



CASFAA
ACRAFE

Canadian Association of Student Financial Aid
Administrators

Association Canadienne des responsables de l'aide
financière aux étudiants

Policy Positions

A complete compendium for members,
partners, and policy makers

2021-2022



Prepared by:

Stephanie Williams, CASFAA President

Cara Piperni, CASFAA Past-President

Canadian Association of Student Financial Aid Administrators (CASFAA) Policy Positions for 2021/22

CASFAA applauds the Federal initiatives implemented in 2020 and 2021 to address the economic difficulties imposed on students due to the COVID 19 Pandemic. Loss of summer employment reduced part-time employment coupled with high costs of post-secondary education and living have affected students from all backgrounds and levels of schooling. Moving forward substantial challenges remain for post-secondary education students who rely on student financial assistance to access and persist in their studies:

1. The continued **gap between student need and the availability of government student assistance**, which is commonly referred to as 'unmet need', especially for under-represented groups. The pandemic has shown that financial disparities make a significant impact on students' access and retention.
2. The **complex nature of the current student aid delivery infrastructure**, which places undue risk on loan recipients.
3. Inconsistent access to **financial literacy education** that may hinder academic, career pursuits and repayment.

CASFAA believes that the following recommendations will improve student success, access and experience with the Canada Student Financial Assistance (CSFA) Program, ensuring that Canadians have the opportunity for national prosperity by completing post-secondary education. The summary below is followed by detailed explanations.

Recommendations for Student Success:

- Retain the COVID measures implemented in program year 2020/21 moving forward until such time that the economic situation improves for students inclusive of living and education costs.
- change the CSFA assessment of education costs by separating the computer allowance, maintaining the current amount allowed for books, and provide additional, dedicated funding for computer and related equipment costs
- Implement mandatory entrance counseling for students who acquire loans through the CSFA Program before their first disbursement.
- Expand targeted supports to students whose disabilities are prolonged or persistent.

Recommendations for Student Accessibility:

- Exempt institutional merit-based scholarships and need-based bursaries from the Canada Student Financial Assistance assessment.
- Review policies to ensure experiential learning opportunities are available to those who rely on the CSFA program.
- Recognition of dependents up to age 18.
- CFSA Program undertake a holistic review of the Part-Time program in order to increase accessibility and support lifelong learning/ career development for students who have entered the workforce.
- Develop a Canada student grant program for Indigenous Students within the CSFA Program.
- Establish harmonious residency requirements across the country, as well as create a direct pathway for student to apply to CSFA Program directly for federal funding when their residency is in dispute, to ensure their rights as a Canadian are not infringed upon.

Recommendations for Enhancing the Student Experience

- Ensure CASFAA’s continued involvement in the implementation, maintenance, and evolution of the new NSLSC portal.
- Ensure a single portal provides critical and holistic information regarding lenders, amounts, and status of all federal and provincial government student assistance awarded.

Student Success

Impact of COVID 19 pandemic

In March 2020 the Federal government introduced changes to the CSFA Program in recognition of the challenges placed on students and their families. The elimination of student and spousal contributions assisted families who found themselves struggling financially due to the impact of COVID 19. The doubling of Federal grants as well as the suspension of interest accrual assisted students who were unable to gain or continue employment.

The pandemic also impacted student’s mode of post-secondary delivery from in person to online. Many students needed to purchase computers, wifi, software, online books- costs which are not adequately covered under current CSFA policy.

Recommendation

CSFA Program retain the COVID measures implemented in program year 2020/21 until such time that the economic situation improves for students inclusive of living and education costs.

Separate the computer allowance and maintain the current amount allocated for books, and provide additional, dedicated funding for this purpose.

Embedding Financial Literacy

CASFAA continues to support the National Strategy for Financial Literacy. Recent findings from consultations on the renewal of the National Strategy for Financial Literacy identified the need to create a more accessible, inclusive and effective support system to help Canadians achieve financial resilience [What we heard: Shaping a new national strategy for financial literacy - Canada.ca](https://www150.ca.ca/what-we-heard-shaping-a-new-national-strategy-for-financial-literacy)

It is also critical for all Canada Student Financial Assistance Program student-facing processes to integrate financial literacy guidance throughout the loan life cycle. Complexity of the student loan ecosystem in Canada, given the varying federal and provincial components, puts borrowers at risk without clearly outlined considerations. All too often, we encounter students with significant regrets relating to their loans. They misunderstand the impact of becoming ineligible for loans mid-degree, which could lead to “technical” default or obliged repayment. They consolidate their government loans with other forms of consumer debt, and lose all the protections and benefits linked to student loans, such as continuation of interest-free status while in full-time study and access to repayment assistance programs (RAP).

Lack of information to make sound financial decisions impacts student retention and credit rating. It also impedes a graduate's ability to reach their full potential as a consumer and contributing member of the Canadian economy. Financial literacy efforts directed at PSE-aged youth by the Financial Consumer Agency of Canada, as well as local efforts at educational institutions, will never have sufficient impact without being a mandatory measure within the student loan life cycle. With formal, yet consumable guidance, students can be more secure in the knowledge that student loans need not be an investment they come to regret. Borrower regret impedes financial stability for both individuals and the economy.

With the system transformation currently underway by the National Student Loan Service Centre (NSLSC), CASFAA urges the implementation of mandatory online Entrance and Exit Counselling to be seamlessly embedded within the loan disbursement and repayment interactions. Financial Aid Officers across the country were surveyed in December 2019. An overwhelming 93% felt that counselling activities would benefit CSFAP borrowers.

The Spring 2020 "Report of the Auditor General of Canada to the Parliament of Canada on Student Financial Assistance" identified a lack of financial education tools for students to assist students in understanding their financial obligations under the Canada Student Financial Assistance Program.

Recommendation

All interactions between student borrowers and the National Student Loan Service Centre should be reviewed for financial literacy opportunities. Especially critical is the implementation of mandatory entrance and exit counselling for student who acquire loans through the CSFA Program as follows:

All first-time borrowers of Canada Student Loans, and borrowers with new loans after a prolonged period of non-borrowing must complete loan entrance counselling before their first loan disbursement. This ensures students have a good understanding of borrower responsibilities as well as the loan terms and conditions.

All borrowers of Canada Student Loans must complete loan exit counseling during their final semester or if they withdraw from school. This ensures a solid understanding of prepayment and repayment options, grace periods, repayment assistance programs, etc. An explanation of contacting loan service providers and the consequences of default are also imperative.

Expanded Access to the Canada Student Financial Assistance Program for Students with Disabilities

Budget 2019 introduced a number of measures making Canada Student Loans more accessible to students with permanent disabilities. Increasing the cap of the Canada Student Grant for Services and Equipment to \$20,000 per year was the first increase in more than a decade. Budget 2019 also addressed student loan debt for students with permanent disabilities by expanding the eligibility for the Severe Permanent Disability Benefit so that more student borrowers can qualify for loan forgiveness. Restrictions for borrowers using the Repayment Assistance Plan for Borrowers with Permanent Disabilities were also addressed therefore allowing borrowers to receive further loans and grants.

A number of additional changes were introduced for program year 2021/22 including: extended COVID related flexibilities for documentation submission, updated eligible purchases under the CSG-PDSE and the increased reimbursement for students with learning disabilities.

Budget 2021 announced the expansion of the definition of disability for student loan borrowers. Current CSFA policy requires a student to have a permanent disability in order to access resources and supports through the CSFA Program. These supports include grants, equipment, accommodations, etc. Expanding the definition of disability from permanent to persistent or prolonged would enable students with more episodic conditions and mental health challenges to access supports during PSE.

Recommendation

CASFAA supports the work of CSFA to expand targeted supports to students whose disabilities are prolonged or persistent.

Student Accessibility

Institutional Needs-Based Awards

Educational Institutions often participate in helping students address financial need (after considering maximum government aid and other resources) in the form of merit-based scholarships and need-based bursaries. The implementation of the fixed student contribution need assessment addressed parental contribution and student contribution by implementing a cap on the contribution amount. Student part time earnings during the study period are no longer assessed against the student but are recognized as a supplement to CSFA Program funding. While these changes were a positive impact for students CSFAP considers all merit and need-based awards over and above \$1,800.00 as student resources. This creates a disincentive for schools to invest more in financial assistance, as exceeding this threshold means their funds may replace rather than supplement government aid.

Changing the role of institutional aid to an additive resource would support students by increasing accessibility

Recommendation

CASFAA urges the government to exempt institutional merit-based scholarships and need-based bursaries from the Canada Student Financial Assistance Program assessment so that students can be supported through educational institutions' own supplemental access programs.

Experiential Learning Opportunities Outside the Classroom

High quality mobility and work experiences contribute to successful student transition to the workforce. Educational Institutions are striving to expand opportunities for students to participate in these enriched educational opportunities. Federal announcements regarding student work experience, in particular co-ops, have increased opportunities for students to gain valuable experience. Current CSFA policies on experiential learning prevent many students from accessing funds while participating in these opportunities and/or prevent entire programs from being eligible for student loan funding. Examples include students not being eligible for government funding during unpaid/ underpaid internship; students who can't afford to forego part-time or summer job, thus preventing them from participating in out-of-classroom experiences.

Recommendation

Review policies to ensure experiential learning opportunities are available to those who rely on the CSFAP program.

Students with Dependents

Additional costs for dependent children was limited to children aged 12 and under only. This is particularly a hardship for parents returning to school later in life to improve their career prospects and their family's quality of life. Prior to 2014/15, the CSFA Program needs assessment formula calculated funding for dependent children up to the age of 18.

Recommendation

CASFAA recommends that this policy change be reversed. The costs associated with caring for dependent children do not cease to exist at the age of 12.

Part-time Students and Programs

Many students pursue post-secondary study along a spectrum of full and part-time studies. Depending on circumstances (work, personal, etc.), students can also fluctuate between both statuses during an academic year and or degree, diploma, or certificate program

In addition, PSE delivery has changed over the years in an attempt to accommodate new student demographics (e.g. mature learners) and create more flexibility in student access. Non-traditional academic program delivery has rendered some students unable to access aid funding. Scenarios include part-time only programs as well as some programs structured whereby certain semesters are not considered a full-time course load, as well as Micro-credentials. Research undertaken by SRDC on behalf of the BC and Ontario government in the report "Assessing Impact of Student Financial Assistance Eligibility on Targeted Part time Programs at Public PSEs" (2017) supports the need for policy change.

Recommendation

- CFSA Program undertake a holistic review of the Part-Time program in order to increase accessibility and support lifelong learning/ career development for students who have entered the workforce.

Indigenous Student Financial Assistance

CASFAA recognizes that First Nations and Inuit students are supported through Indigenous Services, Canada's Post-secondary Student Support Program (PSSSP). However, there is ample literature and evidence of waitlists which indicate that PSSSP does not provide eligible students with equitable access to PSE funding. The Assembly of First Nations has determined the Program outcomes do not "adequately support access, retention and successful completion." At their recently held annual meeting, it was concluded that funding rates need to provide enough resources to fund all categories of expenditures: tuition, living allowance, books, and travel.

The CSFA Program is an option to supplement PSSSP funding but has too few measures which specifically encourage Indigenous learners. CASFAA acknowledges the recent improvements to the CSFA Program, with the introduction of Fixed Student Contribution exempting Indigenous learners and their band funding, as a good first step. Yet concerns related to successful completion of PSE and,

later, employment are seen as deterrents to obtaining a student loan (EKOS Research Associates Inc 2005b). Barriers such as past credit history, unfamiliarity with or distrust of student loan systems also affect the ability to obtain government financial assistance.

Providing educational support via non-repayable Canada Student Grants would appropriately supplement PSSP band funding based on financial need, and enable Indigenous learners to succeed with their chosen PSE program. These grants should consider the unique costs facing Indigenous learners, such as remoteness of their community and its distance from location of studies, as well as the need to travel home frequently linked to dependent care. Higher attainment rates and sustainable employment is more easily achieved with multiple additive funding options that are responsive to the distinct characteristics of Indigenous learners.

Supporting the Truth and Reconciliation Commission of Canada: Calls to Action (specifically numbers 7, 10i, and 10ii) there needs to be a commitment to raising the educational attainment rates of First Nations, Inuit and Métis people to national averages. For Canada, the Indigenous population represents a growing segment of the country's labour force and a key part of its future social development and economic prosperity.

Recommendation

Develop a Canada Student Grant Program tailored to Indigenous students, with unique expenses, such as relocation and community visits, included in the cost of attendance for need assessment. This Grant will help to provide additional non-repayable financial support to address access, retention and successful completion of Indigenous students in post-secondary studies and reduce the educational gaps between Indigenous and non-Indigenous Canadians.

Enhancing the student experience

Residency Requirement

Global movement of students and immigration has resulted in some students facing challenges in establishing provincial residency for student aid funding, particularly newcomers to Canada and Canadians who have never lived in Canada. These students can face long delays while a decision is being made between jurisdictions, sometimes not being resolved. Residency requirement policy and interpretation vary across jurisdictions. This lack of consistency results in students being left in a funding limbo.

Recommendation

Establish harmonious residency requirements across the country, as well as create a direct pathway for student to apply to CSFA Program directly for federal funding when their residency is in dispute, to ensure their rights as a Canadian are not infringed upon.

Student Loan Portal

Over the past decade, the Canada Student Financial Assistance program and provincial loan programs have undergone major policy shifts, resulting in many students holding multiple types of loans with different lenders. In addition to loans from the previous guaranteed and risk-shared programs held at

one or more banking institutions, students may also have direct loans and harmonized loans at the National Student Loans Service Centre, and provincial loans with various direct lenders or banking institutions.

This complex history of loans is often very confusing, and students and financial aid staff at post-secondary institutions have difficulty accessing information about total debt load with each lender, especially when students transfer between educational institutions and provincial/ territorial residency.

Students with multiple types of loans often go into technical default with one or more lenders when these lenders have not been informed about their full-time student status, resulting in unnecessary interest charges and endangering future funding.

CASFAA is grateful for the advisory opportunity provided by CSFA Program and Finastra in the development of the new NSLSC portal.

Recommendation

Ensure CASFAA's continued involvement in the implementation, maintenance and evolution of the new NCLSC portal.

Recommendation

Ensure a single portal provides critical and holistic information regarding lenders, amounts and status of all government student assistance awarded.

On behalf of the CASFAA Board and our members representing PSE institutions from every region across the country, we thank you in advance for your consideration.

Respectfully submitted,



CASFAA President

Stephanie Williams
Co-ordinator of Program Eligibility,
Student Financial Aid and Awards
British Columbia Institute of Technology
Burnaby, British Columbia
(604) 456-8136
Stephanie_Williams@bcit.ca



Past-President

Cara Piperni
Director, Scholarships & Student Aid
McGill University
Montreal, Quebec
Phone: (514) 398-2512
Email: cara.piperni@mcgill.ca