

Brazil Education

Talk with authorities: stricter regulation on distance learning is gaining ground

Industry Overview

Change on quality parameters is also being discussed

We hosted an event with the National Education Committee to discuss regulation of medicine courses and Distance Learning (DL). On DL, suspension of offerings for the 16 courses being evaluated seems increasingly to be the most likely outcome (see: [MEC suspends authorization of DL courses](#)). However, a less rigorous approach focusing on raising quality parameters is also being considered. On Mais Médicos, the current auction could be delayed further given arbitrary requirements that leave space for judicial review (see: [Event with Mattos Filho](#)).

Transition for new rules likely to be gradual

Restriction of DL offerings is a likely outcome of the new regulation under discussion at the Ministry of Education (MEC). However, any new restrictions would likely be implemented gradually, which might mitigate impacts for companies and students. Health-related courses and licentiate degrees seem to be the main subjects of the new regulatory framework and changes to National Curriculum Guidelines (DCN) might be necessary. So far, there are no specifics on restrictions to be implemented, but the MEC has autonomy to propose curriculum changes.

Quality-driven approach could be less harmful

Suspending courses from distance learning seems to be the preferred approach for the potential new regulation. However, raising quality parameters for institutions to be able to offer DL courses is also an alternative. If that's the chosen approach, we understand that universities would have time to adapt to the new rules, which seems a smoother transition vs. course suspensions. We expect more guidelines on the new regulatory framework to be announced in 1H24.

'Mais Médicos' third auction could face delays

On Mais Médicos, we expect further delays on the third auction schedule as institutions continue to question arbitrary requirements from the notice (see: Education YA, [19 January 2024](#)). The Supreme Court is also set to decide seats opening through injunctions by Feb 9th-20th. If the Court allows opening of seats requested through injunctions that are at the final steps of evaluation, the committee estimates that c.30k medicine seats would be authorized in the short term. But our base case remains that no major openings will occur outside "Mais Médicos" auctions due to MEC's final say on authorization.

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Mais Médicos = auction program for opening of new medicine courses in Brazil

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