BACKGROUNDER

Strengthening Oversight and Accountability for Private Institutions in the OSAP System



PROTECT ONTARIO

Ministry of Colleges, Universities, Research Excellence and Security

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Ontario

Overview

In response to concerns about the growing volume of OSAP applications at career colleges, the government moved forward with safeguarding the system by removing eligibility for Ontario student grants for students enrolled at career colleges starting the 2026-2027 academic year, followed by pausing OSAP funding to the private postsecondary institution sector.

In August 2026, the government engaged a third-party auditor, KPMG, to assess the broader integrity of OSAP applications at private postsecondary institutions, including career colleges. In late September 2026, the matter was referred to the Ontario Provincial Police by the government. The Auditor General was also notified by the government.

To ensure the integrity of the OSAP system, the government also intends to introduce policy, regulatory and legislative changes to restore integrity and strengthen oversight and accountability in how OSAP is provided to students in private postsecondary institutions.

The legislative changes, if passed, as well as proposed regulatory and policy changes, would strengthen the system to support prevention, detection and response to misuse of OSAP funding, including:

- More robust approval and performance requirements for private institutions
- Limits on online programming and caps on OSAP-funded enrolment at private institutions
- Restrictions on career colleges' partnerships with parties (e.g., immigration firms)

Further proposed changes reflect broader reforms to OSAP and the *Ministry of Training, Colleges and Universities Act* (MTCUA), as well as the *Ontario Career Colleges Act, 2005* (OCCA), that were in part informed by the five-year review of the OCCA and consultations with the sector.

These proposed changes are part of a larger legislative package that will be introduced in the Legislature on Monday, November 16, 2026. Where indicated, regulatory initiatives will be addressed and posted for public input in the new year.

Glossary

Term	Description
Administrative Monetary Penalty (AMP)	AMPs are used to enforce compliance and penalize unregistered or non-compliant career colleges. The Superintendent of Career Colleges issues these penalties following investigations or inspections.
Licence Appeal Tribunal (LAT)	An independent adjudicative tribunal in Ontario that resolves disputes in specialized areas where individuals or organizations seek a review of decisions made by certain government programs or regulatory bodies.
Ministry of Training, Colleges and Universities Act (MTCUA)	The MTCUA governs the province's postsecondary education and training sector.
National Occupational Classification (NOC)	The NOC is Canada's national system for describing occupations.
Ontario Careers Colleges Act, 2005 (OCCA)	The OCCA sets out a framework for the regulation of career colleges in Ontario to protect students and maintain educational standards.
Service Fee	The General Regulation under the OCCA includes a provision for a service fee that can be withheld by the career college as a penalty when a student withdraws from a program.
Superintendent of Career Colleges (Superintendent)	The Superintendent is an independent decision maker appointed by the Minister to administer the OCCA and oversee the career college sector in Ontario by registering career colleges and approving vocational programs.
Training Completion Assurance Fund (TCAF)	TCAF provides support for students of a career college that stops operating while they are enrolled in a program, including opportunities to complete their program with another institution/organization or receive a partial refund for the portion of the program where they did not receive any instruction.

Strengthen OSAP Integrity in Private Postsecondary Institutions

Initiative	Current State	Future State
Impose limits on OSAP-funded enrolment	Institutions can experience substantial increases in OSAP-funded enrolment without limits, contributing to increases in expenditures and exposure to potential fraud and program integrity risks.	Growth in OSAP-funded enrolment at private postsecondary institutions would be subject to defined limits. This would support managed expansion with enhanced controls. This would also allow for exceptions to be approved by the Minister to either reduce the cap or to increase the cap, e.g., based on labour market demand. This would align with other Canadian jurisdictions, like Alberta, which have implemented caps.
Impose limits on OSAP funding for online programming	Many of the student verification and participation concerns identified to date have been concentrated in online-only programs.	OSAP funding would be limited to in-person and hybrid learning programs in private institutions, which would ensure OSAP-funded programs maintain meaningful in-person delivery, and improve student learning outcomes. This would also provide the ministry with the ability to better prevent and detect potential fraudulent activity and improve the ability to verify student participation, among other verification measures.

Ontario

Strengthen OSAP Integrity in the Career Colleges Sector

Initiative	Current State	Future State
Introduce new requirements and restrictions related to third-party relationships (including immigration and recruitment) i. Disclosure of third-party agreements ii. Administrative Monetary Penalty (AMP) for misrepresentation. iii. No unrelated business on campus iv. Prohibit certain types of business relationships, such as with immigrations consultants/firms.	The Superintendent and students need more clarity about career colleges and their relationships with third-party recruiters, immigration consultants, and other businesses. Transparency would help students make informed choices and protect them from misleading information. Additionally, existing enforcement tools do not include AMPs for misrepresentation or misleading statements related to third-party relationships.	Career colleges would be required to operate with greater transparency regarding third-party relationships and recruitment activities. New prohibitions would be developed with respect to operating unrelated businesses on campuses. Prohibitions would be limited to on campus locations (i.e., same address of businesses). Career colleges would be accountable for the actions of their agents and be prohibited from engaging in business arrangements that may compromise program integrity. Misrepresentations by institutions or their agents would be subject to an AMP.

Strengthen OSAP Integrity in Private Postsecondary Institutions

Initiative	Current State	Future State
Enhanced verification and identification of individual students	Students are required to provide personal information, including their social insurance number (SIN), when they apply for OSAP. The ministry verifies the identity of each applicant through a data match with Employment and Social Development Canada using the SIN Registry.	To further strengthen the integrity of OSAP, the ministry intends to propose enhanced identity and enrolment verification measures at private institutions. Potential requirements, such as in-person registration or multi-factor identity verification, would provide greater assurance that students are actively enrolled and eligible for OSAP before funding is released.
Automatic inspection threshold for moving forward with an audit	Existing audit thresholds are set using a variety of identified risk factors.	Additional audit risk factors, including enhanced reviews of OSAP funding and applications growth and automatic inspection thresholds will strengthen oversight and reduce risks to students and to public funds.
Enhance key performance indicators (KPIs)	Private institutions are required to meet baseline OSAP eligibility requirements and graduate and employment outcomes.	Private institutions would need to meet higher performance expectations to attain and retain OSAP eligibility, including aligning graduate and employment outcomes with publicly funded colleges and universities.

Strengthen OSAP Integrity in Private Postsecondary Institutions

Initiative	Current State	Future State
Authority to require Superintendent approval when a career college's ownership changes	Career colleges must notify the Superintendent of changes to their ownership.	Career colleges would be required to seek the Superintendent's approval for changes to their ownership.
Authority to require new OSAP approval when a private institution's ownership changes	Institutional OSAP approval generally terminates upon a change in ownership, however, an institution can receive "Continuing Approval" in order to not disrupt students' education.	Institutions that have a change in ownership would need to reapply for OSAP approval as though they were a new institution applying for the first time. Private institutions would still be able to request permission to maintain OSAP approval through the remainder of the academic year following a mid-year ownership change to minimize impacts to students.
Deem private institutions liable for use of OSAP funds to facilitate recovery of funds	The ministry has a number of options to pursue civil recovery proceedings when fraud or non-compliance is identified. These options are limited when it comes to private institutions.	Deeming private institutions liable for use of OSAP funds would provide enhanced authority to facilitate the recovery of funds associated with fraud or significant non-compliance where warranted. This would also strengthen accountability by making institutions more financially responsible for the OSAP funding disbursed to their students when they fail to meet program requirements or engage in conduct that undermines the integrity of the OSAP program.

Enhance Oversight of the Career Colleges Sector

Initiative	Current State	Future State
Authority for the Superintendent to impose conditions on a program at any time	The Superintendent is limited to placing conditions on program approval at registration or renewal of registration. Conditions can include requirements or restrictions intended to address compliance concerns and support program quality.	The Superintendent would be able to impose conditions on a program at any time, ensuring ongoing high-quality program delivery, with immediate consequence for failure to meet required standards. Conditions could be placed when necessary to monitor a program's delivery, without impacting registration, allowing faster interventions to protect students.
Expand publication authority to more enforcement actions	The Superintendent may publish certain enforcement actions under the OCCA (such as refusal to renew registration, suspension, revocation, restraining order, and notice of contravention), but prospective students may be missing other critical information about enforcement actions taken when choosing to study at a specific institution.	The Superintendent would have authority to publish additional enforcement actions. By making this information publicly available, prospective students would have access to more information about any enforcement actions taken against an institution prior to deciding to enrol.
Require Career Colleges to publish enforcement action taken against them	Career colleges are not required to publish any enforcement actions taken against them by the Superintendent.	Career colleges would be required to transparently and publicly disclose to students certain enforcement actions taken against them by the Superintendent.

Enhance Oversight of the Career Colleges Sector

Initiative	Current State	Future State
Require physical campus locations and disclose hours of operation to ensure improved oversight	The requirement for a physical location to meet with students was paused during Covid-19. Some operators are currently using home addresses or co-working spaces to conduct online classes, creating issues related to inspections and a lack of access to the campus for students. There is also no requirement for career colleges to provide or maintain publicly available operating hours, making it difficult for students and the ministry to know when services are available.	All career colleges must have a physical location and published hours of operation. This would ensure that the Superintendent would have access to a commercial property for inspection and regulatory oversight, including access to on-site records. Students would also have the opportunity to study and meet with administrators and instructors in-person, rather than only remotely.
Approval of campus relocations	The Superintendent of Career Colleges is regularly engaged in the approval of campus relocations.	This proposal requires that the Superintendent approve campus relocations. This would ensure inspectors have accurate information and supports stronger oversight.

Enhance Oversight of the Career Colleges Sector

Initiative	Current State	Future State
Require career colleges to post a higher financial security	Career colleges provide financial security, which is used if the school closes to provide students funding to complete their training at another training provider or receive a refund. Any amounts needed to support students beyond the amount of the financial security the college provided comes out of the Training Completion Assurance Fund's General Fund. This fund is set out in legislation.	Career colleges would be required to post a higher financial security, ensuring there is more money available to help students in the event that a school closes suddenly. A higher financial security reduces the risk that the TCAF's General Fund would be needed to support the students.
30-day deadline for career colleges to provide amount of financial security they owe	The OCCA framework does not impose a specific deadline, and some career colleges have refused to comply with due dates imposed by the Superintendent.	This regulatory change would mandate the payment of additional security within 30 days of ministry notification and could result in enforcement action if not paid on time. Financial security serves as a safeguard that can be used to fund student training completions or refunds if that career college ceases operating.
Amend the exemption from financial security for registered charities	Registered charities (as defined in the Income Tax Act) are not currently required to provide financial security upon registration under the OCCA. When these schools close, there is no financial security to help train out or refund current students and all support must come out of the TCAF. Currently, 30 career colleges are registered as a charity.	All applicants that wish to register as a career college, including registered charities, would be required to post financial security when registering under the OCCA, ensuring financial accountability by individual career colleges.

Enhance Oversight of the Career Colleges Sector

Initiative	Current State	Future State
New Administrative Monetary Penalties (AMPs)	Not all contraventions of the OCCA and its regulations result in an AMP.	The proposed regulatory changes would enable AMPs to be imposed for additional contraventions of the OCCA and its regulations. AMP amounts would be scaled according to the seriousness of the violation and set out in future regulatory amendments
Direct the Superintendent to consider student interests	Currently there is no express direction in the OCCA for the Superintendent to consider consumer protections for students when making decisions under the *Ontario Career Colleges Act, 2005*.	The legislation would reinforce the importance of the OCCA's student protection function for students when enforcement action is taken by directing that the Superintendent's actions are to be conducted in the interest of career college students.
Direct Licence Appeal Tribunal (LAT) to consider student interests	There is no clear direction in the OCCA for the LAT to consider the interests of students when Superintendent enforcement decisions are appealed.	The LAT would be expressly required to consider student interests in making decisions about a career college's registration.

Reinforcing Student Protections in Career Colleges

Initiative	Current State	Future State
Prohibit career colleges from requiring students to waive their rights under the Act	The OCCA does not expressly address the issue of contracts that require students to waive their rights under the Act.	Contracts that include this provision would be clearly prohibited in legislation with an associated penalty for enforcement purposes.
Require career colleges to publish student complaint procedures	Currently, a copy of the complaint procedures is provided to the student with their contract, placing the accountability on the student to know where to locate it.	Complaint procedures would be required to be made available on a career college's website and on campus to further improve transparency and accountability.
Extend the cooling-off period and shorten the refund window for rescinded enrolment	The current cooling-off period for students to rescind their contract and receive a full refund is two days. Refunds must then be issued to them within 30 days.	The update would provide students with a longer window of opportunity to rescind their contract (seven days) and require career colleges to issue refunds within a shorter timeframe (14 days) after students rescind their contracts.

Reinforcing Student Protections in Career Colleges

Initiative	Current State	Future State
Most refunds due within 30 days	Career colleges have a 30-day deadline to pay refunds only under specified circumstances, such as when a student withdraws before the program begins. The Superintendent has limited enforcement tools available under the OCCA when career colleges fail to provide refunds.	The proposed regulatory changes would expand the circumstances in which career colleges are required to issue refunds within 30 days. A new AMP for non-compliance would enable the Superintendent to take swift enforcement action to help ensure students receive refunds on time.
Require full refund when unapproved vocational program is delivered	The refund rules in the OCCA and its regulations do not directly address situations where a program change has been implemented without Superintendent approval, resulting in the career college delivering training that may be inadequate.	The proposed regulation changes would increase protection for students by requiring students to receive a full refund when program changes are implemented without required approvals.
Eliminate $500 service fee in the regulation and replace with two other fees	A maximum of $500 can be retained by the career college when a student withdraws before a program has begun, including if the student withdraws before signing a contract.	Students could be charged a maximum of $250 as an application processing fee before signing a contract, instead of $500. Student withdrawal after contract signing would be subject to a cancellation fee (10 per cent of compulsory fees up to $1,000) instead of the current service fee. This lowers the amount students can be charged before signing a contract, while also providing greater clarity about the reason for the fees.
Focus approval on compulsory fees and require optional fees in contract	All compulsory and optional fees must be reported to and approved by the Superintendent as part of program approval. Currently, the optional fees do not appear as an itemized list in student contracts and lack transparency.	Compulsory fees would continue to be reported to and approved by the Superintendent. Career colleges would be required to list all optional fees in student contracts, increasing transparency.

Reinforcing Student Protections in Career Colleges

Initiative	Current State	Future State
International student fees can only be charged to international students as defined in the Act	Although an international student is defined in the OCCA, there is confusion within the sector regarding to which students international fees may be charged.	The proposed regulation would clarify that only international students, as defined in the OCCA, may be charged international student fees, ensuring that the fees are not charged inappropriately to other types of students.
Superintendent administration of Training Completion Assurance Fund (TCAF)	When a career college closes, the Superintendent is required to consider whether TCAF is available to affected students. In the event that a career college stops operating, the TCAF provides students with the opportunity to complete their program with another institution/organization or receive a partial refund for the portion of the program for which they did not receive any instruction.	The Superintendent would have flexibility to determine the most appropriate form of support for affected students when a career college closes, including facilitating training completions where feasible or providing refunds through TCAF. In making this determination, the Superintendent would consider whether training completions can be arranged in a manner that best supports students' learning goals and without unreasonable delay to students.
Require geographic location of practicum on contract	Currently career colleges are required to provide the "location" on contract for practicums, but there is uncertainty in the sector about whether "location" means a "type of facility" (e.g., LTC Home) or a geographic location.	The proposed regulation would require contracts to clearly identify the geographic location where a student would complete their practicum, providing greater transparency for students.

General Updates and Adjustments

Initiative	Current State	Future State
Update National Occupational Classification (NOC) from 2016 to 2026	Under the OCCA, programs offered at career colleges are categorized according to the 2016 NOC, a classification system developed by the federal government and used across Canada.	The proposed housekeeping change would update reference to 2026 codes to keep up with the current references in use across Canada.
Establish Training Completion Assurance Fund (TCAF) as a Designated Purpose Account (DPA)	The OCCA establishes the TCAF and assigns the Superintendent of Career Colleges responsibility for administering and managing it. TCAF is currently administered according to the accounting treatment for a Special Purpose Account.	The TCAF would be reclassified as a DPA to ensure compliance with accounting standards as recommended by the Auditor General of Ontario. This is a technical change.
Inspections under the MTCUA and OCCA	OSAP inspectors and designates of the Superintendent have authority to conduct inspections under the MTCUA and the OCCA.	This clarifies existing authority for inspectors who conduct on-site inspections commenced during business hours or daylight hours to continue if it is reasonable to do so.
Maximize options for government to facilitate low-interest loans for students	The Ontario government administers OSAP funding to students (Canada and Ontario financial aid). OSAP eligibility is currently paused at private institutions.	The government will have additional tools to maximize its options to facilitate low-interest loans for students.

Looking Ahead

The proposed changes, if passed and related regulations are made, would hold the private postsecondary sector accountable and ensure every OSAP dollar is used as intended – to support student access to postsecondary education and prepare them for in-demand careers.

New powers would also give the Minister and Superintendent stronger oversight and enforcement tools to protect students and OSAP funds.

Regulatory and policy changes, if passed, would be implemented in early 2027.