

FEDERAL BUDGET 2017

Impact on CSLP and Labour Market

(Content directly from <http://www.budget.gc.ca/2017/home-accueil-en.html>)

BUDGET 2017 IN SUMMARY

- Starting in the 2018-2019 academic year, the government **pledged to raise the income threshold for part-time students** to qualify for federal student loans and grants.
- To make post-secondary education more affordable for adult learners with dependent children, the Government also intends to **expand eligibility for Canada Student Grants** for students with dependent children, starting in the 2018–19 academic year.
- This is in addition to the Budget 2016 measures introducing a **new flat-rate contribution model** to determine eligibility under the Canada Student Loans Program. This new model comes into effect for the 2017–18 academic year and replaces the old system, which focused on student income and financial assets. **This new model will benefit adult learners, many of whom may work while studying or own a home or other assets.**
- **3 year pilot program to allow adult learners to qualify for student financial assistance (\$287.2 million starting in 2018-2019)**, to test new approaches in helping adults returning to PSE to qualify for Canada Student Loans and/or Grants;
- In addition to this collaborative reform, **Budget 2017 proposes to invest an additional \$1.8 billion over six years, starting in 2017–18, to expand the Labour Market Development Agreements.**
 - New investments to help adult learners retrain or upgrade their skills to adapt to a changing labour market;
 - Exceptional targeted support for underrepresented groups in the labour force including indigenous populations, veterans, and women;
 - Even greater additional funding for the **Youth Employment Strategy** (\$395 million over three years);
 - An additional \$1.8 billion investment over the next 6 years to fund the Labour Market Development Agreements;
 - Allowing unemployed and underemployed Canadians to access EI benefits while returning to training.
 - Additional \$900 million over 6 years for new “Workforce Development Agreements” (consolidates Canada Job Fund and LMAs for persons with Disabilities and targeted initiative for older workers);
 - \$132.4 million over four years to allow unemployed Canadians to pursue self-funded training while receiving EI benefits;
 - \$225 million over 4 years (starting in 2018-2019) for new organization to support skills development and measurement in Canada;
 - \$90 million over two years to increase funding to the Post-Secondary Student Support Program (PSSSP, Indigenous population support);
 - \$50 million to Aboriginal Skills and Employment Training Strategy and \$39.2 million in 2017-18 to provide case management services for youth living on reserve;
 - **New Veteran’s and Education Training Benefit, provides more money for veterans to go to college, university or technical school after completing service (\$133.9 million over 6 years) and enhancing Career Transitions Services to offer coaching and job placement assistance from a national contractor starting April 2018 - \$74.1 million over 6 years.**

BUDGET 2017 DETAILS

Helping Working Adults Upgrade Their Skills

To help Canadians pursue education and upgrade their skills, the Government of Canada provides a range of programs and services—from Canada Student Loans and Grants to training supports for workers to tax measures such as the Tuition Tax Credit.

While these programs help many Canadians, for too many adult workers, the high cost of post-secondary education, combined with the high cost of raising a family, can make it difficult to get the training they need to make better-paying, more secure jobs a reality. More can be done to assist those who are already employed, including workers who are in part-time, contract or precarious work, to return to school to upgrade their skills so that they can find and keep better jobs. This is especially true for women, who typically take on a greater share of unpaid work, leaving them with less time to retrain or upgrade their skills.

Budget 2016 Investments for Adult Learners

Budget 2016 included measures to help make post-secondary education more affordable, including for adult learners looking to learn new skills. These measures included:

- A 50 per cent increase in Canada Student Grants available for part-time students, beginning in the 2016–17 academic year. An estimated 16,000 part-time students will receive an additional \$600 each year as a result of this measure. This increased support will help make post-secondary education more affordable for adult learners, many of whom are part-time students.
- A new flat-rate contribution model to determine eligibility under the Canada Student Loans Program. This new model comes into effect for the 2017–18 academic year and replaces the old system, which focused on student income and financial assets. This new model will benefit adult learners, many of whom may work while studying or own a home or other assets.

Part-Time Students

To ensure that more Canadians pursuing part-time studies can receive the assistance they need to upgrade their skills, without the burden of substantial new student debt, the Government intends to expand eligibility for Canada Student Grants for students attending school part-time. This builds on initial actions taken in Budget 2016.

Under expanded eligibility, the existing income thresholds, which presently vary by province and territory, will be replaced with a higher, single national threshold. As family income increases, the amount of grant support received will gradually decline, depending on family size.

In addition, the threshold for eligibility for Canada Student Loans for part-time students will be increased so that even more part-time students can qualify for assistance.

Together, these changes, which will be in place for the 2018–19 academic year, are expected to make an additional 10,000 part-time students eligible for Canada Student Grants and Loans each year. To expand eligibility, Budget 2017 proposes to invest \$59.8 million over four years, starting in 2018–19, and \$17 million per year thereafter.

Students Who Support Families

To make post-secondary education more affordable for adult learners with dependent children, the Government also intends to expand eligibility for Canada Student Grants for students with dependent children, starting in the 2018–19 academic year.

Higher thresholds are expected to give an additional 13,000 students with dependants access to non-repayable student grants each year, making it more affordable for them to retrain and upgrade their skills while raising their families. Budget 2017 proposes to invest \$107.4 million over four years, starting in 2018–19, and \$29.3 million per year thereafter, to expand eligibility for these students.

Adults Returning to School

Adult students can face challenges to pursuing post-secondary education—not only because of the cost of education itself but also because of the financial pressures of maintaining their homes and supporting their families. At present, if an adult worker leaves their job to go back to school to get a new degree, diploma or certificate, they may not have access to many tools that could help make education more affordable. Canada Student Loans and Grants, for example, are often unavailable to adult workers because their prior-year incomes can make them ineligible.

To help adults who wish to return to school after spending several years in the workforce, the Government intends to introduce a three-year pilot project to test new approaches to make it easier for adult learners to qualify for Canada Student Loans and Grants. Budget 2017 proposes to provide \$287.2 million over three years, starting in 2018–19, for this pilot project. Over the next year, the Government will work to finalize program design so that the pilot project is in place starting in the 2018–19 academic year.

These measures are expected to benefit Canadian women in particular, who often strive to improve their career prospects while balancing family responsibilities. Women represent nearly two-thirds of the Canada Student Loans Program's part-time recipients, while approximately four out of five students receiving the Canada Student Grant for students with dependent children are women.

Taken together, these initiatives represent an investment of \$454.4 million over four years, starting in 2018–19, and \$46.3 million per year thereafter, to help Canada's middle class workers find and keep good jobs.

CASFAA RESPONSE

The CASFAA Board is pleased to see a continued and significant investment in the Canada Student Loan and Grant Program. The combined measures of Budgets 2016 & 2017 address several of our [Policy Positions](#) such as student self-help, spousal contributions and assets, students with dependents, part-time students, as well as indigenous students.

The week of April 10th, several Board members are participating in a conference call of NAGSFA (the National Advisory Group for Student Financial Assistance). This will be our opportunity to hear the detailed interpretation of the Budget measures from CSLP, and to articulate CASFAA's perspectives so the implementation of these measures can produce the intended outcomes. We are particularly interested in the definition of dependent children (proposing 18 years of age rather than the current 12) and any opportunities for our National Work Study Program pitch to be incorporated into the Youth Employment initiatives.

We will communicate the details to the CASFAA membership as they are confirmed.