

**Submission to the Liberal Caucus Roundtable
on Post Secondary Education and Research**

**Presented by Judy Stymest, President CASFAA
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The Canadian Association of Student Financial Aid Administrators (CASFAA) is pleased to have the opportunity to participate in the Liberal caucus roundtable on PSE and Research.

CASFAA represents financial aid administrators at universities, colleges and technical institutions across Canada. Our members oversee the administration of both need based and merit based financial aid programs at public and private post secondary institutions. We have direct experience dealing with students, with both provincial and federal government departments delivering student aid programs, with financial institutions that have been involved for many years with the 'guaranteed' and 'risk shared' loan programs and more recently with the National Student Loan Service Centers.

CASFAA has identified one major issue for discussion here today - that is the widening gap between student need and the availability of government student assistance, which is commonly referred to as 'unmet need'. The traditional principles of need assessment in the Canada Student Loan Program (CSLP) define need as the excess of cost of attendance expenses over the financial resources available to the student. This is referred to as 'assessed need'. In reality, many students do not receive their calculated need since loan ceilings artificially limit the amount of assistance available. The CSLP has a \$165/week loan limit in its parameters.

In recent years, increasing costs (particularly tuition) have left more and more students with growing levels of 'unmet need'. According to an Actuarial Report of CSLP (July 2001) 43% of student loan recipients received maximum CSL's in 2001; it is estimated that in 2025, 77% of students will have need beyond the maximum limits if the same loan ceilings are maintained. As well, the Report estimates that tuition will rise from \$4100 to \$13,200 during the same period. It is thus clear that accessibility to PSE will be compromised in the years ahead if measures are not taken to increase funding to students and to prevent further erosion of the CSLP.

CASFAA recommends a multifaceted approach toward meeting the full assessed need of all students.

CSL Weekly Loan Maximums

The weekly loan limit of \$165/week has not been increased since 1994, while the cost of post secondary education has risen significantly. The anticipated increases in tuition costs in the next decade will increase student need and further erode the efficacy of the Program.

Recommendation 1

It is recommended that the weekly borrowing limit of the Canada Student Loan Program be increased, and reviewed every 5 years thereafter.

Increased Student In-Study Income Exemptions

Part of the CSL need assessment calculation takes into account the student's income during their school year or term. Most students who have more than \$600 in income face a reduction in the amount of student assistance available to them. Many experts agree that 15 hours of part time work per week is appropriate and should not adversely affect academic performance. Students working 15 hours per week, paid at minimum wage, would earn approximately \$100.

Recommendation 2

It is recommended that the in-study work exemption be raised to \$100/week.

Institutional Need-Based Awards

Many institutions award need based bursaries to assist students with expenses that are not covered in government programs, e.g. computers and other study related costs. Such aid can offset expected parental contributions which students are frequently unable to fully obtain. Institutional assistance is often vital to the academic success of the individual.

Recommendation 3

It is recommended that all institutionally administered need based awards be exempt in the CSLP need assessment calculation.

Federal Work Study Program

Some provinces and many institutions have created Work Study programs to increase on-campus employment opportunities for students with need. Such programs are highly beneficial in that they provide students with an important source of revenue, often through jobs that are related to future career interests and in a convenient environment dedicated to student success.

Recommendation 4

It is recommended that the federal government establish the Canada Student Work Study program.

Unsubsidized Parental Loan Program

Often, parents are unable, not unwilling, to provide the level of financial contribution that is calculated in the need assessment analysis. Many have not accumulated the savings required to sustain support of their child throughout the program of study. To assist parents in this situation, an alternate means to provide the expected parental contribution would be useful.

Recommendation 5

It is recommended that the federal government consider the establishment of an unsubsidized parental loan program for post secondary study.