Private Career Training Institutions Agency (PCTIA)

Service Plan
2010/2011 –
2012/2013

PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

SERVICE PLAN 2010/11 – 2012/13

Private Career Training Institutions Agency
300 – 5172 Kingsway
Burnaby BC V5H 2E8

Tel:	604 660-4400
Toll free:	1 800 661-7441
Fax:	604 660-3312
Email	info@pctia.bc.ca
Website	http://pctia.bc.ca

TABLE OF CONTENTS

MESSAGE FROM THE CHAIR OF THE PCTIA BOARD

The Honourable Moira Stilwell
Minister of Advanced Education and Labour Market Development

Dear Minister Stilwell:

On behalf of the Board of Directors, management and staff of the Private Career Training Institutions Agency (PCTIA), I am pleased to submit the Agency's Service Plan for fiscal years 2010/11 to 2012/13. The Service Plan was prepared in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with the government's strategic priorities. The Board is accountable for the contents of this plan, including what has been included in the plan and how it has been reported. The performance measures presented are consistent with PCTIA's mandate and goals and focus on the organization's performance. The targets have been determined based on an assessment of PCTIA's operating environment, forecast conditions, and risk assessment.

This Service Plan, the first to be filed by Agency, responds to the PCTIA having been determined to be a Crown agency in July 2008, to the amendments to the *Private Career Training Institutions Act* and Regulations that came into force in June 2009, and to the most recent Shareholder's Letter of Expectations. The legislative amendments have broadened the Agency's mandate from the provision of consumer protection to students and prospective students of private career training institutions, to also ensuring that all registered institutions meet or exceed basic education standards set by the Board. While accredited institutions continue to have to demonstrate they meet or exceed the standards of quality set out in the Agency Bylaws, there will be a refocusing of the oversight of accredited institutions to ensure student consumers and the general public have ready access to institution-specific key performance information.

We believe the achievement of the Agency's goals of

- Optimizing student protection
- Enforcing basic education and quality standards, and
- Increasing awareness, effectiveness and transparency

will significantly enhance the confidence and trust with which the private career training sector is viewed by students, government, the post-secondary public sector, and employers. This, in turn, will contribute to meeting government's goal of making British Columbia the best-educated, most literate jurisdiction in North America.

Sincerely,

Royden Trainor
Board Chair

ORGANIZATIONAL OVERVIEW

Mandate

The Private Career Training Institutions Agency (PCTIA) is a Crown Agency established under the *Private Career Training Institutions Act*, which came into force in November 2004. Its mandate as set out in the *Act*, as amended in 2008, is

- To establish basic education standards for registered institutions and to provide consumer protection to the students and prospective students of registered institutions;
- To establish standards of quality that must be met by accredited institutions; and
- To carry out, in the public interest, its powers, duties and functions under this Act, the regulations and the bylaws.

Further direction and accountability are provided through a Shareholder's Letter of Expectation, executed jointly by the Chair of the PCTIA Board and the Minister of Advanced Education and Labour Market Development on an annual basis.

Vision

The Private Career Training Institutions Agency is a recognized and highly respected organization. Through the provision of responsive, accessible registration and accreditation assessment services, we protect the interests of students and uphold the credibility of the private training sector.

By building positive, inclusive professional relationships and disseminating informative resources that enable institutions to establish quality education standards, we work together with institutions to encourage a culture of excellence where private career training institutions enjoy a parity of esteem with their public counterparts.

Values

We achieve our vision by living our values.

To Our Stakeholders:

- We are a fair, responsive, adaptive organization, focused on achieving results
- We demonstrate integrity, honesty and a high degree of professionalism in all our dealings
- We are open, transparent, and accountable, while respecting the privacy of our stakeholders

- We balance minimizing regulatory burdens and maintaining the sector's competitive advantage, while fully protecting students and institutions from unfair practices
- We promote a culture of voluntary compliance by both registered and accredited institutions

To Our Team:

- We support an environment of learning, mutual respect, ethical conduct and team work
- We encourage our staff to use initiative and support their ability to make decisions quickly and effectively
- We act with professionalism and accountability, and promote solutions-based continuous improvement
- We have clear leadership, open honest communication and a climate that encourages discussion of issues, and
- We are committed to a workplace that is safe, healthy, environmentally responsible, and free from harassment with equal opportunities for our employees

Core Business Areas and Services

The PCTIA provides consumer protection to students and prospective students of registered private career training institutions by establishing and administering the Student Training Completion Fund (STCF). We ensure that basic education standards are met by registered institutions, and that accredited institutions meet or exceed the standards of quality established by the Board. We investigate complaints of non-compliance that arise between students or the public and registered institutions.

The Agency's offices are located in central Burnaby, and one Institution Officer is based in Victoria.

Responsibilities among PCTIA senior staff were reconfigured in 2008/09 following the appointment of an Assistant Registrar. Staff members are now organized along the following functional lines which reflect the PCTIA's core business areas:

- Customer service
- Institution registration
- Institution accreditation
- Annual re-registration
- 5-year review of accreditation
- Program approval
- Institution compliance visits
- Student Training Completion Fund administration
- Student complaint investigation
- Institutional closure response
- Sector data collection, analysis and reporting
- Computer network development and administration
- Finance, corporate and human services

Principal Clients and Stakeholders

The PCTIA provides services to two customer groups:

1. The students and prospective students of registered institutions, and
2. The approximately 390 member institutions of the Agency.

Stakeholders include the Ministry of Advanced Education and Labour Market Development; the public post-secondary education sector; the British Columbia Career Colleges Association; the BC Council on Admissions and Transfer; the Industry Training Authority; over twenty regulatory colleges and professional associations; the Degree Quality Assessment Board; the British Columbia Council on International Education; Human Resources Development Canada; Citizenship and Immigration Canada

CORPORATE GOVERNANCE

The Private Career Training Institutions Agency is governed by a ten-member Board of Directors, three who are appointed by the Minister of Advanced Education and Labour Market Development, and seven who are elected by the member institutions.

The Board's role consists of:

- Governing the affairs of the Agency in accordance with the *Act*, the Regulations and the Bylaws;
- Establishing and maintaining Bylaws in accordance with the *Act*;
- Setting strategic direction for the Agency;
- Being accountable for defined performance results;
- Ensuring effective use of PCTIA's resources; and
- Reporting to government, shareholders and the public at large.

The Board has three standing committees. They include the Bylaw, Policy and Quality Assurance Committee; the Finance, Personnel and Student Training Completion Fund Committee; and the Nominating Committee.

As an established agency that is now transforming internal processes to the requirements of a Crown agency, the PCTIA Board has not at the time of writing implemented all the guidelines and disclosure requirements specified by the Board Resourcing and Development Office. The work to complete these tasks is expected to continue into 2010 and be completed by the middle of that year. The Board adheres to the standards of conduct which are published on PCTIA's website (http://pctia.bc.ca/board_bios.htm) when exercising its powers and performing the functions of the organization.

More information with respect to the Board's composition, terms of office, nominations process, election process, meetings, and conflict of interest guidelines can be found in the PCTIA Bylaws, which are available at http://pctia.bc.ca

Board Members and Committee Responsibilities

Royden Trainor, Chair	(Bylaw, Policy & Quality Assurance)
Richard Novek, Vice Chair	(Finance, Personnel & STCF; Nominating)
Mike Hansen	(Finance, Personnel & STCF)
Gordon Lee	(Chair, Finance, Personnel & STCF)
Lois McNestry	(Finance, Personnel & STCF)
Sara Pearson	(Bylaw, Policy & Quality Assurance)
Kelly Rainsforth	(Chair, Bylaw, Policy & Quality Assurance; Nominating)
Bev Reid	(Bylaw, Policy & Quality Assurance)
Kevin Williams	(Chair, Nominating)
Ruth Wittenberg	

Senior Management Team

Jim Wright, *Registrar & CEO* Lurline Langbell, *Assistant Registrar*

STRATEGIC PLANNING CONTEXT

The 2010-2011 to 2012-2013 Service Plan represents the inaugural development of a service plan for PCTIA. Legislative, regulatory, and bylaw changes were enacted in the year prior to the start of this plan, and as a result the Agency is in the process of implementing many new strategies and processes to attain our stated goals and objectives.

Our emphasis in 2009 was on developing internal procedures, financial models, staff re-alignments, and changing technology infrastructures to support the many changes in the June 2009 Bylaws. The major emphasis in 2010-2011 will be to assist institutions in meeting the new Basic Education Standards requirements, including providing an ambitious registration workshop schedule; to realign the accreditation model to focus on outcomes-based assessment; and to support the new formal student complaint process. Further enhancement of our internal and web-based information technology services will continue into 2010-2011. This strategy supports the Agency's key objectives from our Strategic Plan which are migrated into this Service Plan:

1. Optimizing Protection of Students
2. Enforcing Basic Education and Quality Standards
3. Increasing Awareness, Effectiveness and Transparency

RISKS, OPPORTUNITIES AND DISCUSSION

The amendments to the *Private Career Training Institutions Act* and Regulations and the resulting changes to the PCTIA Bylaws have resulted in a major transformation of PCTIA business, requiring us to focus significant efforts and resources on the implementation of these changes. This creates potential areas of risk which may affect our performance in reaching our stated objectives and in meeting the targets set out in this Service Plan. The effect of these risks is as yet unknown as there are no historical benchmarks in most cases, and most of the performance measures are new. This document contains performance measures which may be affected by the identified risks. The following table summarizes our best estimation of these risks for the term of this Service Plan:

Source of Potential Risk or Opportunity	*Risk / Opportunity Identification*	*Risk Mitigation Strategies and Goals Supported*
Introduction of the student complaint process	Staffing capacity to deal with a potentially large caseload	Provision of capable and sufficient staff to manage the student complaint process, ensuring the complaint processes are well communicated to students, institutions, and to the public, will support the Agency's goal of increasing transparency and awareness
	Impact of decisions on the STCF which must pay out claims for cases in which a student was found to have been misled by an institution	Undertaking an actuarial study of the STCF which includes an impact analysis on potential claims on the fund arising from the student complaint process. This supports the Agency's strategies to maintain effective enforcement of STCF contributions
	Challenges to Board decisions relating to student complaints under the new student	Ensuring that the student complaint process follows the principles of natural justice

Source of Potential Risk or Opportunity	*Risk / Opportunity Identification*	*Risk Mitigation Strategies and Goals Supported*
	complaint mechanism may push the Agency's legal costs beyond expected levels	and is well communicated to institutions and the public. This supports the Agency's strategy to increase transparency and awareness
Implementation of newly-established basic education standards	Challenges with implementation of new requirements on the part of registered institutions	Required attendance at registration workshops and electronically-based reference materials will help increase awareness and understanding, and allow institutions to integrate these new requirements into their operations
	Staffing capacity to assess basic education standards for all registered institutions within the timeframe allocated	Prioritizing staff time in response to this new requirement
Realignment of the accreditation process to focus on outcomes-based assessment	Lack of understanding on the part of accredited institutions	Mandatory attendance at accreditation workshops; availability of web-based training and reference materials help increase awareness and allow institutions to integrate these new requirements into their operations
	Recruiting suitably qualified audit team members	Offering audit team member workshops and encouraging peer-to-peer recommendations for suitable new team members Ensuring fair compensation to audit team members

Source of Potential Risk or Opportunity	*Risk / Opportunity Identification*	*Risk Mitigation Strategies and Goals Supported*
	Implementing graduate follow-up surveys and report preparation	Investigating possible sources of funding to cover a portion of the cost of surveys An additional staff position may be required to support graduate follow-up studies as well as the Agency's need for additional IT staffing capacity
	Consumers not having access to institution-specific performance data	Identifying relevant institution-specific outcomes-based data for future publication on the Agency's website
Introduction of a new funding model for the Agency	Lack of history with the funding model	The opportunity to annually adjust the percentage rates of fees ensures the continued operation of the Agency at appropriate staffing and service levels
	New and non-compliant institutions require more staff resources	The new funding model allows more resources to be focused on those institutions that require them
Increasing expectations of paper-reduced, electronic and web-based services from our stakeholders	New technology-based services require development and backup staff resources; changes could result in longer-term cost savings, streamlined processes, and less indirect carbon emissions through	An additional staff position may be required to support the Agency's increased IT staffing resources Increasing the availability of electronic-based services

Source of Potential Risk or Opportunity	*Risk / Opportunity Identification*	*Risk Mitigation Strategies and Goals Supported*
	reduced paper use	supports the Agency's strategy to increase effectiveness and the use of technology within our services
Supporting the Educational Quality Assurance (EQA) initiative	PCTIA has the opportunity to help more private training institutions attain eligibility for the EQA brand	Increasing the number of accredited institutions would support the Agency's goal of helping the sector as whole to mature towards higher standards of excellence and support the government's EQA initiative

GOALS, STRATEGIES, PERFORMANCE MEASURES, TARGETS & BENCHMARKS

GOAL 1: OPTIMIZING CONSUMER PROTECTION FOR STUDENTS

PCTIA is dedicated to creating a regulatory environment which, in the public interest, protects students and empowers them with information to make informed decisions on their career training options. The introduction of a formalized student complaint mechanism which is both fair and balanced to students and institutions provides an opportunity for the Agency to review aspects of institutional performance outside of regularly scheduled site visits. Administration of the Student Training Completion Fund (STCF) includes enforcement of the required contributions from institutions, as well as timely reimbursement of tuition for students affected by the closure of an institution or who may have been misled by the actions of an institution. Finally, publication of institution-specific information on the Agency's website allows the Agency to increase its capacity to provide students with accurate information relevant to their needs and expectations, and enhance regulator visibility and value.

STRATEGIES

1. Implement the new student complaint process
2. Maintain effective enforcement of STCF contributions made by institutions and provide timely response on claims made to the STCF
3. Identify suitable performance measurement measures for future posting on the Agency's website

MEASURES, BASELINE AND TARGETS				
Measures	Baseline	2010 – 2011	2011-2012	2012-2013
Average turnaround time for processing a student complaint and issuing a decision	Baseline processing times are currently being established	TBD as baseline is established	-	-
Notes: 1. Processing time is dependent on the Agency receiving complete and accurate information from the student and institution. 2. Possible tuition refunds related to a complaint are dependent on scheduled Board meetings due to requirement that refund be approved by the Board. 3. Improvements in turnaround time are expected as the Agency's new procedures mature and staff become more proficient with the process.				
Average turnaround time for issuing a tuition refund in the case of institutional closure	8 – 12 weeks	8 – 12 weeks	8 - 10 weeks	8 - 10 weeks
Notes: 1. The number of steps in the process of refunding tuition to a student is fairly rigid and final disbursement requires the approval of the Board; therefore, it is not feasible to expect a dramatic change in turnaround time as the years progress. 2. Processing time is dependent on the Agency receiving complete and accurate information from the student in a timely manner.				
Correlation between actual and anticipated STCF payments through more effective collection and enforcement procedures	No baseline has been established in prior years.	TBD as baseline is established	-	-
Notes: 1. As enforcement of STCF contribution payments and review of institutional financial statement information improves, the Agency expects an increased correlation between actual and anticipated payments as the institutions become more compliant and the Agency improves its enforcement and activities.				

GOAL 2: ENFORCING BASIC EDUCATION AND QUALITY STANDARDS

Enforcement of educational quality is paramount to the Agency's role as both a regulator and provider of consumer protection. PCTIA believes in going many steps beyond simple enforcement and is committed to responding in a manner which encourages and helps institutions to operate within the parameters of the educational quality system for both registered and accredited institutions. PCTIA will strive to provide practical information, samples, services and feedback which are both valuable and desired by the private training sector. By doing so, we will help enable the sector to mature toward standards of excellence which are recognized and trusted by students, governments, the public sector, and employers.

STRATEGIES

1. Implement the Basic Education Standards
2. Re-align Agency staffing and priorities to ensure the new Basic Education Standards and Quality Standards are fully met by registered and accredited institutions
3. Refocus the accreditation review process by placing more emphasis on key performance indicators and targets

MEASURES, BASELINE AND TARGETS				
Measures	Baseline	2010 – 2011	2011-2012	2012-2013
Number of on-site visits for registered institutions conducted by an Institution Officer **Number of institution on-site visits for accredited institutions conducted by an Institution Officer or an accreditation audit team**	The baseline of the volume of site visits is currently being established	TBD as baseline is established	-	-
Notes: 1. On-site visits are targeted at once per year for each accredited institution and once every 18 months for registered institutions. 2. Accredited institutions are also reviewed by an external audit team once every five years. 3. With the high degree of change in recent legislation and bylaws, the Agency expects to conduct fewer site visits in the first year of implementation as more time is required to develop and implement new procedures and services. 4. An eligible institution is defined as one which would normally be due for an on-site visit according to its anniversary date.				
Rate of compliance within the educational quality system for registered and accredited institutions	No baseline exists for compliance in the new legislative framework	TBD as baseline is established	-	-
Notes: 1. The Agency expects that initial reviews of an institution's compliance with the new quality system will be lower at first, and increase as the Agency provides new tools, delivers training workshops, develops and provides more services, enforces the Bylaw requirements, and delivers useful feedback from on-site visits. Compliance would normally be assessed following a site visit by either an Institution Officer or an external audit team, and any institution found to be non-compliant would be given a period of time to bring their operations into compliance. Institutions still not compliant after this opportunity would normally have their registration suspended or cancelled.				

GOAL 3: INCREASING AWARENESS, EFFECTIVENESS AND TRANSPARENCY

The best efforts of the Agency to improve and support quality and compliance in the private training sector are not valuable if our key stakeholders (students, institutions, the government, and the public sector) are not aware of them. In addition, those who do business with the Agency must trust that we operate with due concern for efficiency and accountability. With a thorough budget development process and external audit performed each year, we are confident that delivery of our services is provided with the best possible balance of income and expenditures.

STRATEGIES

1. Engage in community outreach activities and provide province-wide services to all of our clients
2. Review procedures, forms and documents with a goal of balancing quality of information with ease of use, and increase the use of technology within our services
3. Monitor ongoing implementation of a funding model which is fair to institutions of all sizes and ensures resources are focused where they are most needed

MEASURES, BASELINE AND TARGETS				
Measures	*Baseline*	*2010 – 2011*	*2011-2012*	*2012-2013*
Client satisfaction rate with the Agency's communications and outreach activities	*No baseline exists in the first year of implementation of the new legislation*	*TBD once baseline established*	-	-
Notes: 1. Communications and outreach include board meetings, workshops, publications, documents, newsletters, and support services provided to clients. 2. Meetings of the Board are pre-determined on an annual basis and will include regional meetings. 3. Publications and documents are produced in priority related to the needs of our clients and the Agency expects more development activity in the first year of implementation of the new legislative framework. 4. This new measure of our performance will be based on the results of a client-satisfaction survey, expected to begin in 2010.				
Ability of the Agency to operate effectively within the income and expenditures of its budget	**($50,000) net deficit, average for 2007-08 and 2008-09*	*$0*	*$0*	*$0*
**see PCTIA summary financial outlook for net income/loss projections* *Notes: 1. A new funding model established in June 2009 has completely changed the flow of revenues into the operation of the Agency. 2. Including increased costs of development and support of the new legislative framework, the Agency expects to return to full cost-recovery in 2010-2011.*				

PERFORMANCE MANAGEMENT SYSTEMS

PCTIA uses a variety of internal systems to house its data, verify information used to produce reports, perform internal consistency checks, and track results. These support the goals in our Service Plan of increasing effectiveness and transparency of the Agency.

An internally developed institution database has been in use since 1998 and is continuously improved to provide support for our operational needs and those of our member institutions. It is based on common language platforms including Visual Basic and SQL. PCTIA houses and maintains its own computer server network and manages all software changes internally, allowing for quick hardware repair and customized software changes.

An in-house website has been in use and development since 1998 and has recently added a component which allows institutions to log in with a private username and password and submit monthly tuition revenue data and annual enrolment reporting data, thereby eliminating the need for paper forms.

A standard commercial accounting system, ACCPAC, is deployed on the agency's servers to maintain and report all financial information and transactions.

The Agency's financial statements and those for the STCF are subjected to a **full audit** each year by an international accounting firm. Each year since fiscal year 1993-1994 has resulted in a clean audit.

Areas of Potential Risk

Institutions submit enrolment data using a defined template on a secure webpage common for all institutions. Enrolments are reported by the institutions but the figures are not audited. To help assess the accuracy of the enrolment figures, the institutions' net tuition on their most recent financial statements are compared with the enrolment and tuition of each of their program offerings, and a calculation is made which may identify institutions who may have submitted enrolments incorrectly or incompletely. Discrepancies are noted on a case by case basis.

Information Systems and Data Sources	• PCTIA Institution Database • Financial Database (ACCPAC) • Manual Tracking •
Ministry and Crown Agency Reporting	3-year Service Plan • Annual Service Plan Report • Quarterly Financial Reporting • Shareholder's Letter of Expectations • Enrolment Report by June 1 of each year
Website Reporting	• Enrolment report, publications and research • Institution-specific Information on programs • Lists of suspended institutions

SHAREHOLDER'S LETTER OF EXPECTATIONS (SLE)

The Private Career Training Institutions Agency was established in November 2004 when the *Private Career Training Institutions Act* replaced the earlier *Private Post-Secondary Education Act*. In July of 2008 it was determined by government that PCTIA is a Crown agency. Pursuant to that decision, the Agency's first Shareholder's Letter of Expectations was signed by the Minister of Advanced Education and Labour Market Development and the Board Chairperson in March 2009. A copy of the most recent SLE can be found on the Agency's website at http://pctia.bc.ca

The SLE forms the basis for the development of the Agency's Service Plans and Annual Service Plan Reports. In addition to a number of government performance expectations that are common to all Crown Agencies and which are addressed in the Goals and Strategies section of this Report, the SLE directs the Agency to take the following specific actions:

Shareholder's Letter of Expectations	*PCTIA Alignment*
Continue to work with institutions on the recently implemented legislative, regulatory and bylaw changes that came into effect on June 1, 2009	Provision of regional registration workshops will assist currently registered institutions and new applicants for registration to understand their responsibilities as regards compliance with the recently amended Act, Regulation and Bylaws. (Goal 2)
Continue to move to a results-based accreditation process that holds institutions accountable for the extent to which students achieve stated program outcomes	The revised Bylaws require that as part of its annual review of accreditation, an institution must demonstrate that it satisfies a series of out-come based measures. These include, but are not limited to: enrolment outcomes, third-party professional licensing examination results and industry or employer feedback, graduate student satisfaction surveys, and graduate placement outcomes. Accreditation workshops will emphasis the shift from input to outcome based measures of quality assurance. (Goal 2)
Monitor the Student Training Completion Fund (STCF), to ensure the Fund will provide appropriate protection to students	An actuarial study will be undertaken in 2010 in order to determine an optimal target fund balance, funding policy and investment strategy for the STCF. (Goal 1)

Improve public awareness and understanding of the Agency's processes and roles	In addition to the Agency offering registration and accreditation workshops across the Province, the Board will hold a number of regional Board meetings each year in order to improve understanding of the Agency's processes and roles, and to elicit feedback and identify institutional and public concerns. (Goal 3)

As is noted in the parentheses, these Shareholder performance expectations are addressed under the Agency's goals, with specific strategies and performance measures identified in each case.

PCTIA SUMMARY FINANCIAL OUTLOOK

	2008/09 Actual	2009/10 (Budget)	2010/11 (Forecast)	2011/12 (Forecast)	2012/13 (Forecast)
Revenue					
Fees from institutions	929,588	2,096,000	1,878,000	1,923,000	1,974,000
Management fees	324,928	288,000	350,000	360,000	370,000
Other	450,819	32,000	67,000	54,000	40,000
Total revenue	**1,705,335**	**2,416,000**	**2,295,000**	**2,337,000**	**2,384,000**
Expenses					
Operations & administration	1,708,647	2,346,000	2,217,000	2,257,000	2,330,000
Amortization	65,599	70,000	78,000	80,000	54,000
Total expenses	**1,774,246**	**2,416,000**	**2,295,000**	**2,337,000**	**2,384,000**
Net income (loss)	**(68,911)**	**0**	**0**	**0**	**0**
Net Assets at year end	**187,993**	**187,993**	**187,993**	**187,993**	**187,993**

STCF SUMMARY FINANCIAL OUTLOOK

	2008/09 Actual	2009/10 (Budget)	2010/11 (Forecast)	2011/12 (Forecast)	2012/13 (Forecast)
Revenue	1,893,982	2,200,000	1,550,000	1,575,000	1,600,000
Expenses	463,011	700,000	800,000	825,000	850,000
Net income (loss)	1,430,971	1,500,000	750,000	750,000	750,000
Net assets, at year end	**8,691,785**	**10,191,785**	**10,941,785**	**11,691,785**	**12,441,785**

The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).

FINANCIAL OUTLOOK ASSUMPTIONS

The summary financial outlook is influenced by the following *key assumptions*, that:

- economic forecasters expect economic weakness in B.C. to continue into 2010 and beyond
- there is a counter-cyclical demand for increased career training during the period of economic downturn
- there is a demonstrated capacity for private career training institutions to rapidly initiate or expand programming in response to changing labour market demand
- the domestic student market is not growing, coupled with the recent increase in the number and variety of public post-secondary institutions in the Province, leading private career training institutions to increase their dependence on international student markets
- predictable Agency funding as a result of the revised fee assessment model allows for annual adjustment of contribution rates for Agency fees
- modest increases in operating revenue may result from increased applications for registration and accreditation from institutions seeking to be designated under B.C.'s Education Quality Assurance (EQA) program
- PCTIA will be successful in finding funding sources to help offset the costs of graduate follow-up surveys
- Student Training Completion Fund contribution rates and the Fund capacity will be informed by an actuarial study undertaken in 2010

FUTURE FINANCIAL OUTLOOK

The Agency derives all of its operating revenue from fees paid by member institutions. The Student Training Completion Fund is also dependent on fees paid by registered institutions. The recently revised fees are structured so new and non-compliant institutions pay higher fees than institutions with a history of compliance, and so accredited institutions pay a lower rate than registered institutions. This helps ensure resources are focused where they are most needed.

With the economic downturn projected to continue through this three-year planning period, and with the demand for career training anticipated to increase through that same period, we anticipate a modest expansion in the numbers of registered and accredited institutions over the three years, and an expansion of career training capacity in those institutions that are positioned to respond to labour market shortages.