amount of tuition paid, and *education and textbook amounts* that provide credits based on the number of months of study and whether these months were full-time or part-time. While the amount of tax expenditures that go to college students specifically as a result of these programs is not available
from government sources, it is possible to obtain a good estimate of this amount using publicly available information.

21% of the value of tuition (15% federal and 6% provincial) is returned to students via the tuition tax credit, as is 15% of $465/month of full-time study (via the federal education amount and textbook tax credits) and 6% of $484/month of study (via the provincial education amount credit). Unfortunately, we do not know how much of the $185 million in non-government vocational revenues collected sector-wide were actually tuition fees paid by individuals (as opposed to by employers). Assuming they all were, it would imply a provincial tax expenditure for the tuition tax credit of about $9.25 million, and a federal one of about $29 million. The costs of the education amount credits would likely be somewhat less than this, in the region of $10 million at the provincial level and $26 million federally.

Table 5 combines all of the preceding data into a single global estimate of costs. Note that this is likely a significant underreporting due to the absence of data on the Ontario Student Opportunity Grant.

Table 5 – Costs of Various Government Subsidies

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct expenditures</td>
<td>$150.5 Million</td>
</tr>
<tr>
<td>OSAP Loans and Grants (ex-OSOG)</td>
<td>$11.7 Million</td>
</tr>
<tr>
<td>Provincial Tax Credit Costs (maximum)</td>
<td>$19.25 Million</td>
</tr>
<tr>
<td><strong>Sub-total Provincial</strong></td>
<td><strong>$181.45 Million</strong></td>
</tr>
<tr>
<td>Federal Loan Costs</td>
<td>$10 Million</td>
</tr>
<tr>
<td>Federal Tax Credit Costs</td>
<td>$57 Million</td>
</tr>
<tr>
<td><strong>Sub-total Federal</strong></td>
<td><strong>$67 Million</strong></td>
</tr>
<tr>
<td><strong>Total Government Costs</strong></td>
<td><strong>$248.45 Million</strong></td>
</tr>
</tbody>
</table>
5. Career Colleges vs. Community Colleges – Comparing Costs to Taxpayers

Having calculated public subsidies to the Career College sector, it is instructive to calculate the subsidies given to community college and compare the two. For the sake of comparability, we have excluded some data from the Community College totals, where comparable data for the Career College Sector does not exist.

Direct Expenditures

In 2009-2010, the most recent year for which data is available, total direct grants to public colleges in Ontario from all provincial and municipal sources amounted to $1,702,726,000. Table 6 presents the breakdown of funding of Ontario colleges by level of government.

<table>
<thead>
<tr>
<th>Level of Government</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial</td>
<td>$1,664,013,000</td>
</tr>
<tr>
<td>Municipal</td>
<td>$5,558,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,669,571,000</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, Financial Information of Community Colleges and Vocational Schools (FINCOL)

Student Loans and Grants

Data from OSAP indicates that Ontario Public College Students were responsible for approximately $3.6 million in Class A interest subsidy in 2010. Likely default costs, assuming the 2010 rate of 10.6% remains constant, and using the same imputation method as for public colleges, will be $28.9 million. In addition, college students benefitted from $33.6 million in Ontario Access Grants, $1.2 Million in Ontario Distance Grants and just over $10 million for the Textbook and Technology Grants. The total cost for Ontario Student Assistance is thus $77,300,000. As with Career Colleges, these figures exclude costs related to the Ontario Student Opportunity Grant.

In addition to provincial expenditures, the federal government spends substantial amount of student financial aid. The amount of Canada Student Grants going to public college students annually can be estimated from the total value of Canada student grants disbursed and public post-secondary enrolment numbers, by assuming that the proportion of grants disbursed to college students is similar to the proportion of college students in the public post-secondary population. In 2008 32.6% of the Ontario public post-secondary population was enrolled at colleges, and $370,745,021 was disbursed by the Canada Student Grant Program. The estimated amount spent on college students in this program is therefore $120,722,228.
An additional cost of funding is the cost associated with providing federal loans. As with provincial loan amounts, this cost is due to interest subsidies, and loan defaults. Though we have no direct data from the Government of Canada on this, it is possible to construct a rough estimation of default costs simply by multiplying the provincial figures by 150% (federal and provincial aid is distributed on a 60-40 basis). This procedure results in an estimate of $43.4 million. Loan carrying costs at the federal level are lower than those at the provincial level (roughly $1.9 million) because of lower interest costs.

Total student aid expenditures on Ontario Community College Students is thus $243,332,000.

**Tax credits**

Statistics Canada’s Financial Information of Community Colleges and Vocational Schools survey tells us that that in 2009-2010, $962,989,000 was collected by Ontario colleges as tuition revenue. The federal tuition tax credit rebates 15% of this amount, while the provincial credit rebates 5.05%. Assuming that all of this income is eligible for both Ontario and Federal tax credits, this results in $193,079,000 of tuition tax credit relief, of which $144.5 million is federal and the rest provincial.

From Statistics Canada, we also know that there were 161,631 full-time students and 54,909 part-time students enrolled in public colleges in Ontario in 2008, the most recent year for which data is available. Full time students are eligible for a federal tax credit equal to 15% of $400 and a provincial tax credit equal to 5.05% of $490, per month of study, while part-time students receive monthly tax credits of 15% of $120 and 5.05% of $147 from the federal and provincial governments, respectively. Assuming that these students were enrolled on average for eight months in the year, the total money spent by both levels of government on this education tax credit is $120,747,000.

The total cost of tuition and education tax credit amounts for Community College students is therefore estimated at $313,826,000.

**Comparing Costs By Sector**

Adding all of the above costs – the cost of providing student aid, the cost of grants to public colleges, and the cost of tax subsidies - produces a total annual cost to the public of $2,226,719,900. In comparison, as we saw in the previous chapter, costs of Career Colleges to taxpayers was $207,450,000 million, or about one-eleventh of those in the public sector.

Assuming subsidies per student are relatively static from year to year, a very rough “public subsidy per graduate” estimate can be made simply by dividing total annual subsidies by the number of graduates produced. Doing this calculation provides a figure of $35,443 for graduates of public colleges and $3,702 for Career Colleges (again, minus the Ontario Student Opportunity Grant, which would increase the figure slightly), a ratio of a little over 9.5-to-1.
However, this is obviously a skewed comparison because of the difference in program lengths across the two sectors. The best way to correct for this and directly compare rates of subsidy is to compare the subsidy per month of study, which requires dividing these two figures by the length of the various programs graduates attend.

Among Career Colleges, we can determine this length simply by looking at the results of the Survey of Canadian Career College Students. Although data for program length was captured as an interval variable, imputing the mid-point of each interval (e.g. for 0-3 months, 1.5 months is imputed) allows a rough estimate of program-length to be made. In this case, the length is 9.2 months. For Community Colleges, length of program can be derived by taking the number of graduates of certificates, diplomas, advanced diplomas and degrees, multiplying each by the normal length of programs and dividing by the total number of credentials awarded. This method provides an average program length of 15.4 months.

Plugging this data into the equation, we arrive at an adjusted “monthly subsidy per graduate” figure of $410 per Career College graduate and $2,301 per Community College graduate. This implies that the adjusted subsidy per graduate in the Career College Sector is about 18% of the subsidy in the Community College sector.

Note that these comparisons are for operating expenses only. Capital expenses are somewhat tricky to include because they can fluctuate significantly over time. In Ontario, over the six fiscal years from 2006-07 and 2011-12, the average amount given to colleges in capital grants was just under $94 million; however, this disguises and enormous amount of variation as the figure ranged in this period from $13 Million to $206 Million.

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3 We believe it likely that this method understates the difference in true program length between the two sectors, as it does not account for students in Community Colleges taking longer than expected to graduate. As a result, the estimate of subsidy per month of study for Community Colleges is slightly on the high side.
6. Growth Areas / Occupation Needs

There are a number of new and emerging occupations and industries expected to experience growth within the next few years in Ontario and across Canada, and these offer some insight into the kinds of programs that Career Colleges may in future wish to deliver.

Ontario Job Futures have highlighted the background education and training necessary to contribute to Ontario’s future employment growth between 2008 and 2013. The most promising job opportunities are occupations in management, which can account for 9% of new work, especially for managers in healthcare and computer and information system sectors. 26% of projected increased employment can be attributed to occupations requiring university degrees, especially in the health care (general and specialist physicians, physiotherapists, occupational therapists, pharmacists and nurses) and engineering sector (software and civil engineers), as well as social workers and information systems analysts and consultants. College or apprenticeship requirements will contribute to 35% of new work, including training and expertise from paralegals, user support technicians, dental hygienists and therapists, early childhood educators, electricians (except industrial and power system), chefs, plumbers, and mechanics in refrigeration and air conditioning. Occupations requiring a high school and/or occupational specific training are expected to account for 22% of new jobs, many of which include informational customer service clerks, food and beverage servers, truck drivers, and heavy equipment operators. Finally, only 8% of new jobs can be ascribed to high school or short-term job related training.

Developed by Human Resources and Skills Development Canada (HRSDC) is The Canadian Occupational Projection System (COPS) which aims to identify and highlight 140 occupational trends in future labour supply and demand across a ten-year period from 2011 to 2020. It provides summary accounts on the occupations and jobs that may face potential shortage or surplus by assessing the expansion of job opportunities and demand for prospect workers.

Occupations with the lowest growth and expansion demand are Machine Operators and Related Workers in Fabric, Fur And Leather (-781%) and Textile Processing (-227%), followed by Other Assembly And Related Occupations who work with Fabric, Furniture, Plastics and Wood materials and products (-55%). In contrast, occupations with a significant 62% and 61% growth are occupations in personal service (image and personal consulting, pet groomers and animal care workers, estheticians, and electrologists) and occupations in food and beverage service (including bartenders and wait-staff), respectively. These are areas in which Career Colleges are already providing many training programs. The other major areas of expected growth are Mine Service Workers and Operators in Oil And Gas Drilling (60%) and Underground Miners, Oil And Gas Drillers And Related Workers (59%). These kinds of programs might be more difficult for Career Colleges to deliver given the fact that they are significantly more capital intensive than most existing programs, but the need may be great enough that more providers in this area could appear.

In absolute terms, the highest number of expected job opportunities has been projected for administrative and regulatory occupations; Motor Vehicle And Transit Drivers; Cleaners; Paralegals;
Social Service workers; Auditors, Accountants And Investment Professionals; and healthcare paraprofessionals. Again, these are areas where many Career Colleges are well-established and can thus expect an increase in demand for their product.

A large number of job seekers will be Computer and Information Systems Professionals, Motor Vehicle and Transit Drivers and health care paraprofessionals. Conversely, an excess supply of workers will come from operators and supervisors from the logging and forestry industry, managers in protective service, and machine operators and workers in textile processing. All of these areas are therefore unlikely to see much new demand in the coming years.
7. Conclusions

Considering the data accumulated in this survey, five key points stand out as being worth emphasizing in terms of the benefits career colleges bring to Ontario.

1) Career Colleges have a solid system-wide graduation rate of slightly over 80%, comparable to or better than public community colleges.

2) The post-graduation employment rate is a solid 83.4%. What is particularly important, though, is the success career colleges have in moving people back into the labour force. Prior to starting at a college, 48% of students had jobs; afterwards, the figure is 78%. That means enormous savings to government in terms of reduced EI and social insurance payments.

3) Career Colleges employ roughly 12,000 staff. Figures are difficult to come by because of the constant circulation of students, but it would appear that the ratio of students to staff is approximately 8:1. This means career colleges are able to give their students very individualized attention.

4) Career Colleges are less dependent on the state than public ones. Less than half of total revenues come from government programs (all of which follow student demand), and the monthly public subsidy per graduate is less than 18% of what it is in Community Colleges.

5) The net annual cost to government of career colleges – excluding certain types of student aid for which figures were not available - would appear to be $248 Million, 73% of which comes from the Government of Ontario. However, career colleges pay over $90 million annually in business and payroll taxes, and their employees and graduates pay hundreds of millions in taxes and reduce welfare and EI costs by helping to bring people into the labour market.
Higher Education Strategy Associates: PCC Survey Instrument

<table>
<thead>
<tr>
<th>Name of College</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution Website</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Chief Contact</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

Section 1: Staff Characteristics 2011

For the following question, please provide details on staff employed at your institution at the end of 2011.

Table 1: Distribution of Staff by Type and Hours Worked

<table>
<thead>
<tr>
<th></th>
<th>Working less than 25 hours per week</th>
<th>Working 25 hours per week or more</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 2: Student Completion Rates

Please provide details on the number of students attending your institution in the last three years.

Table 2: Enrolment, Graduation and Withdrawal Rates

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students who started programs which began at any time in the calendar year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students who graduated from programs which began at any time in the calendar year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student who withdrew without graduating from programs that began at any time in the calendar year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of student contact hours per program</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*note = in all columns, row 2 + row 3 should = row 1

** Please exclude programs that started in 2010 and have not yet reached their completion date.
Section 3: Selected Financial Information

In order to demonstrate the contribution made by Private Career Colleges to the provincial economy, we are asking institutions for data regarding certain aspects of their income and expenditures.

For the following questions, please provide details on aggregate staff expenses for the calendar year 2011, or – if your financial year is not the calendar year – the financial period which ended in 2011.

Table 3: Aggregate Remuneration by Staff Type

<table>
<thead>
<tr>
<th>Staff Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Staff</td>
<td>$</td>
</tr>
<tr>
<td>Administrative Staff (excluding ownership bonuses)</td>
<td>$</td>
</tr>
<tr>
<td>Other Staff</td>
<td>$</td>
</tr>
<tr>
<td>All Staff</td>
<td>$</td>
</tr>
</tbody>
</table>

Table 4: Other Expenditures

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Expenses</td>
<td>$</td>
</tr>
<tr>
<td>Total Operating Expenditures (excluding salaries)</td>
<td>$</td>
</tr>
<tr>
<td>Total Capital Investments (include construction, acquisitions of major equipment and furniture, major renovations and alterations, space rental and buildings, land and land improvements).</td>
<td>$</td>
</tr>
</tbody>
</table>

Table 5: Income

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-funded students</td>
<td>$</td>
</tr>
<tr>
<td>OSAP</td>
<td>$</td>
</tr>
<tr>
<td>Employment Ontario</td>
<td>$</td>
</tr>
<tr>
<td>Government of Canada</td>
<td>$</td>
</tr>
<tr>
<td>WSIB</td>
<td>$</td>
</tr>
<tr>
<td>Exclusively Employers (contract training)</td>
<td>$</td>
</tr>
<tr>
<td>Exclusively Aboriginal Band Councils</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
</tbody>
</table>
Section 4: Taxes

In order to demonstrate the economic contribution of Private Career Colleges to federal and provincial treasuries, we are asking institutions to provide estimates of their annual taxes paid for the most recent year available.

**Table 6: Taxes Paid**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$</td>
</tr>
<tr>
<td>Corporate / Business taxes</td>
<td>$</td>
</tr>
<tr>
<td>Net HST (i.e. HST paid minus credits)</td>
<td>$</td>
</tr>
<tr>
<td>Employer Payroll Taxes (CPP contribution, EI contribution, EHT)</td>
<td>$</td>
</tr>
</tbody>
</table>

If possible, we would also like to be able to report information on the income and payroll taxes paid by staff employed by your institution.

**Table 7: Aggregate Employee Income and Payroll Taxes Withheld**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Staff</td>
</tr>
</tbody>
</table>