

## April 2016 - The Canadian Association of Student Financial Aid Administrators publishes its response to the 2016 Federal Budget

The Canadian Association of Student Financial Aid Administrators applauds the measures impacting the Canada Student Loan Program within the Federal 2016 budget, as innovative with the potential to positively affect post-secondary students from across Canada. It is an invigorating approach to an otherwise archaic system that has the potential to lead to further changes in the coming years. CASFAA recognizes that some of our policy positions are reflected in the Budget. Additional reflection and commentary concerning the 2016 Federal Budget follows:

- Redistribution of resources towards consideration of financial need:** The initiative to eliminate the education and textbook tax credits and the redistribution of these funds to needier full-time and part-time students aligns with CASFAA's stance on transforming Education Tax Measures towards means-tested alternatives. The 50% increase in the low and middle income grants, and the part-time student grant is an excellent step towards the removal of financial barriers to attend post-secondary education for a population of students who should not be penalized by the requirement to use loans. It is expected that these upfront, non-repayable grants will provide more funding to students thus reducing long-term educational burden of loan repayment.
- Relief in loan repayment:** CASFAA recognizes the increase to the minimum earnings threshold for the Repayment Assistance Program (RAP) and acknowledges that this is a great step forward to providing relief to low earners post-graduation. Although this will help to offset payments for low-income students, a need for greater communication for RAP is required to ensure that students are aware of this program. It is also unfortunate that although low-income students are addressed with this change, all other students will continue to pay either prime + 2.5% (variable) or prime + 5% (fixed). CASFAA continues to recommend the reinstatement of interest-free status for six months after graduation on Canada Student Loans.
- Flat rate student contribution:** The notion of not penalizing hard-working students beyond a specific earning threshold is a positive change. Many students must work to make ends meet and should not have to face an inherent penalty within the student financial assistance program. However, CASFAA is concerned that a flat rate contribution will create a negative bias for the most vulnerable students who, for a variety of reasons, cannot generate any in-study income. While this scenario should be offset by increased grants for low-income students, we believe there must be built-in provision such as an exception or appeal process to protect the most at-risk students.
- In-study job opportunities and experiential learning:** The infusion of over \$750 million towards skills training by the federal government is a step in the right direction. CASFAA continues to assert that part of the solution is to create a Canada Student Work-Study Program (CSWSP) that may be accessible to students with financial need via all public, not-for-profit post-secondary institutions across Canada. The creation of this program has the ability to promote and create experiential jobs for low- (or no-) income post-secondary students and infuse further funding to the post-secondary community. CASFAA will continue to lobby the government for the creation of a CSWSP to ensure our students are being provided quality work opportunities during their post-secondary studies. To review our proposal please visit: [http://www.casfaa.ca/Library/docs/2015\\_Federal\\_Work-Study\\_Program\\_FWSP\\_for\\_House\\_of\\_Commons\\_Standing\\_Committee\\_on\\_Finance\\_w\\_appendix.pdf](http://www.casfaa.ca/Library/docs/2015_Federal_Work-Study_Program_FWSP_for_House_of_Commons_Standing_Committee_on_Finance_w_appendix.pdf)

The 2016 Federal budget is a promising start over the next 4 – 5 years. CASFAA looks forward to seeing the concrete and positive impacts that “Growing the Middle Class” will have on Canadian students enrolled at our member institutions. Our association will continue to advocate for further funding and policy development, as well as ensure any unintended biases are identified and remedied.