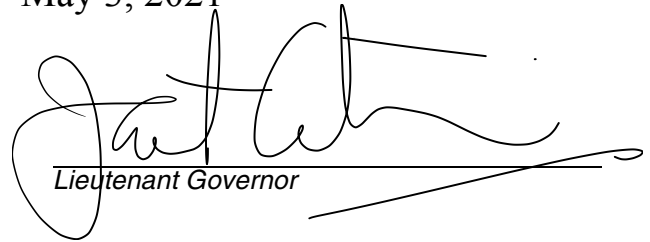


PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 278

, Approved and Ordered May 3, 2021



Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective September 1, 2021, the Fees and Student Tuition Protection Fund Regulation, B.C. Reg. 140/2016, is amended as set out in the attached Schedule.



Minister of Advanced Education and Skills Training



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Private Training Act*, S.B.C. 2015, c. 5, s. 64

Other: OIC 375/2016

R20474910

SCHEDULE

1 Section 1 of the Fees and Student Tuition Protection Fund Regulation, B.C. Reg. 140/2016, is amended

(a) by repealing the definitions of “aboriginal”, “aboriginal institution” and “aboriginal institution class”,

(b) by adding the following definition:

“application date”, in relation to a certificate, means the date on which the registrar receives the application for the certificate; ,

(c) by repealing the definition of “certificate application date”,

(d) by adding the following definition:

“change of control” has the same meaning as in section 56 (1) [*changes requiring notice*] of the Private Training Regulation; ,

(e) by repealing the definition of “extended certificate term” and substituting the following:

“extended term”, in relation to a certificate, means the period that

(a) starts on the expiry date included in the certificate on the date that certificate is issued under section 7 [*registrar issues certificates*] of the Act, and

(b) ends on the date the certificate ceases to be valid under section 10 [*continuation of certificate term if application made before deadline*] of the Act; ,

(f) by adding the following definitions:

“Indigenous institution” means an institution that is operated by one or more of the following:

(a) a first nation;

(b) a treaty first nation;

(c) the Nisga’a Nation;

(d) the Westbank First Nation;

(e) the Sechelt Indian Band;

(f) a society within the meaning of the *Societies Act*

(i) that has as one of its purposes the provision of post-secondary education to Indigenous persons, and

(ii) of which the majority of the directors are Indigenous persons;

(g) a corporation incorporated under the *Canada Not-for-profit Corporations Act*

(i) that has as one of its purposes the provision of post-secondary education to Indigenous persons, and

(ii) of which the majority of the directors are Indigenous persons;

“Indigenous institution class” means the class of institution established under section 2 (c) [*classes of institutions*]; ,

(g) *by repealing the definition of “number of certificate or registration years”*,

(h) *by repealing the definition of “original certificate term” and substituting the following:*

“original term”, in relation to a certificate, means the period that

(a) starts on the date the certificate is issued under section 7 [*registrar issues certificates*] of the Act, and

(b) ends on the expiry date included in the certificate; ,

(i) *by adding the following definition:*

“period of continuous certification or registration”, in relation to an institution that holds a certificate, means the number of years, as at the date on which the certificate is issued, for which the institution continuously

(a) held a certificate under the Act, or

(b) was registered under the former Act; , *and*

(j) *by repealing the definition of “post-program payment institution class”*.

2 Section 2 is amended

(a) *in paragraph (c) by striking out “aboriginal institution class” and substituting “Indigenous institution class” and by striking out “aboriginal institutions” and substituting “Indigenous institutions”, and*

(b) *by repealing paragraph (d)*.

3 Section 3 (2) and (3) is repealed and the following substituted:

(2) If an institution applying for a registration certificate or designation certificate does not hold a certificate on the application date for the registration certificate or designation certificate, the institution must submit a fee in the amount of \$3 300.

(3) If an institution applying for a registration certificate holds a designation certificate or interim designation certificate on the application date for the registration certificate, the institution must submit a fee in the amount of \$500.

(4) If an institution applying for a designation certificate holds a registration certificate on the application date for the designation certificate, the institution must submit a fee in the amount of \$500.

4 Section 4 is repealed.

5 Section 5 is amended

(a) *by repealing subsection (2) and substituting the following:*

- (2) An institution applying for a certificate, or a certified institution that intends to provide a new program of instruction, must submit a fee in the amount of
 - (a) \$900 if the application or new program of instruction relates to a career training program prescribed as a Class A program under the Private Training Regulation, or
 - (b) \$500 if the application or new program of instruction relates to
 - (i) a career-related program of instruction prescribed as a Class B program under the Private Training Regulation, or
 - (ii) a language program prescribed as a Class C program under the Private Training Regulation. ,
- (b) in subsection (3) by striking out “must pay the fees payable under this section” and substituting “must submit the fees referred to in subsection (2)”, and**
- (c) by adding the following subsections:**
- (4) An institution applying for a certificate, or a certified institution that intends to provide a new program of instruction, must submit a fee in the amount of \$150 if the application or new program of instruction relates to a program of instruction for which the registrar’s approval is not required.
 - (5) An institution must submit the fee referred to in subsection (4) within 30 days after receiving notice from the registrar that the program of instruction does not require approval.

6 Sections 7 to 10 are repealed and the following substituted:

Flat rate fees

- 7** (1) Subject to subsection (2), if a certified institution that is issued a new certificate held a certificate on the application date for the new certificate, the institution must pay a flat rate fee in the amount determined by the following formula:

$$\text{term of new certificate} \times \text{fee}$$

where

term of new certificate = the number of months in the original term of the new certificate;

fee = for an institution with an annual tuition revenue within the range set out in column 1 of Table 2 in the Schedule, the monthly flat rate fee set out opposite in column 2.

- (2) If the certificate held by the certified institution on the application date referred to in subsection (1) had a term that was extended under section 10 [*continuation of certificate term*] of the Act, the institution must pay a flat rate fee in the amount determined by adding
 - (a) the amount payable under subsection (1), and
 - (b) the amount determined by the following formula:

$$\text{extended term of certificate} \times \text{fee}$$

where

extended term of certificate = the number of months in the extended term of the certificate held by the institution on the application date referred to in subsection (1);

fee = for an institution with an annual tuition revenue within the range set out in column 1 of Table 2 in the Schedule, the monthly flat rate fee set out opposite in column 2.

- (3) If a certified institution that is issued a new certificate did not hold a certificate on the application date for the new certificate, the institution must pay a flat rate fee in the amount determined by multiplying \$108.34 by the number of months in the original term of the new certificate.

Graduated fees for category 1 or 2 institutions if certificate has 12-month term

- 8** (1) If a certified institution that is issued a new certificate is assigned to category 1 or 2 and the new certificate has or is deemed to have an original term of 12 months, the institution must pay a graduated fee in the amount determined by the following formula:

annual tuition revenue × percentage

where

annual tuition revenue = subject to subsection (3), the institution's annual tuition revenue;

percentage = for an institution that

- (a) is described in column 1 of Table 2.1 in the Schedule, and
- (b) has a period of continuous certification or registration referred to opposite in column 2, the percentage set out opposite in column 3, under the applicable category assigned to the institution.

- (2) For the purposes of subsection (1), a new certificate is deemed to have an original term of 12 months if
- (a) the certified institution held a certificate on the application date for the new certificate,
 - (b) the certificate held on the application date had an original term that was extended under section 10 [*continuation of certificate term*] of the Act, and
 - (c) the number of months in the original term of the new certificate is less than 12 months.
- (3) If the certified institution did not hold a certificate on the application date for the new certificate, the institution's annual tuition revenue for the purposes of the formula in subsection (1) is the total tuition revenue the institution estimates it will earn, in respect of approved programs of instruction, during the original term of the new certificate.

**Graduated fees for category 1 or 2 institutions
if certificate has other than 12-month term**

- 9 If a certified institution that is issued a new certificate is assigned to category 1 or 2 and the new certificate has an original term of other than 12 months, the institution must pay a graduated fee in the amount determined by
- (a) determining the fee the institution would have been required to pay under section 8 had the institution been issued a new certificate with an original term of 12 months,
 - (b) dividing the number of months in the original term of the new certificate by 12, and
 - (c) multiplying the amount determined under paragraph (a) by the number determined under paragraph (b).

**Graduated fees for category 3 institutions
if certificate has 12-month term**

- 10 (1) If a certified institution that is issued a new certificate is assigned to category 3 and the new certificate has or is deemed to have an original term of 12 months, the institution must pay a graduated fee in the amount determined by the following formula:

annual tuition revenue × percentage

where

annual tuition revenue = subject to subsection (3), the institution's annual tuition revenue;

percentage = (a) 0.26% in the case of an institution that

- (i) is in the language institution class or regulatory body institution class, and
- (ii) has a period of continuous certification or registration of less than 2 years, or

(b) 1.352% in any other case.

- (2) For the purposes of subsection (1), a new certificate is deemed to have an original term of 12 months if
- (a) the certified institution held a certificate on the application date for the new certificate,
 - (b) the certificate held on the application date had an original term that was extended under section 10 [*continuation of certificate term*] of the Act, and
 - (c) the number of months in the original term of the new certificate is less than 12 months.
- (3) If the certified institution did not hold a certificate on the application date for the new certificate, the institution's annual tuition revenue for the purposes of the formula in subsection (1) is the total tuition revenue the institution estimates it will earn, in respect of approved programs of instruction, during the original term of the new certificate.

**Graduated fees for category 3 institutions
if certificate has other than 12-month term**

- 10.1** If a certified institution that is issued a new certificate is assigned to category 3 and the new certificate has an original term of other than 12 months, the institution must pay a graduated fee in the amount determined by
- (a) calculating the fee the institution would have been required to pay under section 10 had the institution been issued a new certificate with an original term of 12 months,
 - (b) dividing the number of months in the original term of the new certificate by 12, and
 - (c) multiplying the amount determined under paragraph (a) by the number determined under paragraph (b).

7 *The heading to Division 4 of Part 2 is repealed and the following substituted:*

**Division 4 – Inspection Fees and Change Fees
for Certified Institutions .**

8 *Section 11 is amended by repealing subsections (1), (2) and (3) and substituting the following:*

(1) In this section:

“designation review” means an inspection under section 29 (b) or (c) [*inspections*] of the Act that is conducted during each of the following intervals in respect of a certified institution that holds one or more designation certificates:

- (a) within 7 years after the date on which the first designation certificate is issued to the institution;
- (b) within 7 years after conducting the inspection referred to in paragraph (a) of this subsection;
- (c) within each successive 7 year period after conducting an inspection referred to in paragraph (b) of this subsection;

“follow-up inspection” means an inspection under section 29 (b) or (c) of the Act that is conducted in respect of a certified institution after an initial inspection indicates that the institution may not be complying with an enactment or requirement referred to in section 29 (b) of the Act.

- (2) For the purposes of section 13 (h) [*certified institution fees*] of the Act, the inspection fees set out in this section are prescribed.
- (3) The inspection fee payable by a certified institution for a designation review is the amount equal to the sum of \$1 500 and the following, as applicable:
 - (a) for the first day of the inspection, \$1 750 for each inspector who conducts all or part of the inspection on that day;
 - (b) for the second and each subsequent day of the inspection, \$750 for each inspector who conducts all or part of the inspection on those days.

- (3.1) The inspection fee payable by a certified institution for a follow-up inspection is the amount determined in accordance with the following hourly rates for each inspector who conducts all or part of the follow-up inspection:
- (a) \$100 per hour, if the inspector is an employee of the ministry;
 - (b) \$200 per hour, if the inspector is not
 - (i) an employee of the ministry, or
 - (ii) a consultant with expertise in accounting, including in financial audits;
 - (c) \$300 per hour, if the inspector is a consultant with expertise in accounting, including in financial audits.

9 Section 12 is amended

(a) by repealing subsection (1) and substituting the following:

- (1) For the purposes of section 14 (2) (d) [*change fees*] of the Act, the fees set out in this section are prescribed.
- (1.1) The fees payable by a certified institution in relation to the changes set out in the following paragraphs of section 56 (2) of the Private Training Regulation are as follows:
- (a) \$500 for a change set out in paragraph (d) [*change in fiscal year*];
 - (b) \$100 for a change set out in paragraph (e) [*change in whether program of instruction is provided*];
 - (c) \$1 000 for a change set out in paragraph (g) [*change of control*];
 - (d) \$200 for a change set out in paragraph (h) [*change in legal name or operating name*].
- (1.2) The fees payable by a certified institution in relation to the changes set out in the following paragraphs of section 57 of the Private Training Regulation are as follows:
- (a) \$250 for a change set out in
 - (i) paragraph (a) [*change in hours of instruction*],
 - (ii) paragraph (b) [*change in method of delivery*], or
 - (iii) paragraph (c) [*change in admission requirements*];
 - (b) \$500 for a change set out in paragraph (d) [*change in location*], if the change relates to a location where or from which the institution provides approved programs of instruction;
 - (c) \$200 for a change set out in paragraph (d) [*change in location*], if the change relates to a location where or from which the only programs of instruction provided by the institution are programs of instruction for which the registrar's approval is not required;
 - (d) \$250 for a change set out in paragraph (e) [*change in program outline*]., **and**

(b) in subsection (2) by striking out “The fee payable under subsection (1)” and substituting “A fee payable under this section” and by striking out “under the Act” and substituting “under section 14 (2) (a) of the Act”.

10 *Part 3 is repealed and the following substituted:*

PART 3 – SECURITY

Matters registrar must consider

- 14** The registrar must consider the following in determining whether an institution is required to give security under section 7 (1) (c) [*security*] of the Act:
- (a) whether any of the institution’s certificates have been suspended within the previous 2 years;
 - (b) the institution’s category rating for each criterion assessed under Part 6 [*Category Assignment*] of this regulation;
 - (c) the length of time for which the institution has been certified under the Act;
 - (d) whether the institution has had a change of control within the previous year;
 - (e) if the institution has never held a certificate, the institution’s balance sheet, as submitted with the institution’s business plan under section 5 (2) (j) [*application for certificate*] of the Private Training Regulation;
 - (f) the financial statements submitted under section 51 (1) [*reporting requirements*] of the Private Training Regulation for any of the institution’s 3 previous fiscal years;
 - (g) current or updated information relating to the institution’s financial viability, as requested by the registrar;
 - (h) whether the institution is in the Indigenous institution class;
 - (i) other information available to the registrar that the registrar considers relevant.

Acceptable types of security

- 14.1** The following are acceptable types of security:
- (a) an irrevocable letter of credit issued by a savings institution;
 - (b) a surety bond issued by a person who is authorized under the *Financial Institutions Act* to carry on insurance business;
 - (c) cash derived directly from an instrument described in paragraph (a).

Maximum amount of security

- 14.2** The maximum amount of security that the registrar may require is \$100 000.

11 *Sections 16 to 19 are repealed and the following substituted:*

**Application to institutions
in Indigenous institution class**

- 15.1** This Division, except section 20 [*payments to fund for institutions in Indigenous institution class*], does not apply to a certified institution in the Indigenous institution class.

**Payments to fund for category 1 and 2 institutions
if certificate has 12-month term**

- 16** (1) Subject to the payment reduction, if any, required under section 19 [*payment reduction for category 1 and 2 institutions with low debt ratio*], if a certified institution that is issued a new certificate is assigned to category 1 or 2 and the new certificate has or is deemed to have an original term of 12 months, the institution must pay to the fund the amount determined by the following formula:

$$\text{annual tuition revenue} \times \text{percentage}$$

where

annual tuition revenue = the institution's annual tuition revenue;

percentage = for an institution that

(a) is described in column 1 of Table 3 in the Schedule, and

(b) has a period of continuous certification or registration referred to opposite in column 2,

the percentage set out opposite in column 3, under the applicable category assigned to the institution.

- (2) For the purposes of subsection (1), a new certificate is deemed to have an original term of 12 months if
- (a) the certified institution held a certificate on the application date for the new certificate,
 - (b) the certificate held on the application date had an original term that was extended under section 10 [*continuation of certificate term*] of the Act, and
 - (c) the number of months in the original term of the new certificate is less than 12 months.

**Payments to fund for category 1 and 2 institutions
if certificate has other than 12-month term**

- 17** Subject to the payment reduction, if any, required under section 19 [*payment reduction for category 1 and 2 institutions with low debt ratio*], if a certified institution that is issued a new certificate is assigned to category 1 or 2 and the new certificate has an original term of other than 12 months, the institution must pay to the fund the amount determined by

(a) determining the amount the institution would have been required to pay under section 16 had the institution been issued a new certificate with an original term of 12 months,

(b) dividing the number of months in the original term of the new certificate by 12, and

- (c) multiplying the amount determined under paragraph (a) by the number determined under paragraph (b).

**Payments to fund for category 3 institutions
if certificate has 12-month term**

- 18** (1) If a certified institution that is issued a new certificate is assigned to category 3 and the new certificate has or is deemed to have an original term of 12 months, the institution must pay to the fund the amount determined by the following formula:

$$\text{annual tuition revenue} \times \text{percentage}$$

where

annual tuition revenue = subject to subsection (3), the institution's annual tuition revenue;

percentage = (a) 0.28% in the case of an institution that

- (i) is in the language institution class or regulatory body institution class, and
- (ii) has a period of continuous certification or registration of less than 2 years, or

(b) 0.8% in any other case.

- (2) For the purposes of subsection (1), a new certificate is deemed to have an original term of 12 months if
- (a) the certified institution held a certificate on the application date for the new certificate,
 - (b) the certificate held on the application date had an original term that was extended under section 10 [*continuation of certificate term*] of the Act, and
 - (c) the number of months in the original term of the new certificate is less than 12 months.
- (3) If the certified institution did not hold a certificate on the application date for the new certificate, the institution's annual tuition revenue for the purposes of the formula in subsection (1) is the total tuition revenue the institution estimates it will earn, in respect of approved programs of instruction, during the original term of the new certificate.

**Payments to fund for category 3 institutions
if certificate has other than 12-month term**

- 18.1** If a certified institution that is issued a new certificate is assigned to category 3 and the new certificate has an original term of other than 12 months, the institution must pay to the fund the amount determined by
- (a) determining the amount the institution would have been required to pay under section 18 had the institution been issued a new certificate with an original term of 12 months,
 - (b) dividing the number of months in the original term of the new certificate by 12, and

- (c) multiplying the amount determined under paragraph (a) by the number determined under paragraph (b).

Payment reduction for category 1 and 2 institutions with low debt ratio

19 (1) In this section:

“**current ratio**” means the number determined by dividing an institution’s current assets by the institution’s current liabilities, as indicated in the institution’s most recent financial statements provided to the registrar;

“**debt ratio**” means the number determined by dividing an institution’s total liabilities by the institution’s total assets, as indicated in the institution’s most recent financial statements provided to the registrar.

- (2) If a certified institution to which section 16 [*payments to fund for category 1 and 2 institutions if certificate has 12-month term*] or 17 [*payments to fund for category 1 and 2 institutions if certificate has other than 12-month term*] applies has a debt ratio of less than 0.2, the amount payable by the institution under that section must be reduced by the amount determined by the following formula:

$$\text{amount payable} \times \text{percentage}$$

where

amount payable = the amount payable by the institution under section 16 or 17, as applicable;

percentage = (a) 2.5% if the institution has a 3-year average current ratio of less than 1.2, or

(b) 5% if the institution has a 3-year average current ratio of 1.2 or more.

12 *Section 20 is amended by striking out “the aboriginal institution class, the post-program payment institution class or in the post-program payment class and any other class” and substituting “the Indigenous institution class”.*

13 *Section 21 is amended by adding the following subsection:*

- (3) Unless otherwise permitted by the trustee of the fund, the length of the information submitted under subsection (2) must not exceed a total of 50 pages.

14 *Section 22 (1) is repealed and the following substituted:*

- (1) As soon as practicable after a student files a claim against the fund on the grounds referred to in section 23 (1) (a) [*institution ceased to hold any certificate*] of the Act, the trustee of the fund must give a summary of the claim to the institution to which the claim relates.

15 *Section 23 is amended*

(a) by repealing subsection (1) and substituting the following:

- (1) As soon as practicable after a student files a claim against the fund on the grounds referred to in section 23 (1) (b) [*certified institution misled student*] of the Act, the trustee of the fund must give to the institution to which the claim relates
- (a) a copy of the claim, and
 - (b) all available records and other things that the trustee considers relevant to the claim. , **and**

(b) by adding the following subsection:

- (2.1) Unless otherwise permitted by the trustee of the fund, the length of a response given under subsection (2) must not exceed a total of 50 pages.

16 Section 27 is amended

(a) by repealing subsection (2) and substituting the following:

- (2) A certified institution that contravenes section 14 (1) (b) [*implementation of change that requires notification and consent*] of the Act is liable to an administrative penalty of \$500 for each contravention. , **and**

(b) in subsection (3) by adding the following paragraph:

- (c) section 19 [*failure to establish dispute resolution for student complaints*].

17 Section 30 is amended by striking out “aboriginal institution class” and substituting “Indigenous institution class”.

18 Section 31 is repealed and the following substituted:

Automatic assignment to category 3

- 31** The registrar must assign an institution that is issued a certificate, other than an institution in the Indigenous institution class, to category 3 if, on the date the certificate is issued,
- (a) the institution has a period of continuous certification or registration of less than 2 years, or
 - (b) the registrar has, within the previous 2 years, suspended a certificate held by the institution.

19 The heading to Division 2 of Part 6 is repealed and the following substituted:

**Division 2 – Category Assessments in Relation to
Registration Certificates and Interim Designation Certificates .**

20 Division 2 of Part 6 is amended by adding the following section:

Purposes of category assessment under Division 2

- 31.1** The category ratings and assessments in this Division must be conducted for the following purposes:
- (a) in relation to an institution that is applying for a registration certificate, determining the security payable by the institution under Part 3 [*Security*];

- (b) in relation to an institution that is issued a registration certificate or interim designation certificate, other than an institution to which section 30 [*automatic assignment of Indigenous institution to category 1*] or 31 [*automatic assignment to category 3*] applies,
 - (i) identifying the applicable provisions in Division 3 [*Fees for Certified Institutions*] of Part 2 [*Fees*] under which the graduated fee payable by the institution must be determined,
 - (ii) identifying the applicable provisions in Division 1 [*Payments to Fund*] of Part 4 [*Student Tuition Protection Fund*] under which the amount payable to the fund by the institution must be determined, and
 - (iii) identifying the applicable provisions in section 52 [*required financial statements*] of the Private Training Regulation under which the institution must submit records.

21 Section 32 is repealed and the following substituted:

Category assignment framework for Division 2

- 32** (1) For the purposes of assigning an institution to a category under this Division, the registrar must first determine a result for the institution in respect of each of the following criteria:
- (a) the student withdrawal criterion under section 34 [*determining result for student withdrawal criterion*];
 - (b) the compliance orders criterion under section 35 [*determining result for compliance orders criterion*];
 - (c) the administrative penalties criterion under section 35.1 [*determining result for administrative penalties criterion*];
 - (d) the claims against the fund criterion under section 36 [*determining result for claims against fund criterion*];
 - (e) the current ratio criterion under section 37 [*determining result for current ratio criterion*];
 - (f) the months of working capital criterion under section 38 [*determining result for months of working capital criterion*];
 - (g) the change in revenue criterion under section 39 [*determining result for change in revenue criterion*];
 - (h) the profit margin criterion under section 40 [*determining result for profit margin criterion*];
 - (i) the true trust criterion under section 41 [*determining result for true trust criterion*];
 - (j) the change of control criterion under section 41.1 [*determining result for change of control criterion*].
- (2) After determining an institution's result for an assessment criterion referred to in subsection (1) and column 1 of Table 4 in the Schedule, the registrar must do the following:

- (a) if the result is within the range or is the amount set out opposite in column 2, assign a category 1 rating for the assessment criterion;
 - (b) if the result is within the range or is the amount set out opposite in column 3, assign a category 2 rating for the assessment criterion;
 - (c) if the result is within the range or is the amount set out opposite in column 4, assign a category 3 rating for the assessment criterion;
 - (d) if the registrar is unable to determine the result, assign a category 1 rating for the assessment criterion.
- (3) After assigning category ratings to an institution for the assessment criteria referred to in subsection (1), the registrar must assign the institution
- (a) to category 1 if the institution has 7 or more category 1 ratings for the assessment criteria,
 - (b) to category 2 if the institution has 5 or 6 category 1 ratings for the assessment criteria, and
 - (c) to category 3 if the institution has 4 or less category 1 ratings for the assessment criteria.

22 *Section 33 is repealed.*

23 *Section 34 (1) is repealed and the following substituted:*

- (1) Subject to subsection (2), an institution's result for the student withdrawal criterion is the percentage determined by the following formula:

$$\frac{\text{student withdrawals}}{\text{student enrolment}} \times 100$$

where

- student withdrawals = the number of students who withdrew from approved programs of instruction provided by the institution
- (a) during the institution's previous fiscal year, and
 - (b) after the start date of the approved program;
- student enrolment = the number of students who, during the institution's previous fiscal year, enrolled in approved programs of instruction provided by the institution.

24 *Sections 35 to 41 are repealed and the following substituted:*

Determining result for compliance orders criterion

- 35** An institution's result for the compliance orders criterion is the number of compliance orders issued to the institution during the institution's previous fiscal year.

Determining result for administrative penalties criterion

- 35.1** An institution's result for the administrative penalties criterion is the number of administrative penalties imposed on the institution during the institution's previous fiscal year.

Determining result for claims against fund criterion

- 36** An institution's result for the claims against the fund criterion is the percentage determined by the following formula:

$$\frac{\text{claims}}{\text{student enrolment}} \times 100$$

where

- claims = the number of claims against the fund that were, during the institution's previous fiscal year,
(a) filed by students of the institution, and
(b) approved by the trustee under section 24 [*authority of trustee in dealing with claims*] of the Act;
- student enrolment = the number of students enrolled in approved programs of instruction during the institution's previous fiscal year.

Determining result for current ratio criterion

- 37** An institution's result for the current ratio criterion is the number determined by the following formula:

$$\frac{\text{current assets}}{\text{current liabilities}}$$

where

- current assets = the value of the institution's current assets in the previous fiscal year;
- current liabilities = the amount of the institution's current liabilities in the previous fiscal year.

Determining result for months of working capital criterion

- 38** An institution's result for the months of working capital criterion is the number determined by the following formula:

$$\frac{\text{current assets} - \text{current liabilities}}{\text{monthly expenses}}$$

where

- current assets = the value of the institution's current assets in the previous fiscal year;
- current liabilities = the amount of the institution's current liabilities in the previous fiscal year;
- monthly expenses = the amount determined by dividing the institution's expenses in the previous fiscal year by 12.

Determining result for change in revenue criterion

- 39** An institution's result for the change in revenue criterion is the percentage determined by the following formula:

$$\frac{\text{revenue} - \text{revenue in preceding year}}{\text{revenue in preceding year}} \times 100$$

where

revenue = the institution's total revenue in the institution's previous fiscal year;

revenue in preceding year = the institution's total revenue in the fiscal year preceding the institution's previous fiscal year.

Determining result for profit margin criterion

- 40** An institution's result for the profit margin criterion is the percentage determined by the following formula:

$$\frac{\text{net income}}{\text{revenue}} \times 100$$

where

net income = the institution's net income in the institution's previous fiscal year;

revenue = the institution's total revenue in the institution's previous fiscal year.

Determining result for true trust criterion

- 41** An institution's result for the true trust criterion is the amount determined by the following formula:

$$(\text{cash} + \text{cash equivalent} + \text{accounts receivable}) - \text{unearned tuition}$$

where

cash = the amount of the institution's cash, as set out in the institution's financial statements for the previous fiscal year;

cash equivalent = the amount of the institution's cash equivalents, as set out in the institution's financial statements for the previous fiscal year;

accounts receivable = the amount of the institution's tuition accounts receivable, from approved programs of instruction, net of allowances for doubtful accounts, as set out in the institution's financial statements for the previous fiscal year;

unearned tuition = the amount of the institution's unearned tuition revenue from approved programs of instruction, as set out in the institution's financial statements for the previous fiscal year.

25 *The following section is added to Division 2 of Part 6:*

Determining result for change of control criterion

- 41.1** An institution's result for the change of control criterion

- (a) is 1 if the institution has not had a change of control within the previous 2 years, or
- (b) is 2 if the institution has had a change of control within the previous 2 years.

26 *The heading to Division 3 of Part 6 is repealed and the following substituted:*

**Division 3 – Category Assessments
in Relation to Designation Certificates .**

27 *The following section is added to Division 3 of Part 6:*

Purposes of category assessment under Division 3

41.2 The category ratings and assessments in this Division must be conducted for the following purposes:

- (a) in relation to an institution that is applying for a designation certificate, determining the security payable by the institution under Part 3 [*Security*];
- (b) in relation to an institution that is issued a designation certificate, other than an institution to which section 30 [*automatic assignment of Indigenous institution to category 1*] or 31 [*automatic assignment to category 3*] applies,
 - (i) identifying the applicable provisions in Division 3 [*Fees for Certified Institutions*] of Part 2 [*Fees*] under which the graduated fee payable by the institution must be determined,
 - (ii) identifying the applicable provisions in Division 1 [*Payments to Fund*] of Part 4 [*Student Tuition Protection Fund*] under which the amount payable to the fund by the institution must be determined, and
 - (iii) identifying the applicable provisions in section 52 [*required financial statements*] of the Private Training Regulation under which the institution must submit records.

28 *Section 42 is repealed and the following substituted:*

Category assessment framework for Division 3

- 42** (1) For the purposes of assigning an institution to a category under this Division, the registrar must first determine a result for an institution in respect of the following criteria:
- (a) each of the criteria under Division 2 [*Category Assessments in Relation to Registration Certificates and Interim Designation Certificate*];
 - (b) the StudentAid BC support criterion under section 43 [*determining result for StudentAid BC criterion*];
 - (c) the international student enrolment criterion under section 44 [*determining result for international student enrolment criterion*].
- (2) After determining an institution's result for an assessment criterion referred to in subsection (1) and column 1 of Table 4 in the Schedule, the registrar must do the following:

- (a) if the result is within the range or is the amount set out opposite in column 2, assign a category 1 rating for the assessment criterion;
 - (b) if the result is within the range or is the amount set out opposite in column 3, assign a category 2 rating for the assessment criterion;
 - (c) if the result is within the range or is the amount set out opposite in column 4, assign a category 3 rating for the assessment criterion;
 - (d) if the registrar is unable to determine the result, assign a category 1 rating for the assessment criterion.
- (3) After assigning category ratings to an institution for the assessment criterion referred to in subsection (1), the registrar must assign the institution
- (a) to category 1 if the institution has 8 or more category 1 ratings for the assessment criteria,
 - (b) to category 2 if the institution has 6 or 7 category 1 ratings for the assessment criteria, and
 - (c) to category 3 if the institution has 5 or less category 1 ratings for the assessment criteria.

29 Sections 43 to 44 are repealed and the following substituted:

Determining result for StudentAid BC criterion

- 43** An institution's result for the StudentAid BC Support criterion is the percentage determined by the following formula:

$$\frac{\text{students receiving funding}}{\text{student enrolment}} \times 100$$

where

- students receiving funding = the number of students who, in the institution's previous fiscal year,
- (a) started or are continuing in approved programs of instruction provided by the institution, and
 - (b) received funding, in their student enrolment contract term, from StudentAid BC;
- student enrolment = the number of students enrolled in approved programs of instruction during the institution's previous fiscal year.

Determining result for international student enrolment criterion

- 44** An institution's result for the international student enrolment criterion is the percentage determined by the following formula:

$$\frac{\text{students of largest citizenship group}}{\text{student enrolment}} \times 100$$

where

students of largest citizenship group = the number of international students who are citizens of the country that has the largest number of citizens enrolled in approved programs of instruction during the institution's previous fiscal year;

student enrolment = the number of students enrolled in approved programs of instruction during the institution's previous fiscal year.

30 Section 45 is repealed.

31 Section 46 (2) and (3) is repealed and the following substituted:

- (2) Unless subsection (3) applies, a fee or payment referred to in subsection (1) must be paid
 - (a) by lump sum payment within 30 days after receiving notice from the registrar of the requirement to make the payment, or
 - (b) by equal monthly instalments on or before the 15th day of each month following the month in which the institution receives notice from the registrar of the requirement to make the payment.
- (3) A fee or payment referred to in subsection (1) that relates to a new certificate must be paid by lump sum payment within 30 days after receiving notice from the registrar of the requirement to make the payment if
 - (a) the certificate held by the institution on the application date for the new certificate had a term that was extended under section 10 [*continuation of certificate term*] of the Act, or
 - (b) the new certificate has an original term of 6 months or less.

32 Section 47 (1) is repealed and the following substituted:

- (1) Subsection (1.1) applies in relation to the following:
 - (a) fees payable under Part 2 [*Fees*];
 - (b) payments required under Division 1 [*Payments to Fund*] of Part 4 [*Student Tuition Protection Fund*];
 - (c) payments required under section 26 [*repayment of money by institution to fund*];
 - (d) payment of administrative penalties under the Act.
- (1.1) An institution that is required to pay a fee or make a payment referred to in subsection (1) must pay the fee or make the payment by way of
 - (a) a cheque payable to the Minister of Finance, or
 - (b) an electronic transfer of funds.
- (1.2) In addition to the methods referred to in subsection (1.1), an institution that is a certified institution may pay the fee or make the payment by way of a credit card.

33 Table 1 of the Schedule is repealed.

34 Tables 2, 3 and 4 of the Schedule are repealed and the following substituted:

Table 2 – Flat Rate Fees

Item	Column 1 Institution's Annual Tuition Revenue	Column 2 Monthly Flat Rate Fee
1	Less than \$25 000	\$108.34
2	\$25 000 to \$49 999	\$108.34
3	\$50 000 to \$99 999	\$173.23
4	\$100 000 to \$349 999	\$259.89
5	\$350 000 to \$699 999	\$411.55
6	\$700 000 to \$999 999	\$546.43
7	\$1 000 000 to \$2 499 999	\$834.05
8	\$2 500 000 to \$4 999 999	\$1 115.83
9	\$5 000 000 to \$7 499 999	\$1 397.50
10	\$7 500 000 to \$10 000 000	\$1 690.00
11	Greater than \$10 000 000	\$2 058.34

**Table 2.1 – Graduated Fees for
Category 1 or 2 Institutions**

Item	Column 1 Description of Certified Institution	Column 2 Period of Continuous Certification or Registration	Column 3 Percentage of Annual Tuition Review	
			Category 1	Category 2
1	Institution in Indigenous institution class	zero or more years	0.2%	not applicable
2	Institution in language institution class or regulatory body institution class	2 or more years	0.26%	0.3%
3	Institution that holds registration certificate, other than institution in Indigenous institution class, language institution class or regulatory body institution class	2 or more years but less than 5 years	0.71%	0.819%
		5 or more years but less than 11 years	0.585%	0.675%
		11 or more years	0.52%	0.6%

Item	Column 1 Description of Certified Institution	Column 2 Period of Continuous Certification or Registration	Column 3 Percentage of Annual Tuition Review	
			Category 1	Category 2
4	Institution that holds interim designation certificate or designation certification, other than institution in Indigenous institution class, language institution class or regulatory body institution class	2 or more years but less than 5 years	0.385%	0.444%
		5 or more years but less than 11 years	0.325%	0.375%
		11 or more years	0.26%	0.3%

**Table 3 – Payments to Fund for
Category 1 or 2 Institutions**

Item	Column 1 Description of Certified Institution	Column 2 Period of Continuous Certification or Registration	Column 3 Percentage of Annual Tuition Revenue	
			Category 1	Category 2
1	Institutions in language institution class or regulatory body institution class	2 or more years	0.245%	0.263%
2	Institution that holds registration certificate, other than institution in Indigenous institution class, language institution class or regulatory body institution class	2 or more years but less than 5 years	0.525%	0.563%
		5 or more years but less than 11 years	0.35%	0.375%
		11 or more years	0.333%	0.356%
3	Institution that holds interim designation certificate or designation certification, other than institution in Indigenous institution class, language institution class or regulatory body institution class	2 or more years but less than 5 years	0.315%	0.338%
		5 or more years but less than 11 years	0.28%	0.3%
		11 or more years	0.245%	0.263%

Table 4 – Category Assignment

Item	Column 1 Assessment Criteria	Column 2 Category 1 Rating	Column 3 Category 2 Rating	Column 4 Category 3 Rating
1	Student withdrawal	less than 3%	3% or more but not more than 13%	more than 13%
2	Compliance orders	0 to 2	3	more than 3
3	Administrative penalties	0	1	more than 1
4	Claims against the fund	0	more than 0 but not more than 2%	more than 2%
5	Current ratio	more than 1.5	1 or more but not more than 1.5	less than 1
6	Months of working capital	more than 1.5	1.25 or more but not more than 1.5	less than 1.25
7	Change in revenue	more than -10%	-10% or less but not less than -30%	less than -30%
8	Profit margin	more than 1%	0% or more but not more than 1%	less than 0%
9	True trust	more than 0	0	less than 0
10	StudentAid BC support	40% or less	more than 40% but not more than 60%	more than 60%
11	International student enrolment	less than 50%	50% or more but less than 70%	70% or more
12	Change of control	1	2	N/A