

Formative Evaluation of the Canada Student Loans Program

Final Report

*Program Evaluation
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List of Acronyms

CSFAA	<i>Canada Student Financial Assistance Act</i>
CSGs	Canada Study Grants
CSLs	Canada Student Loans
CSLP	Canada Student Loans Program
DRR	Debt Reduction in Repayment
HRDC	Human Resources Development Canada
ICCSFA	Intergovernmental Consultative Committee on Student Financial Assistance
IR	Interest Relief
NA	Not Available
NAR	Needs Assessment Report
NSLSS	National Student Loans Service Centre
OECD	Organization for Economic Cooperation and Development
PSE	Post-secondary education
PWGSC	Public Works and Government Services Canada
RMAF	Results-Based Management and Accountability Framework
SES	Socio-economic status
GSS	General Social Survey
CSLA	<i>Canada Student Loans Act</i>
ADM	Assistant Deputy Minister

Executive Summary

Background

The Canada Student Loans Program (CSLP) was created in 1964 under the *Canada Student Loans Act (CSLA)* to promote access to post-secondary education in Canada. This *Act* continues to apply to student loans negotiated prior to August 1, 1995. In 1995, the *Canada Student Financial Assistance Act (CSFAA)* was introduced to administer the risk-shared loan regime, because the relationship between the federal government and financial institutions had changed. On August 1, 2000, the *CSFAA* was amended to allow for directly financed loans through the Government of Canada. Financial institutions are no longer responsible for issuing Canada Student Loans.

In 2001, the CSLP signed agreements with Ontario and Saskatchewan that integrated the delivery of the provincial and federal student loans programs.

Guaranteed student loans are governed pursuant to the *CSLA*, while risk-shared and directly financed student loans are governed pursuant to the *CSFAA*.

The mission of the CSLP is “*to promote accessibility to post-secondary education for those with demonstrated financial need by lowering financial barriers through the provision of loans and grants and to ensure Canadians have an opportunity to develop the knowledge and skills to participate in the economy and society.*”

The CSLP currently provides a range of products and assistance including:

- ***Canada Student Loans (CSLs)***: These loans are provided as direct loans from the federal government to students enrolled in a designated post-secondary institution and demonstrating financial need. Eligibility and level of need are determined by provincial/territorial partners using federal criteria;
- ***Canada Study Grants (CSGs)***: These non-repayable grants are provided to students with particularly high levels of need who qualify for a CSL. CSGs are available to students with permanent disabilities, students with dependents, part-time students with high levels of need, and female students in selected doctoral programs. Qualification for grants is determined by provincial/territorial partners using federal criteria;
- ***Interest relief and repayment assistance***: The CSLP subsidizes the interest that would otherwise accumulate on the loan principle while a CSLP borrower is pursuing full-time or part-time studies. The CSLP also provides Interest Relief (IR) to assist borrowers experiencing financial hardship in repaying their loans. Debt Reduction in Repayment (DRR) provides assistance to borrowers who, after exhausting IR, continue to experience financial difficulties after five years of leaving full-time studies. A borrower with a permanent disability experiencing difficulty repaying a loan due to a disability may apply to have their loan cancelled under the Permanent Disability Benefit.

In 2000-01, the CSLP provided financial assistance to 331,541 eligible full-time and part-time students with demonstrated financial need across Canada. The value of loans issued in that time period totalled \$1.57 billion.

Evaluation Overview

The *Formative Evaluation of the Canada Student Loans Program* was undertaken to assess issues of program relevance, design and delivery and for the purposes of examining the early impacts of changes made to the program since 1998. The evaluation also reviewed the Performance Measurement Strategy contained in the July 2002 Results-Based Management and Accountability Framework (RMAF).

The evaluation was conducted between March 2002 and October 2003. The use of multiple lines of evidence, both qualitative and quantitative, were emphasized to ensure comprehensive and defensible results. Five main research methods were used.

- A document and literature review that included more than 120 recent (i.e. post-1998) reports, policy documents and other literature;
- Twenty-one focus groups involving a total of 183 participants, including regular CSLP borrowers, CSG recipients, potential CSLP applicants (i.e. high school students planning to pursue post-secondary education), non-participants (i.e. high school students not planning to attend a post-secondary institution in the next school year), non-qualifiers (i.e. rejected applicants);
- Semi-structured interviews with three subject area experts who are recognized as having expertise in specific areas related to the CSLP, such as student access and/or barriers to post-secondary education, student financing or other student financial assistance programs;
- A total of 27 informant interviews involving provincial officials (12), service providers (3), organizations/associations (3), and CSLP or other government officials (9). In addition, a separate group interview was conducted with 11 members of Saskatchewan's Scholarship, Bursary and Loan Committee consisting of government, institutional and student representatives; and
- A review and analysis of four of the program's administrative databases including the Provincial Certificates File, the Needs Assessment Reports (NAR), the Interest Relief File and the Borrowers File.

The evaluation approach emphasized the use of multiple lines of evidence, both qualitative and quantitative. This approach takes advantage of the strengths and minimizes/offsets the weaknesses of each method; and enables the findings from one line of evidence to be informed, corroborated or further explored by the findings of the other lines of evidence.

At the same time, however, the following limitations should be noted:

- Due to weaknesses/limitations in program administrative data, much of the quantitative information used in the evaluation analysis came from secondary data sources. Administrative data were used only where available and reliable. Data analysis was generally limited to the construction of simple frequency distributions because weaknesses in the administrative data prevented more sophisticated analysis. Where reliable data were available, some time series analysis was also conducted to identify program trends;
- The evaluation was formative in nature and not designed to provide in-depth or incremental information regarding program outcomes and impacts;
- The research design relied heavily on qualitative methodologies. While qualitative methods generate in-depth and rich anecdotal evidence, this type of approach is often criticized for being too subjective. Therefore, to help address concerns in this area, the qualitative findings have been used in concert with quantitative evidence where possible;
- The most recently available data was used when 2001-02 data was not available. For some time series analysis, data from the 1990-1991 loan year onwards was used.

Evaluation Findings

Program Relevance:

The percentage of full-time post-secondary students in Canada served by the Canada Student Loan Program has increased from 30% in 1990-91 to 38% in 1999-2000.

The CSLP has served more than 3.4 million post-secondary education students and negotiated more than \$21.1 billion in student loans, since its inception in 1964. In 2001-02, 328,674 eligible full-time students and 2,867 part-time students with demonstrated financial need received assistance through the program. Canadians exhibit high levels of post-secondary education completion relative to other OECD countries. Canada has the highest percentage of individuals with post-secondary education. Enrolments in post-secondary education have continued to increase over the last decade; steady increases in tuition have also been experienced.

Student financing is identified as one of the key barriers to post-secondary education participation.

Average tuition fees for both college and university education has increased substantially over the past few years. These costs are expected to continue to rise. The majority of focus group participants cited student financing as a major consideration in their decision and/or ability to attend post-secondary education.

Certain groups face additional cost/barriers in accessing post-secondary education.

Numerous studies on financing post-secondary education have concluded that there are groups who face additional costs/barriers in accessing post-secondary education including individuals from lower socio-economic status families, individuals living in remote/rural communities, students with dependents, persons with disabilities and Aboriginal individuals.

There is a gap between the post-secondary education goals that parents have for their children and parents' behaviour in terms of assisting their children financially to attend post-secondary education.

Although the 1999 *Survey of Approaches to Educational Planning* showed that almost nine in ten parents indicated that they wished for their children to get an education beyond high school it also showed that only 41% had established savings specifically for their children's post-secondary education and the amount of money saved was insufficient. Half the parents surveyed expected their children would need loans.

The CSLP's mandate/mission is consistent with both the goal of equitable access to PSE and the identification of student financing as a key barrier to participation in post-secondary education.

One of the four program objectives of the CSLP is to maintain the government's commitment to accessible post-secondary education. In addition, a key element of the mission statement of the CSLP is the lowering of financial barriers to post-secondary education for those with financial need.

Many of the groups identified as facing additional barriers to post-secondary education are targeted by the CSLP through the program's needs assessment process and through CSG funding.

Groups facing additional barriers in accessing post-secondary education, such as individuals from lower socio-economic status families, individuals living in remote/rural communities, students with dependents, persons with disabilities, and Aboriginal individuals, are targeted by the CSLP through the needs assessment process and through CSG funding. Focus group participants and informants were unanimous in their opinion that there is a need for the CSLP. Experts and informants indicated that the needs-based assessment approach for targeting students most in need is one of the key strengths of the program.

Program Design and Delivery:

Evidence from key informants and the HRDC Client Satisfaction Survey suggests that the new service delivery model was designed and successfully implemented by the CSLP on schedule.

The government's goal was to implement the changes to the CSLP resulting from the August 1, 2000 amendment to the CSFAA without interrupting service. The new program delivery mechanism was in place by March 1, 2001, as scheduled. At that time, the federal government assumed full responsibility for program delivery.

Close to half (49%) of all CSL borrowers across Canada in 2001-02 received an integrated loan from either Saskatchewan (5%) or Ontario (44%).

As of August 1, 2001, integrated federal and provincial programs were established in Ontario and Saskatchewan. Close to half (49%) of the total borrowers in 2001-02 received an integrated loan from those provinces. For 2001-02, of the 331,541 students in Canada who received assistance from the program, 16,246 full-time students and 123 part-time students were from Saskatchewan and 145,287 full-time students and 802 part-time students were from Ontario.

The available evidence suggests that integration has simplified the loan process and improved communications with students.

Provincial officials from Ontario and Saskatchewan noted that the “front end” of the loan process is clearer and less complex for students and that communications with students has improved due to increased provincial participation/responsibility. Among the focus group participants who were aware of integration, many felt that service delivery had improved.

In the case of the non-integrated provinces, there is some evidence that the federal government’s role is less clear under the new service delivery model.

Many of the provincial officials noted that the federal government’s role in terms of setting policy direction was generally clear. However, the CSLP’s responsibilities with respect to program implementation were less clear to some of the non-integrated provincial informants as they considered the province to be the primary agent involved in program delivery.

The general view is that the needs assessment process and formula are simple and straightforward to apply, and are generally applied consistently across provinces.

Service provider and provincial informants considered the needs assessment process/formula to be clear and applied consistently by the provinces. None of the provincial informants considered the needs assessment process to be difficult to administer. Some provincial officials considered the criteria applied in the calculation of need to be complicated, especially from the students’ perspective.

Focus group participants were more concerned about their ability to repay student loan debt than about the amount of debt incurred.

In 2001-02, CSLP debt averaged \$9,539 per student borrower at consolidation. The majority of the focus group participants indicated that they chose to pursue post-secondary education regardless of the anticipated debt load at the completion of their studies. They viewed their education as an investment in their future, which made the costs associated with obtaining a post-secondary education expected and acceptable.

Students, including CSLP borrowers, are also borrowing funds from private financial institutions while attending post-secondary education.

Studies indicate that approximately 20% of university undergraduates and 13% of college students reported using a personal bank loan as a source of funding for post-secondary

education. The extent to which CSLP borrowers rely upon other sources of funding including private borrowing is unknown.

Utilization of Interest Relief (IR) has increased substantially since its inception.

IR assistance peaked at \$106.8 million in 2000-01, rising from \$18.6 million in 1995-96 but fell to \$76.7 million in 2001-02. All of the informants and experts indicated that IR “was working well in general” and was adequate in responding to the needs of CSLP borrowers. While the reasons underlying the increase in IR expenditures (e.g., debt burden; labour market demand) are known, the extent to which each contributes to increased use is not known.

Utilization of Debt Reduction in Repayment (DRR) is currently low, although the recent increases in IR clients are expected to translate into greater utilization of DRR over the next few years.

Low utilization was expected by the CSLP because DRR, which was introduced in 1998, is designed to target a small group of borrowers who have an extended period of repayment difficulty (i.e., after IR has been exhausted). Greater utilization over the next few years is anticipated because more borrowers will qualify for DRR once they have exhausted five years of IR.

The evidence indicates that difficulty in loan repayment is more related to the type of education and the employment situation than to the amount of debt.

Difficulties in repaying student loans are related to the type of education and the employment situation after post-secondary studies. Some focus group participants and informants suggested linking repayment to income, as is done in other countries.

The risk of loan default is highest for CSLP borrowers attending private institutions.

CSLP borrowers attending private institutions consistently have the largest percentage of student loan defaults. From 1990-91 until 1999-2000, the default rate for private institutions was consistently higher than for university or college ranging from 8% to 37%.

Performance Measurement Framework:

The program logic model developed in 2002 provides a reasonable basis for assessing program performance.

It was noted, however, that the connection between information products and improved decision-making is left unexplained. It was also found that the long-term outcome of “Strengthening the ability of borrowers to better help themselves within the community” was not supported by strong causal links to the program’s activities.

Additional indicators were developed to respond to concerns of incrementality and attribution, particularly in the area of impacts on PSE accessibility, as well as program cost.

Program Resources:

The formative evaluation was conducted too soon after the change to direct loan provision to determine whether program resources were adequate or whether the change in the service delivery model will lead to reduced administrative costs.

In 2001-02, CSLP officials expect program operating costs to decrease over the next three years as the new administrative processes are fully implemented. CSLP officials interviewed considered program administration resources to be sufficient and reasonable, although they did indicate that efficiency in program administration could be improved; for example, making better use of technology.

Areas for Improvement

Data Collection and Information Sharing:

The program's administrative data were insufficient to fully determine the impact that loans and grants have upon PSE attendance and/or completion.

Due to data limitations regarding the financial circumstances of CLS, CSG recipients and non-qualifiers, the evaluation was unable to fully determine the impact that loans and grants have upon PSE attendance and/or completion. Although the formative evaluation could not speak to this issue, it was able to begin an examination of loan repayment issues that are related. The question of impacts and a detailed profile of CSL and CSG recipients as well as non-qualifiers should be considered for the summative evaluation of the CSLP which is scheduled to begin in 2004-2005.

Some data collection and information-sharing practices could compromise the program's ability to meet its mandated performance measurement strategy.

The review of the administrative data indicated that missing data were not a substantial issue for the most recent entries from the 1998-99 loan year onward. Information available from historical sources (i.e., from the previous two loan regimes not to the new, direct loan delivery model) is variable with some figures characterized as "not reliable" due to missing, incomplete or poor quality data. Among other limitations/gaps in administrative data, the review indicated there is a lack of some socio-economic profile data for CSL recipients, CSG recipients and information for individuals who applied to the program, but were not eligible for assistance. Some data collection and information-storing practices could compromise the program's ability to meet its mandated performance measurement strategy.

CSLP and provincial officials emphasized the need for better data collection and information sharing.

Several informants noted that the main reason for data-related problems is the complexity of the student financial assistance system. Information-sharing and administrative processes need to be simplified in order to extract meaningful data for management and decision making.

Performance measurement will be challenged by the absence of comparable population data.

At present, the program's administrative data has gaps with respect to CSG recipients, DRR clients, rejected applicants and accepted applicants who subsequently decided not to use a CSL. The absence of data for an adequate comparison group limits the measurement of program outcomes.

Communications:

Communications between federal and provincial programs were identified as an area for improvement.

The majority of informants from the provinces indicated that communications between the federal and provincial programs needs improvement. Specific areas identified by the informants for improvement included the timeliness with which provinces are notified of changes to the CSLP, and the duplication of communications received by the institutions from the provincial program and the CSLP.

CSLP activities and plans exhibit an on-going commitment to improving communications with CSLP borrowers and potential applicants.

A communications strategy was introduced in 2002-03 with a budget of \$1.45 million which included among other topics advertising via posters, brochures, signs, fact sheets, websites, etc. Other communication plans include working in partnership with the provinces/territory to develop joint communications products.

To help clarify communications responsibilities, Corporate Communications has developed a draft Communications Function Management Framework while CSLP Client Relations has developed draft communications agreements with the National Student Loans Service Centre and the provinces of Ontario and Saskatchewan.

Despite program efforts, the evidence suggests that there is a need to further enhance CSLP communications/awareness of specific products and services.

The *HRDC Client Satisfaction Survey* indicated that in the case of those who reported experiencing problems with the program, 13% reported receiving conflicting information and 9% reported communications problems.

Needs Assessment:

Informants and focus group participants noted several areas of concern in the calculation of student need.

Some of the provincial informants suggested that cost of living differentials could be considered regionally, within a province, rather than provincially. Many focus group participants, the majority of informants and the experts interviewed were concerned about the extent to which individual or special circumstances are considered in the needs assessment process. Two specific concerns were also noted:

- The needs assessment formula does not take into account the existing financial obligations of the student, parents or spouse such as mortgage payments or other debt serving obligations; and
- The effectiveness of the needs assessment process to consider circumstances on a case-by-case basis is largely dependent upon the applicant's awareness of the reassessment option.

Integration of Federal and Provincial Program:

There have been some delays in finalizing/implementing all aspects of the integration agreements.

At the time of the evaluation, full integration had not been completed. Saskatchewan considered the province and federal integration to be well under way and Ontario noted certain elements of the programs had not yet been addressed.

Management Response

The 2002-2003 Formative Evaluation of the Canada Student Loans Program (CSLP) was undertaken to fulfill a commitment made by the CSLP in its 2001 Treasury Board submission. The purpose of the CSLP evaluation was to assess the relevance of the current program objectives, the successes and shortcomings of the delivery process, short-term effects associated with the move to the direct lending delivery model, and to assess whether there have been any early program impacts.

In addition, in view of a commitment made in the Canada-Ontario and Canada-Saskatchewan Integration Agreements to conduct a formative evaluation of the agreements, a joint decision was made to ensure that the CSLP formative evaluation included an examination of both Integration Agreements.

The Directors and Managers of CSLP, the Ontario Student Loan Program and the Saskatchewan Student Loan Program have reviewed the formative evaluation report. This management response reflects both CSLP and the Ontario Student Loan Program views about the formative evaluation findings. The formal Saskatchewan Student Loan Program management response will be made available at a later date. Overall, Program managers were pleased to learn that the new delivery model was successfully implemented, and that the move toward direct lending has demonstrated some positive results.

The CSLP continues to promote access to Post-Secondary Education

Many of the evaluation findings are positive and demonstrate that the CSLP continues to contribute toward promoting accessibility to post secondary education for students with demonstrated financial need. The mandate and objectives of the CSLP have been found to have continued relevance. Service delivery under the new direct lending arrangement has been well received, and the transition has taken place smoothly.

Simplified loan process and improved communication resulting from Integration Agreements

The Integration Agreements with Saskatchewan and Ontario have been shown to have simplified the loan process and improved communications with students without compromising provincially established student financial assistance systems. The evaluation suggests that the federal and provincial roles are clearly defined under the new service delivery model in the two integrated provinces, but are less clear in non-integrated provinces. This lends support for CSLP to further efforts to pursue integration agreements with the remaining provinces and territories. Indeed, CSLP has actively encouraged all remaining provinces to begin discussions concerning integration and is in active negotiations with New Brunswick. An Integration Agreement with the province Newfoundland and Labrador has just recently been signed.

Need to improve communications with public and Provinces

The CSLP has undertaken a number of activities to improve long-term communications and outreach with potential and current borrowers, including client focused research, various communications and outreach strategies, and ongoing development of the CanLearn website. Despite these program efforts, research evidence gathered during the evaluation indicates that, generally speaking, information on the CSL program itself, its products (such as IR and DRR), and its corresponding borrower responsibilities need to be better and more continuously communicated to its varied target audiences.

To address this issue, CSLP (in collaboration with HRSD Communications) has developed and implemented a number of communications and outreach initiatives. Prior to the completion of the evaluation, it has put in place mechanisms to monitor and track the effectiveness of these communication activities over time. CSLP meets directly with Canadian parents, students, and educational influencers through career and education fairs. Stakeholder initiatives have improved access to key distribution channels with communications vehicles specially created for each audience. New outreach programming to key groups (adult learners, those in repayment, student peer groups) continue to build on current awareness levels by developing long-term, strategic relationships.

In addition, an online marketing plan has been created to ensure that those using the Internet to research learning and financing opportunities can easily find CanLearn and its interactive planning tools. This on-line plan has been integrated with strategic media placement in both online and print publications, and targeted at individuals planning for post-secondary education (i.e. Maclean's Annual Guide to Universities and Colleges).

With respect to communication with the provinces, officials interviewed from the non-integrated provinces indicated that both the shift to direct loan provision and the development of new partnerships with service providers have resulted in the federal government's role becoming less clearly defined. Under the new service delivery model, this role definition has resulted in confusion and duplication in communications to potential and current clients. To address this observation, CSLP and the provinces have agreed to establish, under the auspices of Intergovernmental Consultative Committee on Student Financial Assistance (ICCSFA), a Communications Working Group to better coordinate, clarify, and simplify messaging in all media, including print, online, face-to-face, and broadcast communications. The progress of these initiatives will be monitored and reported to federal and provincial Assistant Deputy Ministers (ADMs).

Effective performance management and evaluation will require improved administrative data

The review of administrative data as it relates to results based management indicated that recent data collected and maintained by the program is relatively complete and reliable; however, there exist some notable gaps with respect to historical data from the previous loan regimes (some data is characterized as not reliable due to missing, incomplete or poor quality data). As well, Provincial needs assessment data provided to the program was found to contain gaps which could limit the ability of the CSLP to measure its

effectiveness. The report also notes that there have been considerable delays in obtaining some data, especially where the provinces / territories are involved in the collection.

This issue presents a major challenge for CSLP given that provinces are charged with collecting loan applications; assessing need, eligibility, and extent of funding to be provided; maintaining the associated data base; and transmitting information to the program and Service Providers. CSLP has initiated a federal provincial Working Group on Data which serves, in part, as a forum for discussing each jurisdiction's information element definitions and need assessment administrative process with the goal of developing common definitions and common reporting frameworks. CSLP has also included in its current business plan the establishment of a federal provincial Audit Working Group which will attempt to find agreement on common minimal audit standards as they apply to joint CSLP delivery, including the needs assessment process for both loans and grants and the management of process and program performance. The implementation of the resulting audit framework will help ensure timely, reliable, and valid program data. Finally, the tendering specifications for the new Service Provider contract will specifically address processes to capture administrative data and requirements for systems of recording and reporting.

The risk of loan default is highest for CSLP borrowers attending private institutions

CSLP borrowers attending private institutions consistently have the largest percentage of student loan defaults. From 1990-1991 until 1999-2000, the default rate for borrowers who attended private institutions was consistently higher than for borrowers at universities or colleges ranging from 8% to 37% (not clear what the percentages apply to). In order to partly mitigate this risk, CSLP and participating provinces have agreed to design and implement a joint Designation Policy Framework whose purpose, while respecting individual provincial priorities, is to reduce default rates associated with specific educational institutions. The model is currently being developed and tested prior to full implementation.

Further work required to assess fairness and equity

Informants and focus group participants identified several areas of concern about the fairness concerning the calculation of student need in relation to certain potential or approved borrowers which may have an impact on access to post-secondary education. Participants identified cost of living differentials within provinces; existing financial obligations of the student, parents, or spouse; and the flexibility of the needs assessment process in considering circumstances on a case-by-case basis. CSLP is committed to working with its provincial partners to monitor, investigate, and assess such issues and will include this issue for more rigorous assessment in the program summative evaluation.

1. Introduction

The Canada Student Loans Program (CSLP) was created in 1964 under the *Canada Student Loans Act (CSLA)* to promote access to post-secondary education in Canada. This *Act* continues to apply to student loans negotiated prior to August 1, 1995. In 1995, the *Canada Student Financial Assistance Act (CSFAA)* was introduced to administer the risk-shared loan regime, because the relationship between the federal government and financial institutions had changed. On August 1, 2000, the *CSFAA* was amended to allow for directly financed loans through the Government of Canada. Financial institutions are no longer responsible for issuing Canada Student Loans. In 2001, the CSLP signed agreements with Ontario and Saskatchewan that integrated the delivery of the provincial and federal student loans programs. Details of the integration can be found in section 5.2. Guaranteed student loans are governed pursuant to the *CSLA*, while risk-shared and directly financed student loans are governed pursuant to the *CSFAA*.

In 2001-02, the CSLP provided financial assistance to 331,541 eligible full-time and part-time students with demonstrated financial need across Canada. The value of loans issued in that time period totalled \$1.57 billion.¹

The formative evaluation of the CSLP was conducted between March 2002 and October 2003. The purpose of the formative evaluation was to assess issues of program relevance, design and delivery, as well as the early impacts of changes made to the program since 1998. The program's performance measurement framework was also reviewed. The CSLP was last evaluated in 1997. A summative evaluation of the CSLP is planned for 2004-05.

This report on the formative evaluation includes the following sections:

- An overview of the CSLP, including a description of the program's goals and objectives, types of assistance, program changes, business processes, loans and expenditures and a profile of recipients;
- A summary of the evaluation issues and approach used to conduct the formative evaluation;
- An assessment of the program's relevance;
- The main findings regarding issues of program design and delivery; and
- A summary of findings and areas identified for improvement.

This report also includes a number of appendices deemed relevant for reference purposes. This evaluation report is a result of the combined efforts of Human Resources Development Canada (HRDC) and the provinces of Saskatchewan and Ontario.

¹ Office of the Superintendent of Financial Institutions and Office of the Chief Actuary. *Actuarial Report on the CSLP*, July 31, 2001.

2. Overview of the CSLP

The Canada Student Loans Program (CSLP) was created in 1964 under the *Canada Student Loans Act (CSLA)* to promote access to post-secondary education. Under the CSLA, the CSLP provided 100% government guaranteed loans through banks and credit unions to students with demonstrated financial need. General administration of the program was assumed by the provincial and Yukon governments.

In 1995, the *Canada Student Financial Assistance Act (CSFAA)* was introduced. It replaced the regime of guaranteed loans with a risk-sharing system where participating financial institutions were paid a risk-premium for loans going into repayment each year. The CSFAA also established Canada Study Grants (CSGs) which provide non-repayable financial assistance to post-secondary students with particularly high levels of need. The grants assist students with permanent disabilities, high-need students with permanent disabilities, high-need part-time students, students with dependants and female students in doctoral programs in which women are traditionally under-represented.

When the majority of financial institutions opted out of participating in a proposed new agreement on delivery of the CSLP, the Government of Canada announced on August 1, 2000 that it would assume the responsibility for financing and administering the program. The responsibility was transferred to the Government of Canada through a corresponding amendment to the CSFAA. Under this change, student loans would be provided directly by the federal government with a 60/40 Federal/Provincial cost-sharing arrangement with participating provinces. Quebec, the Northwest Territories and Nunavut do not participate in the CSLP. They do, however, receive funds from the federal government to deliver their own student assistance programs.

From 1964 to the end of 2002, the CSLP has provided more than \$21.1 billion in loans to over 3.4 million students.² Other sources of financial support for Post-Secondary Education (PSE) in Canada include institutional scholarships and bursaries, Canada Education Savings Grants, Canadian Millennium Scholarship Foundation scholarships, tax credits, and private sources of financing. Further details on the program's goals and objectives, types of assistance, program changes, business processes, loans and expenditures, and a profile of recipients are presented below.

The program has referred to the first delivery model from 1964 to 1995, as the guaranteed loan regime, the second delivery model from 1995 to 2000, as the risk-shared loan regime, and the present delivery model since 2000 as the direct lending loan regime. The program currently manages borrower files from all three loan regimes. Eventually, all loans will be managed under the present model as loans from the previous loan regimes are retired.

² CSLP Administrative Data, 2002.

2.1 Program Goals and Objectives

The mission of the CSLP is “to promote accessibility to post-secondary education for those with demonstrated financial need by lowering financial barriers through the provision of loans and grants and to ensure Canadians have an opportunity to develop the knowledge and skills to participate in the economy and society.”³

The CSLP has four primary objectives:

- to maintain the government’s commitment to accessibility;
- to make the loan experience a positive one;
- to increase awareness; and
- to ensure performance, integrity and accountability.⁴

2.2 Types of Products and Assistance

The following products and assistance are provided under the current structure of the CSLP:⁵

- Canada Student Loans;
- Canada Study Grants;
- In-study Interest Subsidy;
- Interest Relief ;
- Extended Interest Relief;
- Debt Reduction in Repayment; and
- Permanent Disability Benefit.

2.2.1 Canada Student Loans

Under the current legislation, the CSLP provides financial assistance in the form of direct loans to students with demonstrated financial need.⁶ These loans are available to students enrolled in full-time or part-time studies at a designated post-secondary institution.

³ <http://www.hrsdc.gc.ca/en/gateways/individuals/cluster/tl.shtml>

⁴ Ibid.

⁵ In addition to the products and assistance provided by the current structure of the CSLP, CSLP borrowers in repayment can claim an income tax credit on the interest portion of their student loan payments each year. This income tax credit was introduced in 1998 and is administered by the Canada Customs and Revenue Agency.

⁶ The program logic model is contained in Appendix A.

In order to receive financial assistance in the form of a Canada Student Loan (CSL), students must satisfy initial eligibility criteria.⁷ Upon establishing eligibility, a needs assessment is conducted to determine the amount of each student's financial need. The needs assessment process is designed to take into account regional/provincial differences and additional needs of certain groups (e.g., students with dependents, students living away from home, students who relocate to pursue a post-secondary studies).⁸

Provincial and territorial government partners determine both eligibility and level of need using federal criteria. Since 1995, the maximum weekly federal loan limit that can be received by a student is \$165.

2.2.2 Canada Study Grants

Since 1995, the CSLP has provided non-repayable financial assistance in the form of Canada Study Grants to post-secondary students who qualify for loans with particularly high levels of need. The grants assist students with permanent disabilities, high-need students with permanent disabilities, high-need part-time students, students with dependants and female students in doctoral programs in which women are traditionally under-represented. Eligibility for the grants is determined by provincial/territorial partners using federal criteria.⁹

2.2.3 In-Study Interest Subsidy

While a borrower is pursuing full-time or part-time studies, the CSLP subsidizes the interest that would otherwise accumulate on the loan principle. A borrower is required to begin repayment of his/her loan within six months of ceasing full-time studies. The interest subsidy does not apply to the six month post-study period.

2.2.4 Loan Repayment Assistance

The CSLP provides assistance to borrowers in repayment who are having difficulties meeting their student loan obligations:

- Borrowers experiencing financial hardship in repaying their Canada Student Loans may be eligible for up to 30 months of Interest Relief (IR) during the lifetime of their loans. Under Interest Relief, the Government of Canada pays the interest on the loan and the borrower is not required to make any payments on the principal or interest. In order to be eligible for this measure a borrower's monthly family income would have to be below established thresholds;

⁷ Federal eligibility criteria are summarized in Appendix B.

⁸ Appendix C indicates the student category definitions applied in the needs assessment process.

⁹ CSG eligibility requirements and annual funding maximums are contained in Appendix D.

- Following 30 months of Interest Relief and during the first five years after leaving school, borrowers continuing to experience financial hardship may apply for an additional 24 months of extended Interest Relief. This would bring the total to 54 months during which no payment of interest or principal is required;
- As a final measure, borrowers who are still experiencing financial difficulties after five years of leaving full-time or part-time study and who have exhausted Interest Relief, may apply to have their loan principal reduced through Debt Reduction in Repayment. Currently, the maximum amount of the reduction is \$10,000 or 50% of the loan principal, whichever is less;
- A borrower with a permanent disability experiencing difficulty repaying a loan due to a disability may apply to have their loan cancelled under the Permanent Disability Benefit.

Borrowers can obtain information regarding IR, DRR and the Permanent Disability Benefit through their financial institution, the National Student Loans Service Centre, the CanLearn Interactive Website, and their provincial student financial assistance office. Applications for IR, DRR and the Permanent Disability Benefit for Canada Student Loans can be obtained through the National Student Loans Service Centre (NSLSC) (for direct loan holders) and through their financial institution (for risk-shared loan holders). Borrowers holding risk-shared and direct loans in the integrated provinces of Ontario and Saskatchewan can only apply to the NSLSC for IR.

2.3 Program Changes Since 1998

A number of program modifications and other federal measures introduced since 1998 have affected the way the CSLP conducts its business.

2.3.1 Changes in 1998

Under the 1998 Canadian Opportunities Strategy, a number of new measures were introduced including:

- the creation of the CSG for full- and part-time students with dependants;
- improvements to IR (including the extension beyond 30 months); and
- DRR.

Other changes were introduced outside of the CSLP, also directly impact CSLP borrowers. First, a tax credit was introduced for student loan interest to ease the burden of repayment of a CSL. Second, the *Bankruptcy and Insolvency Act* was amended to prevent borrowers who file an assignment in bankruptcy from discharging their debt on Canada Student Loans for 10 years after completing their studies.

2.3.2 Changes Since 2000

With the shift to the direct lending loan regime, two private sector service providers were contracted to handle the administration and management of Canada Student Loans. Under this new service delivery model, responsibility for the delivery of the program is shared by Human Resources Development Canada (HRDC) working in partnership with the provinces and the Yukon Territory as well as Public Works and Government Services Canada (PWGSC). The two service providers are contracted to provide service under the banner of the National Student Loans Service Centre (NSLSC). Canada Post is a subcontracted to the NSLSC.

The CSLP engaged the cooperation of the provinces to make some of the program changes. As part of the program's risk management strategy, credit screening of certain applicants was introduced. The credit screening is conducted by the provinces, and is one element used to determine a given applicant's eligibility for a CSL.

The CSLP implemented strategies to announce the program changes and improve communications with CSLP borrowers and potential applicants. These strategies included two new websites - the National Student Loans Service Centre and the CanLearn Interactive Website (launched in 1999) -, a national radio advertisement campaign, other advertisement campaigns and specific communication products targeted to CSLP borrowers or potential applicants.¹⁰

In 2000, the federal government announced its commitment to provide all of its services on-line by 2004. This means that, as a federal program, the CSLP must move to electronic service provision to CSLP borrowers and potential applicants during the prescribed time period.

In 2001, the Canada signed separate agreements with Ontario and Saskatchewan that integrated the delivery of the student loans programs in those provinces with the CSLP. The agreements that were sign with the Ontario and Saskatchewan were titled, respectively, the Canada-Ontario Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs and the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs. The goal of the integration agreements was to have federal and provincial student loans programs operate with a common set of rules, principles, and assistance measures, so that students could receive financial assistance as a single loan product. Details / analysis of the integration can be found in section 5.2.

In 2002, changes were implemented to the CSG for Students with Permanent Disabilities and the addition of the CSG for high-need students with permanent disabilities. In 2003, changes were implemented to the in-study income exemption, extending eligibility to Protected Persons, amendments to IR and DRR debt management measures.

¹⁰ CSLP, Mass Communications for the Canada Student Loans Program, 2001.

2.4 Business Processes

Program activities coincide with the loan lifecycle, including:

- application and confirmation processes;
- loan disbursement;
- in-study account management;
- loan consolidation and repayment;
- debt management; and
- debt collection.

The CSLP has established a number of partnerships and contracts to administer certain aspects of the loan process under the new service delivery model. Therefore, a primary responsibility of the CSLP is to provide effective management of the relations between the various participating organizations. Other program responsibilities include:

- the development of policies to guide the eligibility, needs assessment and debt management processes;
- comptrollership;
- certification of public post-secondary education institutions (a provincial responsibility);
- managing the special investment fund¹¹; and
- client relations.

2.4.1 *Partnerships and Contractual Arrangements*

The CSLP has designated certain responsibilities to the participating partners and contractors in administering the program:

- Participating provinces and the Yukon Territory assess eligibility for CSLs and apply federal criteria in the eligibility and needs assessment processes. They also issue loan certificates and designate post-secondary educational institutions (public and private) as eligible for inclusion under the CSLP;
- Other agencies, including some Canada Post outlets and post-secondary education institutions, provide services such as verifying student identification and student enrolment at an eligible post-secondary education institution;

¹¹ The special investment fund is a joint federal-provincial initiative to develop common information systems.

- Public Works and Government Service Canada (PWGSC) disburses funds once the loan agreement has been signed;
- HRDC Collection Services (or a contracted private collection agency) becomes responsible for collection in instances where the borrower is in default and cannot be located or is not willing to pay;
- The NSLSC administers account management activities starting when the loan agreement is signed to the end of the repayment process. This includes verifying the loan agreement, managing the in-study interest free period, negotiating/handling loan repayment and debt management. The service providers are responsible for sending a letter to borrowers six months after graduation notifying them of their debt consolidation and detailing their repayment responsibilities.

2.4.2 Communications and Research

As part of client relations, the CSLP is responsible for communicating information to CSLP borrowers, potential applicants, and the Canadian public in general. The CanLearn Interactive website was launched in October, 1999 as a method of improving communications with borrowers and potential applicants. The program has also developed and implemented a communications plan budgeted at \$1.45 million aimed at CSLP borrowers and potential applicants for 2002-03.¹² Research activities include conducting and contracting research to provide the basis for program improvements and decision-making. The flow of information and data between the program, the provinces, the service providers and partners is a shared responsibility.

2.5 Value of Loans and Program Expenditures

In loan year¹³ 2001-02, the CSLP provided financial assistance to 331,541 eligible full-time and part-time students with demonstrated financial need across Canada. The value of loans issued in that time frame totaled \$1.5 billion.¹⁴ Table 2-1 summarizes the number and value of CSLs negotiated for full-time and part-time students for loan years 1990-91 to 2001-02.

¹² Canada Student Loans Program 2002-03 Communications Plan, Corporate Communications Branch, HRDC.

¹³ A loan year is from August 1st to July 31st.

¹⁴ Office of the Superintendent of Financial Institutions and Office of the Chief Actuary. *Actuarial Report on the CSLP*, July 31, 2001.

Table 2-1
Canada Student Loans Negotiated for Full-Time and Part-Time
Students — Number of Students and Total and Average Value of Loans
For Loan Years 1990-1991 to 2001-2002

Loan Year (August 1 – July 31)	Number of Students	Value of Loans (\$)²	Average Value of Full-time Loans (\$)	Average Value of Part-time Loans (\$)
1990-1991	241,346	667,200	2,768	1,691
1991-1992	269,062	798,500	2,971	1,667
1992-1993	282,592	849,200	3,010	1,991
1993-1994	306,356	989,500	3,300	2,124
1994-1995	317,782	1,220,500	3,848	2,789
1995-1996 ¹	326,052	1,345,300	4,133	2,846
1996-1997	345,083	1,589,400	4,615	2,884
1997-1998	353,979	1,575,600	4,470	2,407
1998-1999	339,378	1,564,800	4,630	2,507
1999-2000	339,808	1,558,100	4,624	1,819
2000-2001	346,568	1,570,100	4,554	1,812
	331,541	1,512,300	4,586	1,717

Source: CSLP Administrative Data.

1. The weekly loan limit was increased from \$105 to \$165/Week in 1995-1996.

2. Value of Loans figures have been rounded to the nearest '00.

Of the 331,541 students who received assistance in loan year 2001-02, 48,730 (or approximately 15%) received additional funds, totalling over \$67 million, through the CSG program. Table 2-2 shows the distribution and expenditures of CSGs by grant program, for loan years 1995-96 to 2001-02.

Table 2-2
Canada Study Grants
Take-up and Expenditures¹
For Loan Years 1995-1996 to 2001-2002

Loan Year	Students with Disabilities		High Need Part-time Students		Female Doctoral Students		Students with Dependents		Total number of CSGs and Expenditures	
	Students	Grants	Students	Grants	Students	Grants	Students	Grants	Students	Grants
1995-1996	1,051	\$2,644,000	438	\$441,300	188	\$491,700	N/A	N/A	1,677	\$3,577,400
1996-1997	2,984	\$6,274,800	3,037	\$1,958,600	252	\$675,500	N/A	N/A	6,273	\$8,908,900
1997-1998	2,538	\$6,906,200	4,567	\$3,540,500	249	\$709,300	N/A	N/A	7,354	\$11,156,000
1998-1999 ²	4,145	\$7,903,200	5,675	\$4,555,500	179	\$518,900	46,900	\$60,891,100	56,899	\$73,868,700
1999-2000	4,519	\$9,321,900	5,728	\$4,695,700	201	\$561,500	53,345	\$68,360,200	63,793	\$82,939,400
2000-2001	4,636	\$11,194,300	5,441	\$4,554,700	190	\$545,500	45,563	\$64,781,800	55,830	\$81,076,500
2001-2002	5,276	\$12,225,200	4,786	\$4,061,100	223	\$636,000	38,445	\$50,428,900	48,730	\$67,351,400
Total	25,149	\$56,470,000	29,672	\$23,807,400	1,482	\$4,138,400	184,253	\$244,462,000	240,556	\$328,878,300

Source: CSLP Administrative Data

1. This table represents the take-up and expenditures relevant to participating provinces only.

2. In 1998-99, the CSG for students with disabilities increased from \$3,000 to a maximum of \$5,000 per loan year. In 1998-99, the CSG for students with dependants was introduced.

As noted in Section 2.2.4, repayment assistance occurs during the latter part of the loan lifecycle. In the 2001-02 loan year, 140,461 individuals received IR assistance valued at \$76.7 million. During the same time period, 876 individuals received DRR assistance amounting to \$5.3 million.¹⁵

2.6 Profile of Canada Student Loans (CSL) and Canada Study Grants (CSG) Recipients

This section uses the available program administrative data to provide a profile of CSLP borrowers and CSG recipients.

2.6.1 Canada Student Loan Borrowers

As shown in Table 2-3, the available information indicates that the specified characteristics of CSLP borrowers are similar to the overall post-secondary education population. It should be noted, however, that part-time students accounted for less than 1% of total CSLP borrowers in 1998-99, while 26% of the overall post-secondary education population was enrolled on a part-time basis in the same time period. Table 4.1 provides a more rigorous comparison of Canadian PSE enrollments to CSLP borrowers.

Table 2-3				
Comparison of the Canadian PSE Population and CSLP Borrowers				
Characteristic	Canadian PSE Enrolment by Institution, Status and Sex (1998-99)¹		CSLP Borrowers by Enrolment Institution, Status and Sex (1998-99)	
	Enrolment²	Percent of Total Enrolment	Enrolment³	Percent of Total Enrolment
Type of Institution				
College	494,955	38%	110,396	38.0%
University	826,361	63%	177,537	62.0%
Private	NA	NA	50,484	–
Missing			1,019	–
Enrolment Status				
Full-time	983,892	75%	287,114	99.7%
Part-time	337,424	26%	791	3.0%
Sex				
Male	581,902	44%	128,764	45.0%
Female	739,414	56%	159,141	55.0%
Source: Statistics Canada; CSLP Administrative Data, 1998-1999.				
1. While Canadian PSE enrolment data <i>do not</i> include trade and vocational school enrolments, CSLP PSE enrolment numbers <i>include</i> trade and vocational school enrolments.				
2. Enrolment data for private institutions was not available.				
3. Enrolment Status and Sex enrolment data for CSLP Borrowers do not include private institution attendees.				

¹⁵ HRDC, Review of the Government of Canada's Student Financial Assistance Programs. The Canada Student Loans Program 2000-01.

Table 2-4 shows that more than half (51%) of CSLP borrowers who were full-time students attended a public university, while 35% attended a community college and 13% attended a private post-secondary institution.

Table 2-4 also shows CSLP borrowers by province and territory for those enrolled as full-time students. These data indicate that the percent of CSLP borrowers attending university was highest in Prince Edward Island (68%) and Nova Scotia (67%) and lowest in British Columbia (38%), the Yukon (44%) and Alberta (46%).¹⁶ Table 2-4 also indicates that the percent of CSLP borrowers attending private post-secondary institutions was highest in New Brunswick (21%) and Newfoundland (20%) and lowest in Alberta (11%) and the Yukon (11%).

Table 2-4 Canada Student Loans Borrowers for 2000-2001 (Full-time Students Only)							
Provinces/ Territories¹	University		Community College		Private		Total
	Number	Percent	Number	Percent	Number	Percent	
Newfoundland	9,374	59%	3,432	21%	3,147	20%	15,953
Prince Edward Island	2,058	68%	590	19%	398	13%	3,047
Nova Scotia	11,336	67%	3,485	21%	2,082	12%	16,903
New Brunswick	8,690	55%	3,786	24%	3,232	21%	15,708
Ontario	85,420	54%	57,444	36%	15,392	10%	158,256
Manitoba	6,778	62%	2,127	20%	1,955	18%	10,860
Saskatchewan	9,365	57%	4,165	26%	2,828	17%	16,358
Alberta	19,808	46%	18,677	43%	4,809	11%	43,294
British Columbia	23,669	38%	27,524	44%	11,760	19%	62,953
Yukon	113	44%	114	45%	29	11%	256
Total	176,612	51%	121,344	35%	45,632	13%	343,588

Source: HRDC, Review of the Government of Canada's Student Financial Assistance Programs. The Canada Student Loans Program 2000-01

1. Excludes Quebec, NWT and Nunavut.

Regarding level and type of study, the CSLP administrative data for 2001-02 indicated that:

- Ninety-eight percent of CSLP borrowers were enrolled in undergraduate programs. Of those, approximately 55% were enrolled in an undergraduate degree program while 43% enrolled in a non-degree program. The other 2% of CSLP borrowers were pursuing graduate studies;¹⁷
- Forty-one percent of CSLP borrowers were enrolled in general arts and science programs and 19% were enrolled in business administration in 2001-02. Other fields of study included engineering and technology (11%), education (9%), health sciences

¹⁶ British Columbia and Alberta have articulated PSE systems whereby students can transfer credits from college to university. In contrast, the remaining provinces/territory have PSE systems where there is limited ability to transfer credits from college to university.

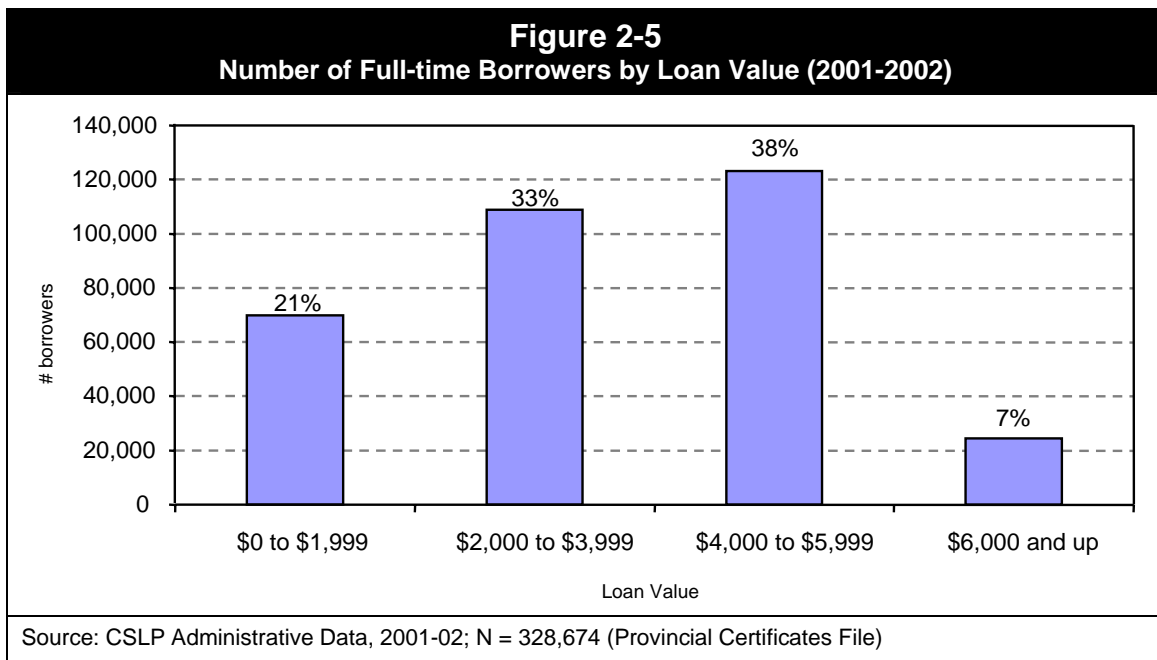
¹⁷ CSLP Administrative Data, 2001-02: N=328,674, Full-time borrowers (Provincial Certificates File).

(9%), trades and technology (5%), agriculture (2%), law (2%), medicine (1%), theology (1%) and dentistry (1%).¹⁸

Regarding age and marital status, the CSLP administrative data for 2001-02 indicated that:

- seventy-four percent of CSLP borrowers were under 25 years of age;¹⁹
- most (90%) CSLP borrowers were single;
- under half (44%) of CSLP borrowers were classified as single and dependent on their parents; and
- in the case of CSLP borrowers who were married, two-thirds had a spouse who was also a student.

Figure 2-5 shows that the majority (71%) of CSLP borrowers received loans valued between \$2,000 and \$6,000. Seven percent received a loan valued at \$6,000 or more. The average value of loans disbursed in 2001-02 was \$4,544 per borrower.



2.6.2 Canada Study Grant Recipients

Most (81%) of the CSG recipients in loan year 2000-01 were students with dependents, as shown in Table 2-6. Grants available to female doctoral programs accounted for less than 1% of the CSGs.

Table 2-6 also shows the distribution of CSGs by province. Slightly more than 70% of CSG funds distributed in loan year 2000-01 went to CSLP borrowers located in Ontario (47%) and British Columbia (24%).

¹⁸ Ibid.

¹⁹ Ibid.

Table 2-6
Canada Study Grant Distribution and Expenditures
by Province (2000-2001 Loan Year)

Provinces/ Territory ¹	Students with Disabilities		Part-Time Students with High Need		Female Doctoral Students		Students with Dependents	
	Grants	Students	Grants	Students	Grants	Students	Grants	Students
Newfoundland	\$142,667	43	\$9,400	9	\$12,000	4	\$1,476,836	1,186
Prince Edward Island	\$116,560	40	\$105,929	121	\$6,000	2	\$22,3524	180
Nova Scotia	\$671,596	185	\$102,620	91	\$9,159	4	\$1,509,896	1,109
New Brunswick	\$159,097	51	\$66,012	62	\$30,000	10	\$2,047,403	1,601
Ontario	\$7,012,314	3,234	\$428,186	412	\$273,223	93	\$30,067,906	22,636
Manitoba	\$271,966	89	\$54,906	51	\$17,304	6	\$1,341,080	891
Saskatchewan	\$536,441	205	\$331,636	296	\$22,769	8	\$4,204,771	3,100
Alberta	\$569,570	263	\$793,420	1,126	\$19,830	15	\$6,951,590	5,037
British Columbia	\$1,699,125	522	\$2,659,004	3,270	\$135,241	48	\$16,919,848	9,796
Yukon	\$15,000	4	\$3,600	3	0	0	\$3,9040	27
Total	\$11,194,336	4,636	\$4,554,713	5,441	\$545,526	190	\$64,781,894	45,563

Source: HRDC, Review of the Government of Canada's Student Financial Assistance Programs. The Canada Student Loans Program 2000-01.

1. Excludes Quebec, NWT and Nunavut because they do not participate in the CSLP.

The administrative data reveal that the CSG for women in certain doctoral studies is infrequently used. The number of students with permanent disabilities and high-need part-time students receiving CSGs are approximately the same. Students with disabilities, however, received more than twice the funding. The highest utilized CSG is by students with dependents, exceeding all other grants combined by almost four times.

One of the data gaps identified in the administrative data review (see Section 5.7 for further details) was the lack of information regarding the characteristics of CSG recipients aside from the type of grant received and province of residence. The summative evaluation of the CSLP should consider the development of a detailed profile of CSG recipients.

3. Evaluation Issues and Approach

This section provides an overview of the evaluation issues and the approach used to conduct the formative evaluation. The strengths and limitations of the evaluation approach are highlighted at the end of the section.

3.1 Evaluation Issues

The formative evaluation of the Canada Student Loans Program (CSLP) was undertaken to assess issues of program relevance, design and delivery and for the purposes of examining the early impacts of the changes made to the program since 1998.

A previously developed evaluation framework identified a number of evaluation questions and indicators for each of the three main evaluation issues. The following key issues and questions were identified for the formative evaluation:

Program Relevance

- 1.1. Are the mandate and objectives of the CSLP still relevant?
- 1.2. Is there a demonstrated need for the CSLP?

Program Design and Delivery

- 1.3. Is the program delivery mechanism being implemented as intended? Is it the most appropriate mechanism?
- 1.4. How effective are the partnerships between the federal government and participating provincial/territorial governments for the delivery of the program?
- 1.5. Is the needs assessment process appropriate and fair?
- 1.6. How effective are communications to students from the CSLP via the program itself, provincial/territorial partners and service providers throughout the loan lifecycle?
- 1.7. Does the program have adequate management information and administrative data systems for effective and efficient program delivery and management?
- 1.8. Are the program resources, activities and outputs consistent with its mandate and plausibly linked to the attainment of the Program's stated objectives and intended impacts?

Early Program Impacts

- 2.1. To what extent has the CSLP enhanced access to, and participation in, post-secondary education for all qualified students with demonstrated financial need?
- 2.2. To what degree are students satisfied with the CSLP and related services?

The evaluation also included a review of the CSLP's program performance measures and monitoring mechanisms (as discussed in Section 3.3). Results from the review and evaluation research helped inform the identification/development of valid and reliable measures of program performance and outcomes.

It should be noted that some of the evaluation questions could not be fully answered in the formative evaluation. Places where the information was not available to adequately address an evaluation issue are noted in the reporting of findings in Sections 4 and 5. Evaluation questions that could not be fully answered/addressed in the evaluation include questions 1.3, 1.8 and 2.1.

- The formative evaluation was able to assess whether the new service delivery model was implemented as intended. However, the methodology used was not sufficient to address the question as to whether it is more appropriate. To do so would require an examination of alternative delivery models and develop objective testing techniques to determine cost-effectiveness.
- In the case of evaluation question 1.8, the formative evaluation was conducted too soon after program changes to determine the extent to which program resources were adequate or whether the change in the service delivery model will lead to reduced administrative costs. Administrative expenditures will be reviewed in 2003-2004 as a part of the program's mandated operational review.²⁰
- Question 2.1 could not be answered because the program's administrative data was insufficient to fully determine the impact that loans and grants have upon Post Secondary Education (PSE) attendance and/or completion. The question of impacts and a detailed profile of Canada Student Loans (CSL) and Canada Study Grants (CSG) recipients as well as non-qualifiers should be considered for the summative evaluation of the CSLP that is planned for 2004-05. Although the formative evaluation could not answer question 2.1, it was able to begin an examination of loan repayment issues that are related to that question.²¹

3.2 Evaluation Methodology

The evaluation approach emphasized the use of multiple lines of evidence, both qualitative and quantitative, to ensure comprehensive and defensible results. Five main research methods were used.

- document and literature review;

²⁰ Request for Proposal for Human Resources Development Canada PWGSC File Number E60BQ-011SSA/B, August 8, 2003 – Annex A - Statement of Work for the Mandated Operational Review of the Canada Student Loan Program.

²¹ Two issues regarding loan repayment were identified for consideration by the formative evaluation: To what extent have the IR and DRR measures reduced concerns about loan repayment and thereby encouraged more able candidates to pursue post-secondary education as part of evaluation question 2.1; and to what extent have the IR and DRR measures helped to improve access to post-secondary education for students from lower-income families.

- focus groups;
- expert interviews;
- informant interviews; and
- a review and analysis of the program’s administrative data.

3.2.1 Document and Literature Review

The document and literature review was undertaken to inform the evaluation in terms of issues relevant to the CSLP and to guide the development of questions for the focus groups, expert interviews and informant interviews. The document and literature review also helped inform the development of evaluation indicators for the future summative evaluation.

The focus was on recent (i.e., post-1998) literature, research and documentation. Due to the extensive literature available on the topics of access to post-secondary education and student financial aid, more than 120 reports, policy documents and other literature were reviewed as part of the evaluation analysis.²²

The document and literature review included an examination of data collected from a survey of 2,010 CSLP loan recipients conducted as part of the Human Resources Development Canada (HRDC) *Client Satisfaction Survey*. The survey was designed to measure client satisfaction for a number of HRDC programs including the CSLP.²³ Where possible, survey data supplemented the other lines of evidence examined by the formative evaluation.

3.2.2 Focus Groups

Focus groups were conducted to collect in-depth, qualitative information from five main CSLP client and potential client groups:

- **Regular Borrowers:** borrowers at both public and private institutions at various stages of their PSE;
- **CSG Recipients:** CSG recipients from the designated special groups;
- **High School Participants:** senior high school students planning to pursue post-secondary education after graduation (i.e., potential CSLP applicants);

²² A full bibliography is contained in the *Technical Report: Document and Literature Review*.

²³ The HRDC Client Satisfaction Survey was conducted by Compass Research between March and June of 2002. Telephone surveys were completed with 1,608 CSLP clients who had an in-person or telephone interaction with CSLP staff or service delivery partners in the 6 months prior to the survey and 402 CSLP clients in collection. Based on the sample size, the margin of error is within plus or minus 2.4 percentage points, 19 times out of 20 for clients not in collection, and plus or minus 4.9 percentage points, 10 times out of 20 for clients in collection.

- **High School Non-Participants:** students at the senior high school level not planning to pursue post-secondary education in the next school year; and
- **Non-Qualifiers:** post-secondary education students whose CSLP applications were rejected.

A total of 21 focus groups, involving 183 participants, were conducted across the country²⁴ in the following communities: Victoria, BC; Ponoka, AB; Edmonton AB; Prince Albert, SK; Regina, SK; Saskatoon, SK; Niagara Falls, ON; Toronto, ON; Ottawa, ON; Fredericton, NB; Halifax, NS; and Wolfville, NS.

Two of the focus groups were conducted in rural communities to assess the extent to which the CSLP reaches the rural student population. Two of the focus groups were conducted in Saskatchewan with Aboriginal students. Other targets for some of the different focus group were borrowers attending colleges, universities and less traditional/private post-secondary education institutions, and borrowers at different stages of their education (e.g., undergraduate, graduate).

3.2.3 Expert Interviews

Semi-structured interviews were conducted with three subject experts who are recognized as having expertise in specific areas related to the CSLP, such as student access and/or barriers to post-secondary education, student financing or other student financial assistance.

3.2.4 Informant Interviews

Semi-structured interviews were conducted with 27 individual informants with a variety of knowledge and experience with the CSLP, the post-secondary education system, and factors affecting student access/barriers to post-secondary education. In addition, a separate group interview was conducted with 11 members of Saskatchewan's Scholarship, Bursary and Loan Committee consisting of government, institutional and student representatives. The informants were drawn from the following stakeholder groups:

- **Provincial officials:** officials from across Canada directly involved in the delivery of provincial student financial aid programs;
- **Service providers:** representatives of service provider organizations contracted by CSLP to administer and manage student loan disbursement and collection;
- **Specialized organizations/associations:** individuals representing key stakeholder groups such as the Canadian Alliance of Student Financial Aid Administrators, student organizations, and post-secondary education institutions; and

²⁴ A full summary of focus groups conducted for the evaluation is contained in *Technical Report: Focus Group Research*.

- **CSLP and other federal government officials:** federal officials representing key departments involved in the delivery of the CSLP.

A total of 27 individual informant interviews were conducted. Table 3-1 shows the number of informant interviews by stakeholder group.

Table 3-1 Individual Informant Interviews	
Stakeholder Group	# Completed
Provincial Officials	12
Service Providers	3
Organizations/Associations	3
CSLP Officials/Other federal government	9
Total Interviews	27

The interviews were conducted in-person or by telephone, depending on travel arrangements and interviewee availability. The interview questions varied depending on the areas of expertise of the informant group. More in-depth information (e.g., to explain the reasons for a “yes” or “no” answer) was collected through the interview. Probe questions were explicitly included in the interview guides.

The information collected through the informant interviews addressed issues related to post-secondary education, student need, access to post-secondary education, student assistance options and how CSLP products assist students in need of financing to pursue post-secondary education. Information regarding program operations and policies was also collected. Information from the interviews also provided context for the interpretation of the results of the other research methods and helped to inform the development of evaluation indicators for the future summative evaluation.

3.2.5 Administrative Data Review and Analysis

Four data sets were reviewed as a part of the administrative data review and analysis:

- **Provincial Certificates File:** a transaction file containing loan information for negotiated and authorized certificates from 1993 to the present (maintained by HRDC);
- **Need Assessment Reports (NAR):** provincial files (received by the program upon request) containing information on costs related to study from 1998 and onwards;
- **Interest Relief File:** provides details for each period of interest relief granted from 1993 to the present (maintained by HRDC);
- **Borrowers File:** contains loan information and tombstone data for borrowers since the inception of the program in 1964 to the present (maintained by HRDC).

The administrative data review and analysis was used to examine:

- the extent to which growth in the number/volume of CSLP loans have matched/exceeded the growth in post-secondary education enrolment;
- program demand and utilization patterns;
- distribution patterns of loans and grants;
- average loan amounts disbursed;
- the proportion of students who obtained maximum amounts;
- the proportion of students who obtained partial funding; and
- data gaps between and within federal and provincial data administration systems.

It should be noted that a number of other databases were identified in the initial research plan for the formative evaluation.²⁵ However, they were either not available, were incomplete, or contained unreliable information and, therefore, were not used in the evaluation analysis.

3.3 Review of the Performance Measurement Framework

The evaluation also reviewed the Performance Measurement Strategy contained in the July 2002 Results-Based Management and Accountability Framework (RMAF). This review was undertaken because it was considered critical to establish and ensure that the measurement of short, medium and long-term impacts could be considered for the summative evaluation planned for 2004-05.

The review assessed the availability and quality of the administrative mechanisms available to measure program outcomes and the potential success of the CSLP in meeting its stated objectives. Conducting the review involved the following activities:

- The current program's logic model was critically reviewed to identify any gaps or inconsistencies with respect to program objectives;
- The performance indicators proposed in the July 2002 RMAF and the existing Results-Based Management and Accountability Framework and Measurement Strategy were reviewed within the context of program goals and objectives, and evaluation objectives (both formative and summative). The framework was considered with respect to the availability and quality of existing data, and the applicability of various research methodologies. Performance indicators, data sources and methodological options were identified with respect to short, medium- and long-term outcomes associated with/attribution to the CSLP;
- A Methods to Measure document was developed for each performance measure and benchmarks for each measure were established where available.

²⁵ CSLP, *Formative Evaluation of the Canada Student Loans Program, Terms of Reference*, June 21, 2001.

3.4 Strengths and Limitations of the Evaluation Approach

The approach used for the formative evaluation was designed to emphasize the use of multiple lines of evidence and a combination of qualitative and quantitative methods. This approach:

- Takes advantage of the strengths and minimizes/offsets the weaknesses of each method; and
- Enables the findings from one line of evidence to be informed, corroborated or further explored by the findings from other lines of evidence.

At the same time, however, the following limitations should be noted:

- Due to weaknesses/limitations in program administrative data, much of the quantitative information used in the evaluation analysis came from secondary data sources. Administrative data were used only where available and reliable. Data analysis was generally limited to the construction of simple frequency distributions because weaknesses in the administrative data prevented more sophisticated analysis. Where reliable data were available, some time series analysis was also conducted to identify program trends;
- The evaluation was formative in nature and not designed to provide in-depth results on program impacts. Although the formative evaluation attempted to examine early program impacts, weaknesses/limitations in program administrative data made it difficult and, in some cases, impossible to complete this aspect of the evaluation;
- The research design relied heavily on qualitative methodologies. While qualitative methods generate in-depth and rich anecdotal evidence, this approach is often criticized for being too subjective. Therefore, to help address concerns in this area, the evaluation used qualitative findings in concert with quantitative evidence where possible;
- The most recently available data was used where 2001-02 data was not available.

4. Program Relevance

The formative evaluation examined two questions regarding program relevance:

- Are the mandate and objectives of the Canada Student Loans Program (CSLP) still relevant?
- Is there a demonstrated need for the CSLP?

As indicated in Section 2.1, the mandate/mission of the CSLP is:

“to promote accessibility to post-secondary education for those with demonstrated financial need by lowering financial barriers through the provision of loans and grants and to ensure Canadians have an opportunity to develop the knowledge and skills to participate in the economy and society.”

Therefore, this section examines program relevance by examining participation in post-secondary education, student financing as a barrier to accessing post-secondary education, and the role of the CSLP.

4.1 Participation in Post-Secondary Education

The percentage of full-time post-secondary students in Canada served by the Canada Student Loan Program has increased from 30% in 1990-91 to 38% in 1999-2000.

Table 4-1 also shows a peak in the percentage of full-time post-secondary students in Canada served by the CSLP in 1997-98 of 40%. Canadians exhibit high levels of post-secondary education completion relative to other Organization for Economic Cooperation and Development (OECD) countries. If university and college completions are combined, Canada has the highest percentage of individuals with a college or university education.²⁶ Enrolments in post-secondary education have continued to increase over the last decade; steady increases in tuition have also been experienced. Table 4-1 summarizes post-secondary enrollments, CSLP borrowers and the percentage of students enrolled who received Canada Student Loans (CSLs) from 1990-91 to 2001-02. All those who receive CSLs are subjected to a needs assessment and screening process.

²⁶ Statistics Canada, 2001 Census: analysis series. *Education in Canada: Raising the standard*, 2003.

**Table 4-1
Comparison of Canadian PSE Enrolment to CSLP Students Served
(1990-2002)**

YEAR	FULL-TIME PSE ENROLMENT IN CANADA ¹	FULL-TIME STUDENTS SERVED BY THE CSLP ¹	PERCENTAGE OF FULL-TIME STUDENTS SERVED BY CSLP	TOTAL PART-TIME PSE ENROLMENT IN CANADA	PART-TIME STUDENTS SERVED BY THE CSLP	PERCENTAGE OF PART-TIME STUDENTS SERVED BY CSLP
1990-1991	803,246	240,136	30%	251,181	798	0.32%
1991-1992	836,497	267,246	32%	272,834	737	0.27%
1992-1993	854,504	278,221	33%	319,104	1,256	0.40%
1993-1994	867,843	296,154	34%	317,617	1,394	0.44%
1994-1995	864,848	305,873	35%	303,889	2,081	0.69%
1995-1996 ²	852,184	314,055	37%	294,074	1,841	0.63%
1996-1997	854,655	333,598	39%	289,240	1,774	0.61%
1997-1998	850,365	342,234	40%	299,299	2,970	1.00%
1998-1999	853,584	326,728	38%	276,908	3,017	1.10%
1999-2000	860,954	324,983	38%	291,917	1,178	0.40%
2000-2001	NA	331,933	³	³	2,926	³
2001-2002	NA	316,862	³	³	2,850	³

Source: Statistics Canada, CSLP Administrative Data.

1 Enrolment data exclude those attending PSE in Quebec, NWT and Nunavut and those studying outside of Canada.

2 The weekly loan limit was increased to \$165/week in 1995-96.

3 Unable to calculate due to lack of data.

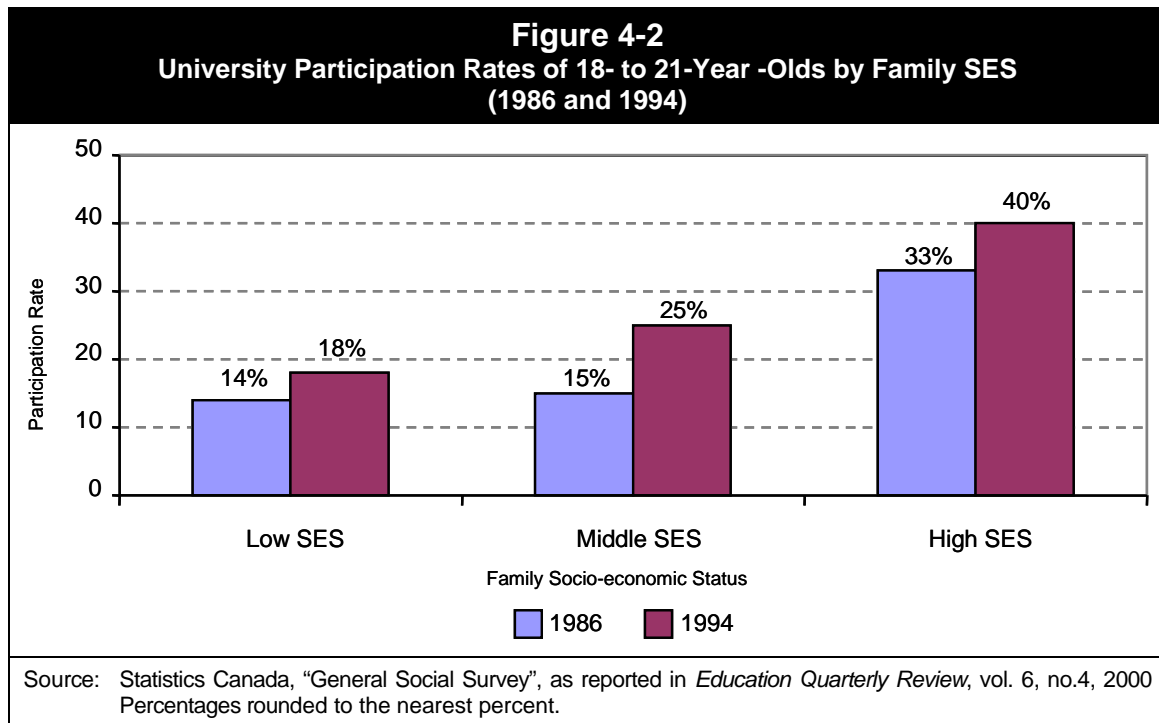
Certain groups face additional costs/barriers in accessing post-secondary education.

Groups identified as facing additional costs/barriers in accessing post-secondary education include individuals from lower socio-economic status (SES) families, individuals living in remote/rural communities, students with dependents, persons with disabilities, and Aboriginal individuals.

Individuals from Lower SES families

Family SES is considered to be the most significant factor affecting a student's educational path. Family SES can be defined and measured in various ways. The research generally concentrates on three main interrelated themes in terms of family SES: income, parental education and parental occupational status. In essence, all three themes are interrelated (i.e., low parental education can affect occupational status and, in turn, income).

As illustrated in Figure 4-2, while the university participation rate of low SES individuals increased between 1986 and 1994, it increased at a substantially slower rate than was the case for individuals from higher income strata.²⁷

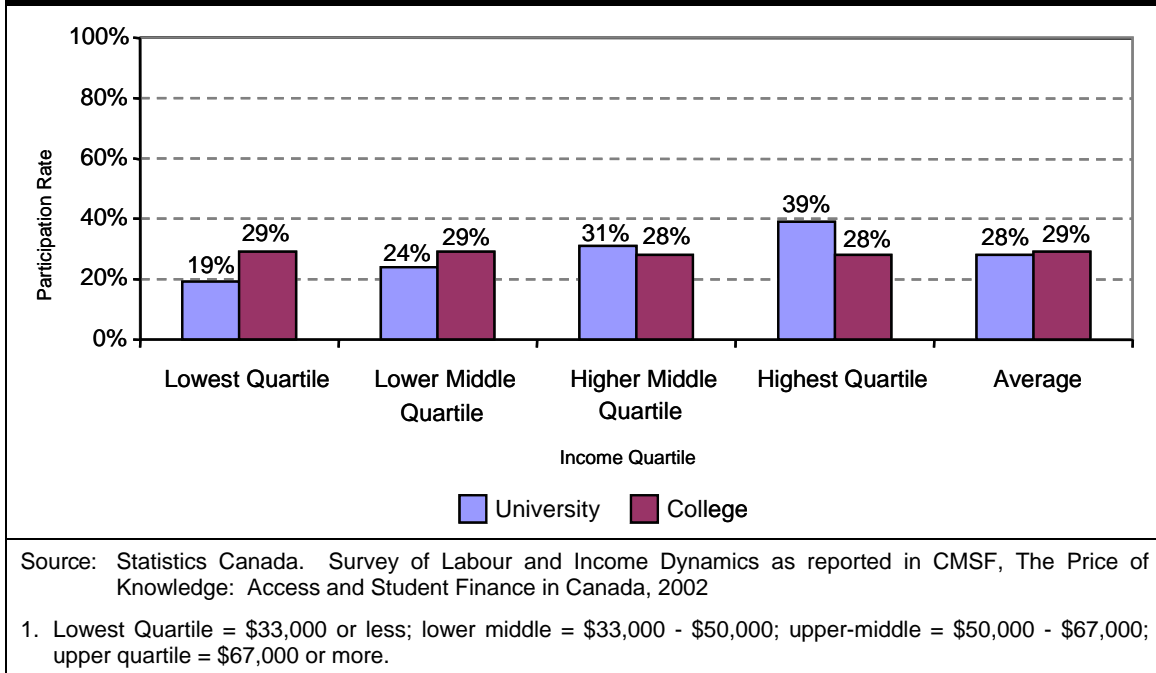


Another trend is that post-secondary students from low SES backgrounds typically enroll in two-year college programs rather than in four-year university programs. This trend is often referred to as the "substitution effect".²⁸ As shown in Figure 4-3, college participation rates from 1993 to 1998 were almost the same across income strata, but the university participation rate was 19% for the low SES group as compared to 39% for the high SES group.

²⁷ Family socio-economic status (SES) is operationally defined as the Blishen socio-economic index for fathers' occupations (index available on the Public Use Sample Files for the 1994 General Social Survey (GSS) and Analytic Files [Statistics Canada use only] for the 1986 GSS) when the young people were 15 years old.

²⁸ Kaiser, F., Vossenstyn, H. & Koelman, J. *Public Funding of Higher Education, A Comparative Study of Funding Mechanisms in Ten Countries*, 2002.

Figure 4-3
University and College Participation Rates by Income Quartile
(1993 to 1998)¹



A special category of low SES families is the single parent family. Children coming from single-parent families have been found to have lower educational goals compared to children from dual-parent families.²⁹

Individuals Living in Remote/Rural Communities

Research indicates that individuals located in rural and/or remote communities face a greater financial burden than the general student population in accessing post-secondary education due to the need to live away from home while attending a post-secondary institution.³⁰ Research from the Canadian Millennium Scholarship Foundation notes that “Approximately half of all post-secondary students live away from their parent’s place(s) of residence. For these students, housing represents a cost which is at least as significant as tuition, if not more so.”³¹ Furthermore, a recent study found that attending a post-secondary institution is more difficult and costly for individuals from rural and

²⁹ Horn, 1997; Kennedy et al., 1999; and Magee, 1998, as cited in Looker & Lowe, *Post-secondary access and Student Financial Aid in Canada: Current Knowledge and Research Gaps*, 2001.

³⁰ Andres & Looker, *Rurality and Capital: Educational Expectations and Attainments of Rural, Urban/Rural and Metropolitan Youth*, 2001; Christofides, Hoy & Cirello, *Family Income and Postsecondary Education in Canada*, 2001; Butlin, “Determinants of postsecondary participation”. *Education Quarterly Review*, vol. 5(3) 1999; Frenette, *Too Far To Go On? Distance to School and University Participation*, 2002; CMSF, *The Price of Knowledge: Access and Student Finance in Canada*, 2002.

³¹ Canada Millennium Scholarship Foundation, *The Price of Knowledge: Access and Student Finance in Canada*, 2002, page 87.

remote locations located at least 25 kilometres away from the nearest post-secondary education institution.³²

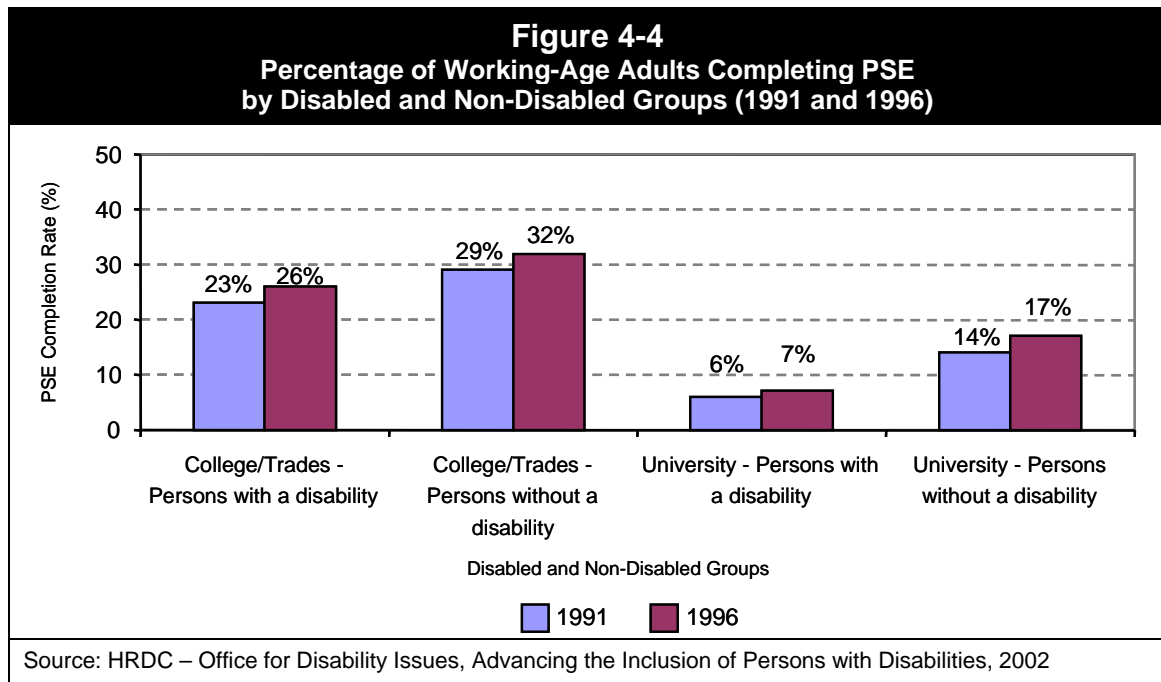
Students with Dependents

Approximately 10% of the post-secondary education student population are individuals with dependents. While this group represents a small percentage of the total student population, research suggests that “within this group, the importance of the costs and availability of childcare cannot be overstated.”³³

Many focus group participants and informants identified students with dependents as a group that faces significant barriers to post-secondary education. The focus group participants were of mixed opinion, however, as to how much of childcare costs should be covered through federal and provincial loan and grant programs.

Persons with Disabilities

Persons with disabilities are less likely than the general Canadian population to have a post-secondary education. Results from the 1996 Census indicated that 33% of working-age adults with a disability obtained a post-secondary education as compared to 50% of adults of working age without a disability.³⁴ Figure 4-4 shows the post-secondary education completion rates for adults with disabilities and adults without disabilities from 1991 to 1996.



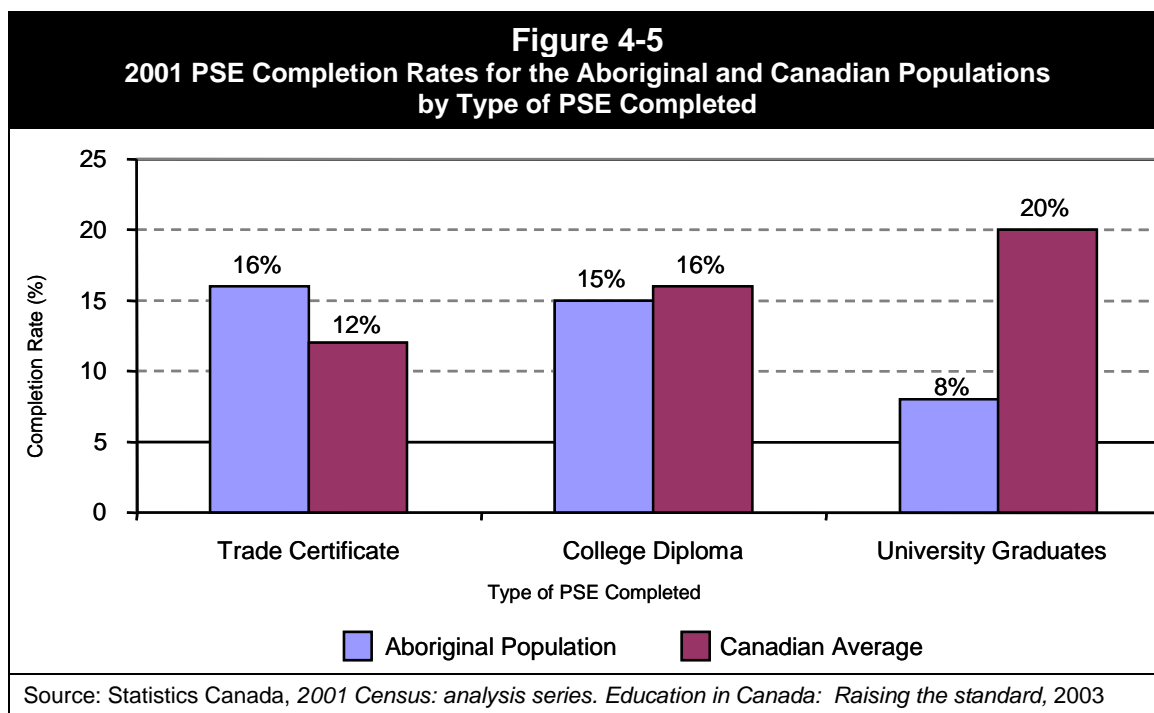
³² Frenette, *Too Far To Go On? Distance to School and University Participation*, 2002.

³³ Canadian Millennium Scholarship Foundation, *The Price of Knowledge: Access and Student Finance in Canada*, 2002.

³⁴ The CSLP provides Canada Study Grants for students with disabilities.

Aboriginal Individuals

Although educational attainment of the Aboriginal population has been increasing in recent years, Aboriginal individuals continue to be less likely to obtain post-secondary education than the non-Aboriginal population. While 38.4% of the Canadian population aged 25 to 64 reporting Aboriginal identity had attained trade, college and university education according to the 2001 census, 48.3% of the overall Canadian population aged 25 and over had attained trade, college and university education.³⁵ Figure 4-5 compares the post-secondary education levels of the Aboriginal population in the 25 to 64 age group to the overall Canadian population in the same age group.



The difference between the rate of completion for the Aboriginal population and the Canadian population is most evident at the university level. At the same time, however, Figure 4-5 shows that Aboriginal people are more likely to complete training in trades programs than are Canadians overall.

Studies have indicated that Aboriginal students face multiple barriers in pursuing and/or completing post-secondary education, including historical, social, cultural, family-related and individual/personal barriers. Poverty in Aboriginal communities, distrust in the educational system, and lack of academic preparation also represent significant barriers to post-secondary education among Aboriginal students.³⁶ Negative stereotyping and language difficulties have also been identified as barriers to Canada's Aboriginal population.³⁷

³⁵ 2001 Census: analysis series. Education in Canada: Raising the standard, Statistics Canada, 2003.

³⁶ R.A. Malatest & Associates Ltd. for CMSF & CMEC, *International Best Practices in Increasing Aboriginal Post-Secondary Enrolment Rates*, 2002.

³⁷ Statistics Canada and CMEC, *Report on the Pan-Canadian Education Indicators Program*, 1999.

4.2 Student Financing as a Barrier

Student financing is identified as one of the key barriers to post-secondary education participation.

Table 4-6 shows the average tuition fees for college and university in each province. It also shows that the cost of post-secondary education for both college and university education has increased substantially over the past few years. These costs are expected to continue to rise.

Table 4-6				
Change in Average College and University Tuition by Province (1991-92 to 2001-2002)¹				
Province	College		University	
	2001-02 Tuition	% increase since 1991-92	2001-02 Tuition	% increase since 1991-92
Newfoundland	\$1,452	161%	\$2,970	92%
Prince Edward Island	\$2,000	63%	\$3,690	74%
Nova Scotia	\$1,950	154%	\$4,732	115%
New Brunswick	\$2,400	300%	\$3,779	87%
Ontario	\$1,752	119%	\$4,062	127%
Manitoba	\$1,298	88%	\$2,795	61%
Saskatchewan	\$2,442	202%	\$3,831	111%
Alberta	\$2,601	293%	\$3,970	161%
British Columbia	\$1,273	11%	\$2,465	29%

Source: Doherty-Delorme & Shaker, Missing Pieces III. *An Alternative Guide to Canadian Post-Secondary Education. Provincial Rankings: Where Do the Provinces Stand on Education?* 2002.

1. Statistics on Quebec, the Yukon and the Northwest Territories were not provided in the report.

Tuition fees are higher for university students in graduate studies than for undergraduates. For the 2002-03 academic year, average graduate fees were \$4,948 per year, an increase of 11% over the previous year. In comparison, undergraduate fees increased by 6%.³⁸ Tuition fees are also higher in certain areas of study than in others.

The majority of the focus group participants cited student financing as a major consideration in their decision and/or ability to attend post-secondary education. Other sources and research also identify student financing as a significant barrier to post-secondary education for many Canadians:

³⁸ Statistics Canada, *The Daily*, September 9, 2002.

- The Interim Report: *Access to Higher Education and Training* noted that “the issues of access to PSE ... within the post-secondary system are inherently linked to the issue of student financing.”³⁹
- Results of the *2000 Youth in Transition Survey* revealed that approximately one-quarter of the participants who did not continue to post-secondary education after high school cited financial reasons for their situation/decision.⁴⁰
- In a 2002 survey of college students, 44% of respondents reported moderate to high levels of concern with having sufficient funding to complete their college education.⁴¹

Despite increases in tuition, Post-Secondary Education (PSE) attendance has continued to rise in Canada. For example, a comparison of enrolment aggregated data from 1980-81 to 1998-99 reveals that, although university tuition increased over that time period, university participation also increased, albeit disproportionately amongst SES groups.⁴² There is a concern shared by many, however, that rising post-secondary education costs will further affect access to post-secondary education for families in the low income quartiles.⁴³

There is a gap between the post-secondary education goals that parents have for their children and parents’ behaviour in terms of assisting their children financially to attend post-secondary education.

The 1999 Survey of Approaches to Educational Planning⁴⁴ showed that almost nine in ten parents indicated that they wished for their children to get an education beyond high school. At the same time, however, the survey found that only 41% had established savings specifically for their children’s post-secondary education and the amount of money saved was insufficient. Half the parents surveyed expected their children would need loans. The survey indicated that parents who are either currently saving or planning to save for their children’s PSE expect government loans to be an important financial resource for their children. In addition, parents generally expect their children to work while they are in school. Many of the non-qualifier focus group participants noted that they did not receive any direct financial support from their parents due to lack of parental financial resources or lack of support due to parental attitude.

³⁹ Standing Committee on Human Resources Development and The Status of Persons with Disabilities, *Interim Report: Access to Higher Education and Training*, June 2001.

⁴⁰ Bowlby & McMullen, *At a Crossroads: First Results for the 18 to 20-Year-old Cohort of the Youth in Transition Survey*, 2002. (N=23,592; sampling error +/- 0.6% for the 18 to 20 year old cohort)

⁴¹ R.A. Malatest & Associates Ltd. for Canada Millennium Scholarship Foundation, *Canadian College Students Survey*, 2002. (N=6,370; sampling error = +/-1.2% , 19 times out of 20)

⁴² Canadian Millennium Scholarship Foundation, *The Price of Knowledge: Access and student finance in Canada*, 2002.

⁴³ For example, Connor & Dewson, *Social Class and Higher Education: Issues Affecting Decisions on Participation by Lower Social Class Groups*, 2001; The Advisory Committee on Student Financial Assistance, *Factors Affecting Access in the Twenty-first Century: A Roundtable Discussion of Early Intervention, Remediation, and Support Services*, 2000; Eurydice, *Volume I Financial Support for Students in Higher Education in Europe: Trends and Debates*, 1999; CHEPS, *Higher Education Reform: Getting the incentives right*, 2001.

⁴⁴ Statistics Canada, *The Daily*, April 10, 2001.

4.3 The Role of the CSLP in Promoting Accessibility

The CSLP's mandate/mission is consistent with both the goal of equitable access to PSE and the identification of student financing as a key barrier to participation in post-secondary education.

Ensuring equitable access to post-secondary education for all Canadians has traditionally been a primary goal of the Canadian government.

“Access to post-secondary education ... is an essential component of a nation's economic strategy ... Readily accessible post-secondary education also functions as one of the most important routes to achieving equality of opportunity in society.”⁴⁵

As indicated in Section 2.1, one of the four program objectives of the CSLP is to maintain the government's commitment to accessible post-secondary education. In addition, a key element of the mission statement of the CSLP is the lowering of financial barriers to post-secondary education for those with financial need. This program emphasis is consistent with the identification of student financing as a key barrier to participation in post-secondary education.

Many of the groups identified as facing additional barriers to post-secondary education are targeted by the CSLP through the program's needs assessment process and through Canada Student Grants (CSG) funding.

Section 4.1 indicated that certain groups face additional barriers in accessing post-secondary education, including lower SES families, individuals living in remote/rural communities, students with dependents, persons with disabilities, and Aboriginal individuals. Many of these groups are targeted by the CSLP through the needs assessment process and through CSG funding.⁴⁶ For example:

- showing financial need is a key eligibility criteria for the CSLP;
- the needs assessment process takes into account regional differences and additional needs of certain groups such as students who live away from home to attend a post-secondary education institution, and students with dependents; and
- CSGs provide additional assistance to students with dependents and students with disabilities.

While the CSLP does not target non-status Aboriginal students as a group with special needs, financial assistance is generally available through the needs assessment process. Status Indians can access financial assistance for post-secondary education through the programming of Indian and Northern Affairs Canada.

⁴⁵ HRDC, *Review of the Government of Canada's Student Financial Assistance Programs, The Canada Student Loans Program, 1997-1998*, p.2.

⁴⁶ Female doctoral students and persons with disabilities do not need to qualify for a CSL in order to qualify for a CSG.

Focus group participants and informants were unanimous in their opinion that there is a need for the CSLP. When asked to identify the strengths and weaknesses of the CSLP, the interviewed experts and informants (i.e., program and provincial officials, and representatives of specialized associations) indicated that one of the key strengths of the CSLP is its use of the needs-based assessment approach for targeting students most in need of assistance. They also felt that the use of loans was an appropriate mechanism for reaching a large population of students with financial need. All of the experts and key informants interviewed, however, had at least one area of concern in the calculation of student need (e.g., debt, assets, and/or parental/spousal contributions), and many felt that the grant portion of the program could be expanded. See section 5.4 Needs Assessment, for further discussion.

Evidence indicates that the CSLP is an important part of the financing of post-secondary education for many students.

The CSLP has served more than 3.4 million post-secondary education students and negotiated more than \$21.1 billion in student loans, since its inception in 1964.⁴⁷ In 2001-02, 331,541 eligible full-time and part-time students with demonstrated financial need received assistance through the program.⁴⁸ A profile of CLSP borrowers and CSG recipients is presented in Section 2.

Table 4-7 shows the sources of post-secondary education funding used by youth attending post-secondary education after high school. The exhibit indicates that an average of 29% of those surveyed received government student loans and an average of 14% received grants/bursaries.

Resource	PSE Graduates	PSE Continuers	PSE Leavers¹	Total
Post high school employment	55%	68%	63%	66%
Received money from parents/partner that you do not have to pay back	50%	65%	52%	63%
Personal savings	41%	51%	43%	49%
Scholarships/awards/prizes	21%	33%	19%	31%
Government student loan	35%	29%	27%	29%
Grants/bursaries	12%	15%	9%	14%
Other non-loan support	5%	9%	8%	9%
Bank loan	8%	7%	7%	7%
Loans from family	3%	3%	2%	3%

Source: At a Crossroads: *First Results for the 18 to 20-Year-Old Cohort of the Youth in Transition Survey, 2002.*
 1. PSE Leavers are individuals who began a PSE program but left before graduating.

⁴⁷ HRDC. *Performance Report* (for the period ending March 31, 1999).

⁴⁸ HRDC, *Review of the Government of Canada's Student Financial Assistance Programs. The Canada Student Loans Program 2000-01*. This number includes borrowers who are receiving In-Study Interest Subsidy as well as CSG recipients.

Focus group participants identified a number of different resources used to finance their PSE. In addition to student loans, the following resources were mentioned:

- scholarships and bursaries;
- parental or spousal contributions;
- personal savings;
- other government funding;
- pre-study/summer employment;
- in-study employment; and
- private loans, student lines of credit (banks), and/or credit cards.

In general, the proportion that student loans contribute to the costs of PSE is less for graduate students than for other students. Graduate student focus group participants indicated that student loans covered between 20% and 30% of their expenses while in school, as compared to a contribution of 40% to 60% for the majority of undergraduate students. Very few borrowers in the focus groups reported relying exclusively on their student loan.

The experience of those not qualifying for the CSLP provides a further indication of the importance of CSLs.

Focus group participants who did not qualify for the CSLP cited a number of ways they were affected by not receiving CSLP assistance. For them, the effects included:

- poorer grades due to added stress/increased hours of employment while in study;
- deferment of courses/extending program completion time; and
- the inability to continue post-secondary education.

As well, funding options such as the use of private financing to fund post-secondary education and/or earnings from employment hours during the in-study period were used.⁴⁹

For future analysis, measures have been included in the program's performance measurement framework which will provide some indication of impact on those who did not qualify for financial assistance from the program.

⁴⁹ The effect of work on scholastic performance is a matter of some debate. While excessive work (generally defined as over 20 hours of work per week) can result in some detrimental effects, such as lower marks, longer program completion or drop out, a moderate amount of work is not thought to affect scholastic performance (Looker, E.D. & Lowe, G.S., *Post-Secondary Access and Student Financial Aid in Canada: Current Knowledge and Research Gaps*, 2001.)

4.4 Program Impacts

The program's administrative data were insufficient to fully determine the impact that loans and grants have upon PSE attendance and/or completion.

The information presented in Section 4.3 indicates that many of the groups identified as facing additional barriers to post-secondary education are targeted by the CSLP through the program's needs assessment process and through CSG funding. Due to data limitations regarding the financial circumstances of CSL, CSG recipients and non-qualifiers, the evaluation was unable to fully determine the impact that loans and grants have upon PSE attendance and/or completion. These data limitations are discussed in Section 5.7. As noted in Section 3.1, the summative evaluation of the CSLP should consider developing a detailed profile of both CSL and CSG recipients to better assist in determining impacts.

4.5 Summary

The evaluation found that the CSLP is relevant to an increasing number of those attending PSE in Canada. The program is particularly relevant to those who face additional barriers. Most importantly, it was found that the program's mandate/mission is consistent with both the goal of equitable access to PSE and the identification of student financing as a key barrier to participation in post-secondary education. While government loans are only one source of PSE financing for students, the experience of those not qualifying for the CSLP provides a further indication of the relevance of CSLs and CSGs.

5. Program Design and Delivery

The formative evaluation was to examine six questions regarding program design and delivery. This section examines each of these:

- Is the program delivery mechanism being implemented as intended? Is it the most appropriate mechanism?
- How effective are the partnerships between the federal government and participating provincial/territorial governments for the delivery of the program?
- Is the needs assessment process appropriate and fair?
- How effective are communications to students from the Canada Student Loans Program (CSLP) via the program itself, provincial/territorial partners and service providers throughout the loan lifecycle?
- Does the program have adequate management information and administrative data systems for effective and efficient program delivery and management?
- Are the Program resources, activities and outputs consistent with its mandate and plausibly linked to the attainment of the Program's stated objectives and intended impacts?

As noted in Section 3.1, the formative evaluation was not able to examine whether the current program delivery mechanism is the most appropriate mechanism.

The formative evaluation was also to examine two questions regarding early program impacts:

- To what degree are students satisfied with the CSLP and related services?
- To what extent has the CSLP enhanced access to, and participation in, post-secondary education for all qualified students with demonstrated financial need?

This section of the report includes the available evidence on the degree to which students are satisfied with the CSLP and related services. It also includes findings on the extent to which Interest Relief (IR) and Debt Reduction in Repayment (DRR) measures reduce concerns about loan repayment. As noted in Section 3.1, however, the extent to which the CSLP enhanced access and participation in post-secondary education could not be answered by the formative evaluation because of data limitations and the limitations of the formative evaluation methodology. Questions regarding impacts will be considered for the summative evaluation.

5.1 Implementation of the New Service Delivery Model

Evidence suggests that the new service delivery model was designed and successfully implemented by the CSLP on schedule.

The government's goal was to implement the changes to the CSLP resulting from the August 1, 2000 amendment to the *Canada Student Financial Assistance Act (CSFAA)* without interrupting service. The new program delivery mechanism was in place by March 1, 2001, as scheduled. At that time, the federal government assumed full responsibility for program delivery.⁵⁰

There is evidence to suggest that the shift to direct loan provision was implemented in a relatively seamless manner:

- The informant analysis indicated that the CSLP officials, service providers and provincial officials, with the exception of the Atlantic Provinces, felt the implementation of program changes went relatively smoothly. However, they felt that the changes were generally confusing to students. Part of the confusion on the part of students was connected to poor communications and the number of changes to the CSLP over the last decade. The provincial officials from the Atlantic Provinces indicated that information regarding changes to program administration was not communicated to them in a timely manner;
- 71% of borrowers who participated in the CSLP's component of the *Human Resources Development Canada (HRDC) Client Satisfaction Survey* of CSLP borrowers reported satisfaction with the overall quality of service they received since September 2001. Approximately three-quarters (76%) of borrowers surveyed indicated that the service they received met or exceeded their expectations.

The informant analysis indicated that the provincial officials felt that credit screening was a valuable tool for detecting possible default risks. The majority of the provincial officials also noted that the process has negatively affected only a small proportion of applicants.

5.2 Integration of Federal and Provincial Programs

As of August 1, 2001, integrated federal and provincial programs were established in Ontario and Saskatchewan.⁵¹ Each of the two provinces has an agreement with the federal government outlining program structure and the roles and responsibilities of each party in delivering the integrated loans programs.

⁵⁰ HRDC, Performance Report, 2001.

⁵¹ Canada – Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Program, June, 2001. Canada Ontario Integration Agreement for the Administration of Federal and Provincial Student Loan Programs, July, 2001.

In order to streamline the student loan process, the goal espoused by the CSLP is full integration, or establishing a program with “one student-one loan”.⁵² Indeed, one of the clauses in the contract with the private service providers indicates that the organizations must be capable and willing to offer similar service delivery to provinces/territories that wish to integrate their program with the CSLP. While elements differ between the integrated provinces, key elements of a single loan include need assessment, lender agreement, interest subsidy during study period, grace period, interest relief, debt reduction, loan disbursement, portability and collections.⁵³

A key benefit to the integrated student loans program is that first time borrowers, provided with a student loan under integrated programs, have one student debt and are able to make a single payment when repaying their student loans.

The conditions for a formative evaluation to be undertaken by the provinces, as stipulated in the Integrations agreements, have been largely met by the current evaluation, as per agreements reached with both provinces in 2002. A summative evaluation may consider the extent to which the ‘Principles of Integration’ have been fulfilled. The current evaluation provides sufficient evidence to demonstrate that the provinces of Ontario and Saskatchewan continue to fulfill their mandate to provide financing to those pursuing post-secondary education.

Close to half (49%) of all Canada Student Loans (CSL) borrowers across Canada in 2001-02 received an integrated loan from either Saskatchewan (5%) or Ontario (44%).

As of August 1, 2001, integrated federal and provincial programs were established in Ontario and Saskatchewan. Close to half (49%) of the total borrowers in 2001-02 received an integrated loan from those provinces. For 2001-02, of the 331,541 students in Canada who received assistance from the program, 16,246 full-time students and 123 part-time students were from Saskatchewan and 145,287 full-time students and 802 part-time students were from Ontario.

Informants from Saskatchewan and Ontario were unanimous in their view that integrating provincial and federal student assistance programs and providing students with a single loan product will simplify the entire loan process and create more seamless program delivery.

The available evidence suggests that integration has simplified the loan process and improved communications with students.

Provincial officials from Ontario and Saskatchewan noted that a key benefit of integration was that the “front end” (i.e., eligibility and needs assessment) of the loan process is clearer and less complex for students. They also noted that communications with students has improved with integration due to increased participation/responsibility of the province in this activity. See section 5.6 for more detail on program-wide issues pertaining to communications.

⁵² CSLP, *Compendium of Provincial/Territorial Student and Financial Assistance Programs and Canada Student Loans Program*, 2001.

⁵³ Treasury Board decision 826248, July, 1998.

In the focus groups conducted with students in the two integrated provinces, it was apparent that some students had limited understanding of the program changes and attached relatively little importance to integration.⁵⁴ Some students felt that the transition did not proceed smoothly, as there were delays in approvals and receipt of funds. Among the focus group participants who were aware of integration, however, many felt that service delivery had improved. Similarly, the CLSP borrowers and Canada Student Grants (CSG) recipients who were aware of the application process prior to integration noted improvements in the process under integration. Saskatchewan loan and grant recipients who were aware of the application process pre-integration noted that the current process was better (less paperwork, faster, more straightforward, etc.). In general, dealing with one agency was noted as a benefit.

Many students in non-integrated provinces indicated that having loans with one agency or organization would be more convenient, especially for managing loan repayment.

The evidence suggests that following integration, the federal and provincial roles are better defined in the case of the two integrated provinces, Ontario and Saskatchewan.

The roles and responsibilities of the federal and provincial governments are set out in the integration agreements with Ontario and Saskatchewan. Both provinces perceive there to be a more equal partnership in the delivery of student financial assistance. In addition, integration has provided “a much clearer delineation of roles and responsibilities” for the front-end processes (e.g., establishing eligibility; conducting the needs assessment). However, at the time of the evaluation, integration was not complete and the provincial representatives were less clear about the repayment component where the federal government has taken responsibility. Working in a “true partnership” and being accountable to the provinces was viewed as a new challenge for the CSLP.

There are concerns as to whether an integrated system will permit adequate flexibility for making program adjustments.

There were some concerns expressed by representatives of both the CSLP and the provinces over the effect integrating more provinces with the CSLP might have on future program performance. That is, as more provinces integrate and the system becomes more integrated program flexibility could be compromised and it could become difficult to execute program changes if all participating provinces/territories have to reach an agreement. For example, as more provinces participate in integration, there is an increased possibility that multilateral approval of proposed program changes would be required.

Integrated provinces feel “once-removed” in communications with service providers.

During interviews with provincial representatives it was noted that services providers are contracted by the federal government and, under this arrangement, the CSLP is responsible for managing the relationships and communications between the CSLP, the provinces and the services providers. As such, any communication the provinces may

⁵⁴ It should be noted that in both Ontario and Saskatchewan, there were few CSLP recipients who could comment on the impact of integration as they had only applied for a loan in 2001 or later and therefore, had no basis for comparison.

wish to have with the service providers are filtered through the CSLP. This practice raises the concern that provincial perspectives may be (unintentionally) misinterpreted by either the CSLP or by the service providers.

Provincial representatives from Saskatchewan and Ontario feel that it is important to demonstrate that integrating federal and provincial programs works.

As the first two provinces to integrate their student assistance programs with the CSLP, representatives feel a responsibility to demonstrate, with the CSLP, that integration can be undertaken successfully. Informants from Saskatchewan and Ontario suggested that communication of the success of integration for Saskatchewan and Ontario could enhance the possibility that other provinces will follow their lead.

There have been some delays in finalizing/implementing all aspects of the integration agreements.

At the time of the evaluation, full integration had not been completed. Saskatchewan considered the province and federal integration to be well under way and Ontario noted certain elements of the programs had not yet been addressed.

Integrating provincial and federal student assistance programs assists in strengthening partnerships.

The experience of the two integrated provinces suggests that integration is a successful method of improving the relationship/partnerships between the provinces and the federal government. However, it was noted that integration is a time-consuming and complex process.

Informants in Saskatchewan and Ontario were asked to consider any lessons learned so far with respect to integrating the provincial and federal student assistance programs. The following issues were identified:

- it takes longer and is a more complex of a process than anticipated;
- integrating the interest relief components of the programs has been especially challenging;
- it is essential to build a strong and equal relationship between the provincial and federal governments where both parties work together at a practical, problem-solving level;
- it is important that the CSLP “pay attention to the momentum of change”, especially if the process has not been completed. Otherwise critical issues become delayed and the relationship with the province suffers; and
- delays in implementing the desired or necessary changes can escalate minor issues.

There appears to be a perception in non-integrated provinces that integration would require them to compromise their own well-established student financial assistance systems.

Representatives from non-integrated provinces were asked whether or not their respective provinces would consider integrating their provincial programs with the CSLP. They all indicated that, presently, they were not considering entering into an integration

arrangement.⁵⁵ When asked to explain why their province is not considering integration with the federal program, provincial representatives expressed an array of responses, including:

- the flexibility of provincial programs would be constrained;
- smaller provinces would be required to implement programs that were modeled after the more populous provinces;
- administrative and delivery processes of provincial programs would be compromised through integration;
- certain components of the provincial programs are not present in the CSLP, especially debt reduction initiatives (e.g., range of grant products, loan remission) and could be eliminated under integration; and
- provincial administrative costs might increase and there were uncertainties about the fairness of cost-sharing arrangements under an integrated program.

Differences between provincial and federal loan products are a key concern of the provinces in terms of integration. The provinces generally would prefer the CSLP adapt its products to those offered in existing provincial programs. In addition, provinces were concerned that systems and procedures developed and refined by the provinces would be forced to become less efficient in accommodating integration.

It is important to note that the concerns mentioned by the interviewed provincial/territorial officials in the non-integrated provinces are based on their perceptions of integration. In fact, the two provinces that have integrated their programs with the CSLP each have their own agreement with the federal government and have maintained products and processes that were established prior to integration.

5.3 Partnerships and Contractual Arrangements

The CSLP has maintained existing partnerships and established new partnerships and contractual arrangements since the implementation of the new service delivery model.

- While partnerships with the provinces have been in place for a number of years, the nature of the relationship has changed over time. As reported above, integrated federal and provincial student loan programs were established in Ontario and Saskatchewan as of August 1, 2001.
- Partnerships with Public Works and Government Services Canada (PWGSC), and Human Resources Development Canada (HRDC) Collection Services have also been established as part of the shift to direct provision.

⁵⁵ Since the commencement of the evaluation, management has indicated that negotiations have commenced to strike integration agreements with other provinces.

- Contractual arrangements have been established with service providers as part of the shift to direct provision. In turn, the service providers subcontracted Canada Post to assist in the delivery of CSLs. Some Canada Post outlets across Canada are responsible for verifying student identification and student enrolment at an eligible post-secondary education institution.

The *Canada Student Financial Assistance Act (CFSAA)* outlines the federal government's authority with respect to the provinces (s.4) and with the service providers (s.6). Contracts and agreements between the CSLP and the service providers and the two integrated provinces (Ontario and Saskatchewan) also describe program responsibilities.

5.3.1 Provincial Partnerships

In the case of the non-integrated provinces, there is some evidence that the federal government's role is less clear under the new service delivery model.

Delivery of the front end (i.e., eligibility and needs assessment processes) of the CSLP by the provinces has been in place for a number of years,⁵⁶ suggesting that the federal and provincial governments have a clear understanding of the provinces'/territory's role in program delivery. In addition, many of the provincial officials noted that the federal government's role in terms of setting policy direction was generally clear. However, the CSLP's responsibilities with respect to program implementation were less clear to some of the non-integrated provincial informants as they considered the province to be the primary agent involved in program delivery.

The variety of practices and standards used by the provinces/territory to designate private institutions presents an area of perceived risk.

As noted in Section 2.3.2, the provinces/territory have the authority to designate private educational institutions as eligible for inclusion under CSLP. Designation of institutions is intended to protect the CSLP from student loan defaults and failures, and to protect the student as a consumer of post-secondary education.

Some of the informants indicated that the lack of minimum standards for designation for all provinces presents an area of perceived risk across the provinces. To address the risk, some provinces refuse to provide provincial funding to students seeking to attend PSE outside of the province, thereby limiting student mobility. In their opinion, a designation policy would best be developed by the federal government in partnership with the provinces. In April, 2003, the Council of Ministers of Education, Canada approved a Designation Policy Framework. The framework is scheduled for implementation in the fall of 2004.⁵⁷

⁵⁶ This observation is based on the 1997-98 and 1998-99 Reviews of the Government of Canada's Student Financial Assistance Programs published by HRDC.

⁵⁷ *Designation Policy Framework – Timeline*, CSLP internal document, October 2003.

It should be noted that CSLP borrowers who attended private institutions have a higher percent of student loan defaults when compared to the default rates of students who attended college or university, as discussed in Section 5.5.3.

Communications between federal and provincial programs were also identified as an area for improvement.

The majority of informants from the provinces indicated that communications between the federal and provincial programs needs improvement. Specific areas identified by the informants for improvement included the timeliness with which provinces are notified of changes to the CSLP, and the duplication of communications received by the institutions from the provincial program and the CSLP.

5.3.2 Contractual Arrangements

Efforts continue to be made to strengthen the performance monitoring of service providers.

CSLP has established performance-based contracts with the two private service providers⁵⁸. An audit of the service providers conducted in early 2002 revealed that a number of internal control objectives were inadequately addressed or had not been addressed at all.⁵⁹ Subsequently, in March 2003, HRDC's Financial and Administrative Services requested that the program provide a Corrective Action Plan. Since the audit, CSLP management has indicated that corrective action has been taken.

The service providers are obligated to provide an assortment of weekly and monthly performance data reports to the Program Management Division of CSLP. Examples of these reports include Call Centre Activity, Loan Disbursements, Transaction Processing and Portfolio Breakdown by Province. In-person conference call meetings are held weekly to review the reports. Issues considered to be of a serious nature are brought to the attention of a senior management team.⁶⁰

A full appraisal of the program's relationship with the service providers is scheduled as part of the Treasury Board mandated operational review that will be conducted in 2003-04.⁶¹ The review is scheduled to be completed by the end of the 2003-04 fiscal year.

Focus group participants noted some issues related to postal outlets involved in the CSL process.

Canada Post Corporation has been subcontracted by the service providers to verify student identification and student enrolment at an eligible post-secondary education

⁵⁸ PWGSC, Contract Number V7465-000004/001/ZG, December, 2000; PWGSC, Contract Number V7465-000004/002/ZG, December, 2000.

⁵⁹ Ernst & Young, *Auditor's Report on Control Procedures*, February, 2002.

⁶⁰ Interview with CSLP Official, May 14, 2003.

⁶¹ CSLP, *Terms of Reference for the Steering Committee of the Mandated Operational Review of the Canada Student Loans Program*, April, 2003.

institution.⁶² Some Canada Post outlets across Canada are responsible for processing loan documents on behalf of the CSLP prior to disbursement.

Many of the focus group participants who had used Canada Post outlets in the application/loan disbursement process identified issues associated with the use of the postal outlets in the application process. In particular, they noted that:

- post office staff in smaller communities were unaware of their role in the student loan process;
- students were not aware of the documentation they needed to provide and had to make numerous trips;
- there were confidentiality concerns, especially in the smaller communities; and
- the designated postal outlet for an individual was not always the most convenient.

5.4 Needs Assessment

Verification of information is conducted at the provincial and federal levels, depending on the stage of the loan lifecycle. In determining program eligibility, the provinces check the applicants' history/status with records kept by the CSLP to determine if an applicant has been classified as having restricted access (due to previous loan default or fraud, etc.). Information provided in the needs assessment (e.g., pre-employment and in-study income) is checked by the provinces (cross-referencing income information with Canada Customs and Revenue Agency data). A borrower is responsible for providing proof of enrollment with his/her institution to the province each time the student begins a study period, regardless of whether he/she is in receipt of a loan at the time, to maintain interest free status.

The general view is that the needs assessment process and formula are simple and straightforward to apply, and are generally applied consistently across provinces.

As noted in Section 2.4, participating provinces apply federal criteria in the needs assessment process. Service provider informants and informants representing the provinces considered the needs assessment process/formula to be clear. None of the interviewed provincial officials considered the needs assessment process to be difficult to administer. In addition, provincial officials and service providers considered the needs assessment process and formula to be applied consistently by the provinces. Some of the provincial officials interviewed, however, considered the criteria applied in the calculation of need to be complicated, especially from the students' perspective.

⁶² Canada Post Corporation, *Student Loans Manual*, August 1, 2001.

The majority of provincial programs closely follow the CSLP needs assessment criteria, although a few variations were noted in the areas of allowable in-study resources, parental contributions, and parental assets.

While the need assessment process and the final calculation of need is straightforward, the variations across student category and across provinces complicate the process to some extent. Many of the variations are built into the need assessment to account for provincial/jurisdictional differences in living expenses and other factors (e.g., child care costs) while a few differences are based on provincial preferences or policies.⁶³ Cost of living expenses are determined at the provincial level and apply to all students within the province, regardless of their location (e.g., remote, rural communities versus large urban centres). The majority of provincial programs closely follow the CSLP needs assessment criteria, with a few provinces differing in certain areas such as⁶⁴ lifetime loan limit amounts; debt limits; the amount of allowable in-study income; and the amount of allowable scholarship income. Specifically, Ontario and Alberta vary on allowable amounts from in-study resources and scholarships, Ontario differs on parental contribution criteria, and Alberta and British Columbia vary on allowable parental assets (see Appendix E for a summary of criteria applied across provinces).

Informants and focus group participants noted several areas of concern in the calculation of student need.

Some of the provincial informants suggested that cost of living differentials could be considered regionally, within a province, rather than provincially.

Many focus group participants, the majority of informants and the experts interviewed were concerned about the extent to which individual or special circumstances are considered in the needs assessment process. In this area, two specific concerns were noted:

- The needs assessment formula does not take into account the existing financial obligations of the student, parents or spouse such as mortgage payments or other debt servicing obligations; and
- The effectiveness of the needs assessment process to consider circumstances on a case-by-case basis is largely dependent on the applicants' awareness of the reassessment option.

The reassessment and appeal processes are a provincial responsibility. The focus group analysis indicated, however, that many focus group participants were unaware of the reassessment process or procedures, especially focus group participants who had not qualified for a student loan.

⁶³ The degree of consistency in applying the CSLP criteria in the need assessment process is summarized in Appendix E.

⁶⁴ Changes to the CSLP need assessment criteria announced in the 2003 Budget could decrease some of these differences, once implemented.

The main issue that arose in terms of the appropriateness and fairness of the needs assessment criteria involved calculation of parental contributions. Several informants questioned the fairness/appropriateness of income thresholds set for dependent students.⁶⁵ The CSLP needs assessment criteria are established under the assumption that responsibility is shared in such a way that parents have an obligation to contribute to their children's education based on their annual income/revenues. On the other side of the argument is the opinion that the cost of PSE should be borne mainly or solely by the state; that education is an inherent right to all citizens wishing to pursue it. The debate suggests that further research is required to examine how parents, in reality, fund or should fund their children's PSE and the effects of parental contribution/non-contribution on their children's PSE.

5.5 Loan Repayment

The following discussion considers loan repayment issues and whether concerns about debt level and loan repayment are deterring potential CSLP borrowers from attending PSE and those already in school from continuing their studies. Specifically, the discussion looks at debt level, repayment assistance and loan default.

5.5.1 *Debt Level*

Focus group participants were more concerned about their ability to repay student loan debt than about the amount of debt incurred.

Table 5-1 summarizes the debt load of CSLP borrowers at the time of consolidation for 2000-01 and 2001-02. In 2001-02, CSLP debt averaged \$9,539 per student borrower at consolidation.⁶⁶

⁶⁵ As stated in the CSLP 2002-03 Policy and Procedures Manual, dependent students are considered to be financially dependent on parent(s), guardian(s), sponsor(s) or other supporting relative(s). Dependent students are defined as those who:

- have never been married or in a common-law relationship; and,
- have never been single parents with legal custody and financial responsibility for supporting children; and
- are pursuing post-secondary education within four years of leaving secondary school; or,
- have not been in the labour force full-time for two years (the two years need not be consecutive; however, each year must be a period of twelve consecutive months)

⁶⁶ HRDC, Review of the Government of Canada's Student Financial Assistance Programs, 2000 – 2001.

Table 5-1		
Distribution of CSLP Indebtedness at Consolidation		
Debt Load per CSLP Borrower	2000-01	2001-02¹
Less than \$5,000	31%	30%
\$5,000-\$9,999	34%	35%
\$10,000-\$14,999	15%	16%
\$15,000 and more	20%	19%
Source: CSLP Administrative Data, 2001-02		
1. 2001-02 numbers are preliminary		

The majority of the focus group participants indicated that they chose to pursue post-secondary education regardless of the anticipated debt load at the completion of their studies. They viewed their education as an investment in their future, which made the costs associated with obtaining a post-secondary education expected and acceptable.

CLSP borrowers included in the focus groups were more concerned about their ability to repay their debt. Their concern was based on a fear of under-employment or unemployment at the time that repayment would begin.

The evidence indicates that difficulty in loan repayment is more related to the type of education and the employment situation than to the amount of debt.

The pattern of repayment difficulty does not follow the pattern of debt-to-earnings ratio. For example, although women experience higher levels of debt than do men, women do not experience more difficulties than men in terms of repayment. Rather, difficulties in repaying student loans are related to the type of education and the employment situation after post-secondary studies.⁶⁷

Many CSLP borrowers who participated in the focus groups felt that beginning repayment six months after the completion of studies was inappropriate due to potential extraneous influences/circumstances (e.g., labour market demand, wages, etc.). Some focus group participants and informants suggested linking repayment to income, as is done in other countries.⁶⁸

⁶⁷ 1995 National Graduates Survey (N = 29,000; ±0.5% at the 95% confidence interval), as reported in *Finnie*, 2001.

⁶⁸ For example, United Kingdom, Germany and Sweden.

Students, including CSLP borrowers, are also borrowing funds from private financial institutions while attending post-secondary education.

Studies indicate that students turn to a number of lending sources other than the government for supplemental or alternative funding.⁶⁹ For example, approximately 20% of university undergraduates and 13% of college students reported using a personal bank loan as a source of funding for post-secondary education.⁷⁰

Focus group participants indicated that they typically incurred debt in addition to government-provided student loan funds in order to finance post-secondary education. Private debt obligations were noted as making it difficult to save during the pre-study period.

The extent to which CSLP borrowers rely upon other sources of funding including private borrowing is unknown. This may be explored as part of the upcoming summative evaluation.

5.5.2 Repayment Assistance

The Interest Relief (IR) and DRR programs offered through the CSLP provide assistance to borrowers having difficulties repaying their student loans due to exceptional circumstances.

Utilization of IR has increased substantially since its inception.

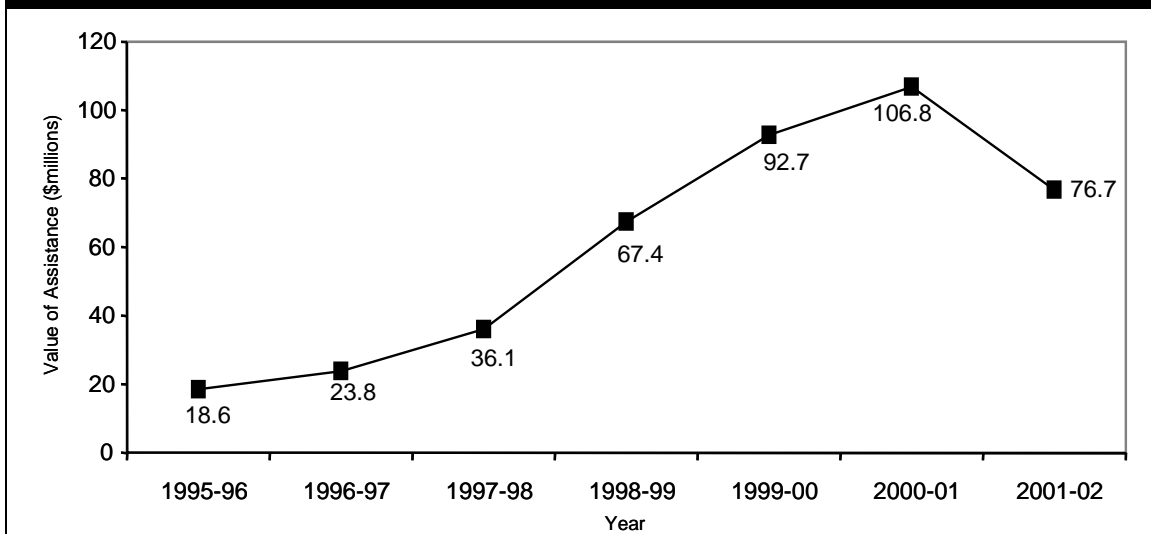
The importance of IR to students in repayment is illustrated, in part, by the number of borrowers accessing IR assistance and increases in the value of IR assistance provided to borrowers in repayment. The percentage of borrowers in receipt of IR in 2000-01 was 11% higher than in the previous loan year.⁷¹ As illustrated in Figure 5-2, IR expenditures peaked at \$106.8 million in 2000-01 but fell to \$76.7 million in 2001-02. While the reasons underlying the increase in IR expenditures (e.g., debt burden; labour market demand) are known, the extent to which each contributes to increased use is not known. All of the informants and experts indicated that IR “was working well in general” and was adequate in responding to the needs of CLSP borrowers.

⁶⁹ 2002 Undergraduate Students Survey; 2002 Canadian College Student Survey; British Columbia Ministry of Advanced Education; Outcomes Working Group; Centre for Education Information Standards and Services, *How Former Students Financed Their College, University and Institute Programs*, 2002.

⁷⁰ 2002 Undergraduate Students Survey and the 2002 Canadian College Student Survey.

⁷¹ HRDC, Review of Canada’s Study Financial Assistance Programs, 2000-01.

Figure 5-2
Trends in IR Assistance (1995-96 to 2001-2002)



Source: HRDC, 2001-02 Review of the CSLP

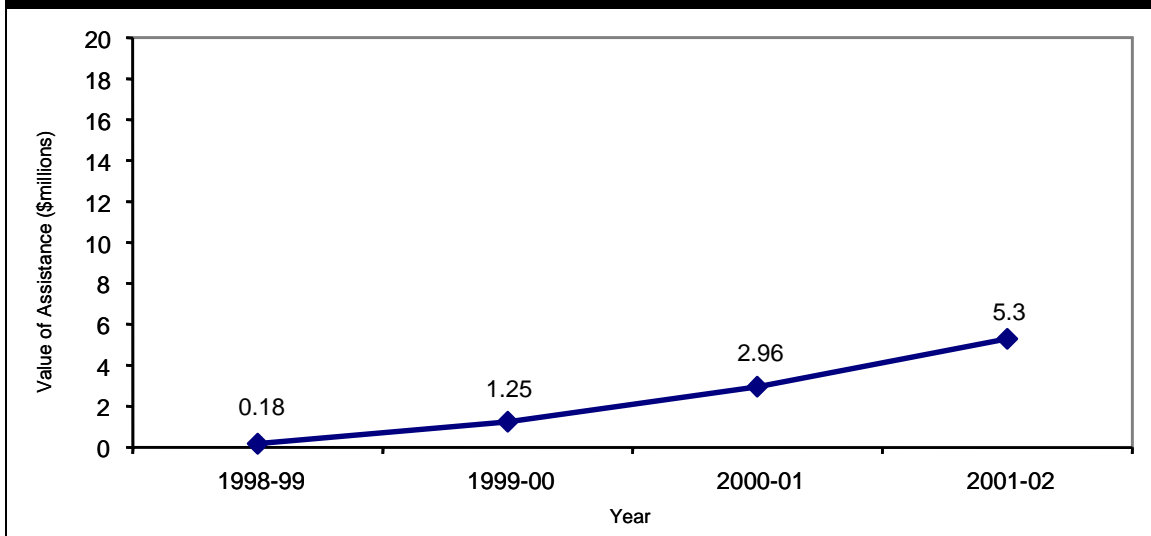
Utilization of Debt Reduction in Repayment (DRR) is currently low, although the recent increases in IR clients are expected to translate into greater utilization of DRR over the next few years.

Utilization of DRR is low. In 2001-02, 876 individuals received DRR. Figure 5-3 shows the value of assistance between 1998-99 to 2001-02. Low utilization was expected by the CSLP because DRR is designed to target a small group of borrowers who have an extended period of repayment difficulty (i.e., after IR assistance has been exhausted). In addition, DRR was introduced in 1998 and, therefore, the full effect of the program has not yet been realized. Greater utilization over the next few years is anticipated because more borrowers will qualify for DRR once they have exhausted five years of IR. The program's July 2002 actuarial report provides DRR expenditure projections for the next 25 years.⁷²

The majority of provincial/territorial officials and other stakeholders questioned the extent to which DRR is, or will be, effective in easing student debt burden given the small number of CSLP borrowers receiving this type of repayment assistance. Finally, they expressed a concern that the type of assistance provided through DRR comes too late in the repayment process.

⁷² Actuarial Report on the Canada Student Loans Program, July 31, 2002.

Figure 5-3
Trends in DRR Assistance (1998-99 to 2001-2002)



Source: HRDC, 2001-02 Review of the CSLP

There appears to be limited awareness of repayment assistance among CLSP borrowers and potential borrowers.

The focus group analysis indicated that there was limited awareness of the types of repayment assistance available to CSLP borrowers. Those aware of IR were mainly CLSP borrowers in repayment. There was little or no awareness of DRR.

This lack of awareness is corroborated by two other lines of evidence. The majority of informants indicated that information about the program is poorly communicated to students. In addition, the HRDC Client Satisfaction Survey found that in the case of those who reported experiencing problems with the program, 13% reported receiving conflicting information and 9% reported communications problems regarding the program generally.

5.5.3 Loan Default

The risk of loan default is highest for CSLP borrowers attending private institutions.

It is estimated that 11.3% of loan amounts disbursed will eventually be written off as bad debt due to students defaulting on their loan repayment.⁷³

Table 5-4 shows that default rates for the CSLP have remained fairly constant at about 25% of total loan disbursements during the 1990s. Table 5-4 also shows that CSLP borrowers attending private institutions consistently have the largest percentage of student loan defaults. From 1990-91 until 1999-2000, default rises for private organizations ranged from 36% to 52% consistently higher than for colleges and universities; for colleges and universities

⁷³ HRDC, Review of Canada's Student Financial Assistance Programs. The Canada Student Loans Program, 2000-01.

default rates ranged from 24% to 34% and from 13% to 23% respectively. Factors affecting borrower default rates based on type of institution attended are not presently known.

Table 5-4
3-Year Default Rates⁷⁴ by Institution Type

Cohort Year	University	College	Private	Canada
1990-1991	16%	24%	36%	28%
1991-1992	17%	24%	39%	22%
1992-1993	18%	25%	39%	23%
1993-1994	19%	27%	40%	24%
1994-1995	23%	34%	49%	30%
1995-1996	20%	32%	45%	28%
1996-1997	18%	30%	46%	28%
1997-1998	15%	27%	52%	25%
1998-1999	13%	26%	46%	24%
1999-2000	14%	28%	39%	24%
2000-2001 (Preliminary)	15%	24%	32%	21%
2001-2002 (Forecast)	19%	31%	36%	26%

Source: <http://www.hrsdc.gc.ca/en/gateways/individuals/cluster/tl.shtml>

Note: A borrower's default is allocated to the last institution they attended.

5.6 Communications and Electronic Service Delivery

Efforts are being made to improve the lines of responsibility over communications activities.

Within HRDC, there are three operational units from two different branches of the department with shared responsibility for the delivery of communications and advertising for the CSLP. The *Program Communications and Regional Liaison* unit of the Corporate Communications Branch manages the budget, oversees the final production of advertising products and takes the lead on the development of the communications strategy for the program informed by input from the other two units.

Within the Human Investment Programs Branch, *CSLP Client Relations* are the content experts and deal more directly with stakeholders, partners, provinces and borrowers; *EServices Management and Development - CSLP* manages the CanLearn and National Student Loans Service Centre (NSLSC) websites. In addition, the operation of CSLP requires different arrangements and working relationships related to communications and advertising with the integrated and non-integrated provinces and territory under the three services delivery models (guaranteed, risk-shared and direct).

⁷⁴ A loan is deemed in default, when it is in arrears for three or more months. The 3-year default rate is defined as the ratio of the cumulative amount of all loans deemed in default for the period covering the year of consolidation and the subsequent two loan years to the total amount of all loans consolidated in that year.

Communications and advertising is delivered within the context of these three operational units. The Program Communications and Regional Liaison applies the overarching Communications Policy of the Government of Canada while the other two units provide content, management of partnerships and internet information services. Key informants indicated that the lines of responsibility can become blurred and the ability to brand advertising as 'CSLP' is more difficult to achieve. To help clarify communications responsibilities, Corporate Communications has developed a draft Communications Function Management Framework⁷⁵ while CSLP Client Relations has developed draft communications agreements with the National Student Loans Service⁷⁶ Centre and the provinces of Ontario and Saskatchewan⁷⁷.

CSLP activities and plans exhibit an on-going commitment to improving communications with CSLP borrowers and potential applicants.

The communications strategy employed by the CSLP to announce the changes to the program effective August 1, 2000 included: the introduction of two new websites (NSLSC and CanLearn), a national radio advertisement campaign, other advertisement campaigns (i.e., poster, newspapers and bookmarks) and specific communications to borrowers or potential borrowers (i.e., “grab it bags”, brochures and page stuffers).

Advertising Campaign: The CSLP implemented a communications campaign in September, 2001 to introduce the move to direct loan provision by the federal government. Follow-up research provided evidence that the campaign was targeted at post-secondary students, in general,⁷⁸ and low-income students, in particular.⁷⁹ In a survey of Canadians conducted in 2001,⁸⁰ researchers concluded that the CSLP’s radio advertisement campaign had successfully reached approximately 35% of the population and that the advertisements were effective in encouraging individuals to seek further information about program changes. The analysis contained in the report also showed that the campaign reached 40% of those surveyed aged 18-34, the CSLP’s target audience. Follow-up research also indicated that program and product awareness was higher among survey respondents who were more likely to use the program.

2002-03 Communications Strategy: A communications strategy was introduced for the 2002-03 fiscal year, budgeted at \$1.45 million. Key activities and their current status are summarized below:

- CanLearn repayment poster and cinema ad (complete, April 2002);
- distribution of 2002-03 CSLP Info Guide and Fact Sheets (complete, April 2002);

⁷⁵ HRDC, Corporate Communications, Communications at HRDC: A Shared Responsibility – Communications Function Management Framework, August 2003.

⁷⁶ HRDC, CSLP Canada Student Loans Program/National Student Loans Service Centre – Joint 2002-03 C

⁷⁷ HRDC, CSLP Canada – Ontario Integrated Student Loans Program 2002-03 Operational Communications Plan – Draft; Canada – Saskatchewan Integrated Student Loans Program 2003-2004 Operational Communications Plan.

⁷⁸ Ipsos Reid, Quantitative Post-Test: August-September 2001 CSLP Ad Campaign, 2001. (n= 750, +/- 3.6%, 19 times out of 20)

⁷⁹ Canadian Millennium Scholarship Foundation, *The Price of Knowledge: Access and Student Finance in Canada*, 2002.

⁸⁰ Ipsos Reid, Quantitative Post-Test: August-September 2001 CSLP Ad Campaign, 2001.

- CSG ad and fact sheet (complete, September/October, 2002);
- on-going operational communications (e.g., posters and brochures, signs, fact sheets, applications and guides);
- CanLearn 2.0 campaign to launch new format (on-going); and
- 2003-04 Guide to Financing Your PSE (distributed, April 2003).

Other communication plans include working in partnership with the provinces/territory to develop joint communications products.

CanLearn Interactive Web: The CSLP 2000-01 Annual Report indicated that the utilization of the CanLearn Interactive Web “had exceeded all expectations by receiving one million visits during its second year of operation.”⁸¹ A number of reviews of the CanLearn website have been conducted⁸² resulting in efforts to improve the website. For example, it was determined that CanLearn website users wanted more information than was available on the site.⁸³ In response to these findings, CSLP made changes to the CanLearn site in the spring of 2002⁸⁴ and currently is planning/implementing further changes. Overall, very few focus group participants were aware of the CanLearn website. Participants were more likely to be aware of a provincial/institutional website than the CanLearn site.

Despite program efforts, the evidence suggests that there is a need to further enhance CSLP communications/awareness of specific products and services.

The majority of the informants indicated that information on CSLP program changes and assistance is poorly communicated to students.

Many of the focus group participants indicated that they had encountered difficulties in trying to access a “live person” at various stages of the loan process. In addition, some focus group participants indicated that they had encountered difficulties when attempting to obtain information through the 1-800 number.

The focus group analysis indicated that very few of the focus group participants (i.e., high school students, CSLP recipients, Canada Study Grants (CSG) recipients, non-qualifiers) were aware of the CanLearn website, but they were more likely to be aware of a provincial/territorial website. The focus group participants, particularly those in urban areas, indicated that the CanLearn website would be good way to promote the CSLP.

⁸¹ HRDC, Review of the Government of Canada’s Student Financial Assistance Programs. The Canada Student Loans Program 1999-2000, p. 1.

⁸² COMPAS Inc., CanLearn Interactive: Text inquiries research report, 2002; Ad Hoc Research & Patterson Langlois Consultants. Qualitative Evaluation of the CanLearn Interactive 2.0 Web site, 2002; Inverse Group Conseil Heuristic Evaluation Report: CanLearn Interactive/Ciblétudes interactif, 2002.

⁸³ COMPAS Inc., CanLearn Interactive: Text Inquiries Research Report, 2002.

⁸⁴ Changes to the CanLearn website were informed by focus group research conducted in April 2002 (Ad Hoc Research & Patterson Langlois Consultants, Qualitative Evaluation of the CanLearn Interactive 2.0 Website, 2002).

Focus group participants from rural areas were less satisfied with the information they had regarding student loans than were the participants from urban areas. The rural participants tended to favour the use of more traditional channels of communication (e.g. mail, toll-free information, store-front locations), rather than the Internet.

As noted in Section 5.5.2, the *Human Resources Development Canada (HRDC) Client Satisfaction Survey* indicated that in the case of those who reported experiencing problems with the program, 13% reported receiving conflicting information and 9% reported communications problems. The results of the *HRDC Client Satisfaction Survey* also indicated that students prefer telephone contact with program representatives over other means of communication, and were most likely to use this service delivery channel when contacting the program. Slightly more than half of CSLP borrowers surveyed were satisfied/very satisfied with the amount of time they waited to receive service.

Some suggestions were made by focus group participants to improve communications, including:

- visits to high schools by CSLP or provincial loan program staff to talk to senior students about the types of assistance available, eligibility criteria, procedures and repayment responsibilities;
- academic counselors in both high schools and post-secondary institutions who are better informed about government assistance;
- post-program/repayment information sessions for students entering the repayment phase of the loan cycle, especially given the differences in the process under the three different loan regimes (i.e., guaranteed loans, risk-shared loans and direct loans); and
- highlighting the CSLP website on student loan correspondence and on the CSLP application.

Provinces are supportive of moving to electronic service delivery, however, variability across provinces will present a challenge to the CSLP achieving its goal.

The federal government is committed to enhancing service provision to Canadians through the use of information and communication technologies.⁸⁵ The majority of the interviewed officials from participating provinces/territory indicated that they also support electronic service delivery.

Some provincial informants and program officials noted two major challenges to implementing a fully electronic model for service delivery for the CSLP:

- different levels of electronic capacity and other systems differences at the provincial level; and

⁸⁵ http://www.gol-ged.gc.ca/index_e.asp

- ensuring that service providers and provinces can meet the federal government's security criteria and legislation for the protection of privacy.⁸⁶

5.7 Administrative Data Systems and Performance Monitoring

The assessment of CSLP monitoring of program delivery by provinces and territories was based on the availability and quality of data that would allow for informed decision-making. The data review activities identified a number of key issues with respect to the quality and availability of CSLP administrative data.

CSLP has used several information systems over the years as a result of its various technological and program environments. Also, the program possesses large amounts of program data going back to the early 1990s.

Program data for the CSLP are maintained by HRDC and provincial/territorial partners. Specifically, HRDC maintains the Borrowers File, the Provincial Certificates File, the Interest Relief File and DRR data, while the provinces collect and maintain the Need Assessment, Credit Screening and CSG data.

The review of the administrative data indicated that missing data were not a substantial issue for the most recent entries.

The review of the administrative data indicated that missing data were not a substantial issue for the most recent entries in the program utilization data files (i.e., the Borrowers file and Provincial Certificates File). Utilization data for the 1998-99 loan year onward, for example, was found to be fairly reliable, although data from the most recent year was still preliminary at the time of the evaluation.

Some data gaps were identified in both historical data and the Needs Assessment Reports database.

The evaluation found that the quality of the information available from historical sources is variable with some figures characterized as "not reliable" due to missing, incomplete or poor quality data.⁸⁷

The quality of information collected through the needs assessment process and contained in the Needs Assessment Report (NAR) database was not found to be of good quality. Availability of the needs assessment data varied from field to field. Specifically, of the 61 fields contained in the NAR database, 25 were complete, 27 were filled at least 50% of the time, and 9 were filled less than 50% of the time. Some data for rejected applicants

⁸⁶ Annual Report for the 36th Conference of the International Council for Information Technology in Government Administration, *Sustainable, Secure Electronic Services – Building the Base for Government-wide, Multi-Channel Services Transformation*, 2002.

⁸⁷ It was noted that historical sources refers to the previous two loan regimes and not to the new, direct loan delivery model.

were available from the NAR data files for approximately 10% of program applicants. At present, the quality of the coverage of these data cannot be determined.

Regarding other limitations/gaps in the administrative data, the review indicated that there was a lack of:

- some socio-economic profile data for CSL recipients;
- socio-economic profile data for CSG recipients;
- socio-economic profile data for individuals subject to credit screening;
- some socio-economic profile data for individuals not accepted for IR;
- socio-economic profile data for individuals not accepted for DRR; and
- socio-economic profile data and other information for individuals who applied to the program, but were not eligible for assistance (i.e., rejected applicants), including reasons for rejection.

Some data collection and information-sharing practices could compromise the program's ability to meet its mandated performance measurement strategy.

Existing administrative and data collection mechanisms provide adequate, albeit incomplete, information to measure program outputs and an array of outcomes, provided that a survey of clients and a survey of the PSE target population are implemented as a matter of course in program administration. Very little information is available on eligible non-applicants and on rejected applicants from other program resources. The evaluation was unable to obtain verifiable credit screening statistics. Credit screening statistics reside both with the provinces/territory and Equifax. The program has since revised its contract with Equifax in August 2003 whereby the program will receive a variety of credit screening statistics as the revised contract is fully implemented.⁸⁸

There can be considerable delays in obtaining some data, especially where the provinces/territory are involved in data collection. For example, needs assessment data are collected and maintained by the participating provinces/territory and are supplied to HRDC upon request. As a result, the database contains missing values at certain times in the year, but the situation is corrected once the provinces and territories deliver their completed files.

Another factor that influenced the reliability of the administrative data used at the time of the formative evaluation was that a revised information delivery format had been implemented recently. The new format requires more information than the previous reporting template. Not all provinces delivered their 2001-02 data in the new format, making data comparisons between provinces problematic.

⁸⁸ Human Resources Development Canada Articles of Agreement – Human Resources Development & Equifax, August 2002.

CSLP and provincial officials emphasized the need for better data collection and information sharing.

The majority of CSLP and provincial officials noted that there is a need for improved data collection methods and information sharing on the part of both the provinces and the CSLP. They felt that the information systems in place for the CSLP were inadequate, that there are significant gaps in stakeholder data needs and data availability, and that CSLP administrative data are often unreliable. Several informants noted that the main reason for data-related problems is the complexity of the student financial assistance system. Information-sharing and administrative processes need to be simplified in order to extract meaningful data for management and decision making.

5.7.1 Performance Measurement Framework

The evaluation reviewed and analyzed the Performance Measurement Framework contained in the program's July, 2002 Results-based Management and Accountability Framework (RMAF). The purpose of the review was two-fold:

- determine the adequacy of performance indicators and the data used to report on them; and
- propose modifications and/or additions to the indicators, as well as data sources used, in order to improve upon the framework's ability to support on-going monitoring of program performance.

The program logic model developed in 2002 provides a reasonable basis for assessing program performance.

It was noted, however, that the connection between information products and improved decision-making is left unexplained. It was also found that the long-term outcome of "Strengthening the ability of borrowers to better help themselves within the community" was not supported by strong causal links to the program's activities.

Additional indicators were developed to respond to concerns of incrementality and attribution, particularly in the area of impacts on PSE accessibility, as well as program cost.

To this end, indicators were developed which measure medium and long-term outcomes. These indicators include *percentage of completion of post-secondary education by CSLP clients and non-clients; percentage who would not have completed post-secondary education without program benefits; average debt-to-income ratio for clients and non-clients two years after consolidation; and employment income for CSLP clients and a comparable group of non-clients.*

Some indicators are dependent upon the utilization of an annual survey of Canadian youth enrolled in post-secondary education.

A custom survey could be used and/or additional questions could be added to an existing annual survey administered, for example, by Statistics Canada. In addition, some indicators are dependent upon a custom survey of non-clients for comparison purposes in order to collect information which can be used to assess the attribution and incremental impact of the program.

Performance measurement will be challenged by the absence of comparable population data.

At present, the program's administrative data has gaps with respect to CSG recipients, DRR clients, rejected applicants and accepted applicants who subsequently decided not to use a CSL. The absence of data for an adequate comparison group limits the measurement of program outcomes. Based on the results of the performance measurement review, the most applicable population for comparison purposes was identified to be applicants who qualified for, but did not accept a loan. Characteristics of the population would have to be collected through a survey methodology.

5.8 Program Resources

5.8.1 Program Resources

The formative evaluation was conducted too soon after the change to direct loan provision to determine whether program resources were adequate or whether the change in the service delivery model will lead to reduced administrative costs.

Program operating costs are expected to decrease over the next three years as the new CSLP administration processes are fully implemented.⁸⁹ The consolidated revenue statement contained in the 2000-01 Annual Report notes that total loan administration expenses were \$185.3 million for combined programs and \$68.7 million for the direct loans program.

The interviewed CSLP officials considered program administration resources to be sufficient and reasonable, although they did indicate that efficiency in program administration could be improved. For example, it was suggested that making better use of technology could help to decrease administration costs over the long term.

It was too soon after the shift to direct loan provision to ascertain actual changes in the program's administrative costs at the time of the formative evaluation. For example, the costs of making the transition from the risk-shared loan program to the direct loan program inflated the administrative costs for that time period. In addition the program's own analysis suggests that administrative costs are not likely to settle until 2004-05. Therefore, the ratio of administrative costs to the loan portfolio will be considered for

⁸⁹ CSLP, Treasury Board Submission, 2001-02.

review in the summative evaluation and/or in later years to determine if administrative costs do, indeed, improve.

5.8.2 Human Resources Goals

There is evidence that the program is moving towards attaining its human resource goals.

To meet the demands associated with the move to direct provision of student loans, a human resources plan to increase the number of program personnel was introduced in 2001. The program proposed an increase of staff to 229 by December 2001 and a significant increase in the number of indeterminate personnel (i.e., an increase from 61 to 117 individuals) to help increase stability in the program. As of December, 2001, the program had 128 indeterminate personnel and 60 term personnel.⁹⁰ The program has indicated that, as of August 2003, there are 160 indeterminate personnel and 44 term personnel.

A few of the interviewed provincial and program officials noted that minimizing employee turnover in the program is important to perpetuating “corporate memory” and maintaining continuity as program changes are implemented.

5.9 Summary

Evidence suggests that the new service delivery model was designed and successfully implemented by the CSLP on schedule. The new design has required the contracting of service providers and the revision of provincial partnerships. Evidence also suggests that the integrated agreements with the provinces of Ontario and Saskatchewan have simplified the loan process and improved communications with students in those provinces.

Communications with students and partners were identified as an area for improvement. While the needs assessment process is designed to target those in need, both focus group participants and informants noted several areas of concern including the consideration of circumstances on a case-by-case basis and the calculation of parental contribution based upon income thresholds. Regarding debt levels, focus group participants were more concerned about their ability to repay student loan debt than about the amount of debt incurred. New services such as IR and DRR have seen increasing use since their introduction. Due to a number of gaps in administrative data, CSLP and provincial officials emphasized the need for better data collection and information sharing. While the program has implemented a performance measurement framework, performance measurement will be challenged by the absence of comparable population data. Data limitations also limited the extent to which the evaluation could fully determine the impact that loans and grants have upon PSE attendance and/or completion.

⁹⁰ CSLP, Human Resources Performance – June 27, 2001.

Finally, it is too soon after program changes to determine the extent to which program resources are adequate and whether the change in the service delivery model will lead to reduced administrative costs. There is evidence, however, to suggest that the program is moving towards meeting its human resources goals.

6. Summary of Findings/ Areas for Improvement

6.1 Evaluation Findings

Program Relevance:

The percentage of full-time post-secondary students in Canada served by the Canada Student Loan Program (CSLP) has increased from 30% in 1990-91 to 38% in 1999-2000.

The CSLP has served more than 3.4 million post-secondary education students and negotiated more than \$21.1 billion in student loans, since its inception in 1964. In 2001-02, 328,674 eligible full-time students and 2,867 part-time students with demonstrated financial need received assistance through the program. Canadians exhibit high levels of post-secondary education completion relative to other Organization for Economic Cooperation and Development (OECD) countries. Canada has the highest percentage of individuals with post-secondary education. Enrolments in post-secondary education have continued to increase over the last decade; steady increases in tuition have also been experienced.

Student financing is identified as one of the key barriers to post-secondary education participation

Average tuition fees for both college and university education has increased substantially over the past few years. These costs are expected to continue to rise. The majority of focus group participants cited student financing as a major consideration in their decision and/or ability to attend post-secondary education.

Certain groups face additional cost/barriers in accessing post-secondary education

Numerous studies on financing post-secondary education have concluded that there are groups who face additional costs/barriers in accessing post-secondary education including individuals from lower socio-economic status families, individuals living in remote/rural communities, students with dependents, persons with disabilities and Aboriginal individuals.

There is a gap between the post-secondary education goals that parents have for their children and parents' behaviour in terms of assisting their children financially to attend post-secondary education.

Although the 1999 Survey of Approaches to Educational Planning showed that almost nine in ten parents indicated that they wished for their children to get an education beyond high school it also showed that only 41% had established savings specifically for

their children's post-secondary education and the amount of money saved was insufficient. Half the parents surveyed expected their children would need loans.

The CSLP's mandate/mission is consistent with both the goal of equitable access to PSE and the identification of student financing as a key barrier to participation in post-secondary education.

One of the four program objectives of the CSLP is to maintain the government's commitment to accessible post-secondary education. In addition, a key element of the mission statement of the CSLP is the lowering of financial barriers to post-secondary education for those with financial need.

Many of the groups identified as facing additional barriers to post-secondary education are targeted by the CSLP through the program's needs assessment process and through Canada Study Grants (CSG) funding.

Groups facing additional barriers in accessing post-secondary education, such as individuals from lower socio-economic status families, individuals living in remote/rural communities, students with dependents, persons with disabilities, and Aboriginal individuals, are targeted by the CSLP through the needs assessment process and through CSG funding. Focus group participants and informants were unanimous in their opinion that there is a need for the CSLP. Experts and informants indicated that the needs-based assessment approach for targeting students most in need is one of the key strengths of the program.

Program Design and Delivery:

Evidence from key informants and the Human Resources Development Canada (HRDC) Client Satisfaction Survey suggests that the new service delivery model was designed and successfully implemented by the CSLP on schedule.

The government's goal was to implement the changes to the CSLP resulting from the August 1, 2000 amendment to the CSFAA without interrupting service. The new program delivery mechanism was in place by March 1, 2001, as scheduled. At that time, the federal government assumed full responsibility for program delivery.

Close to half (49%) of all Canada Student Loans (CSL) borrowers across Canada in 2001-02 received an integrated loan from either Saskatchewan (5%) or Ontario (44%).

As of August 1, 2001, integrated federal and provincial programs were established in Ontario and Saskatchewan. Close to half (49%) of the total borrowers in 2001-02 received an integrated loan from those provinces. For 2001-02, of the 331,541 students in Canada who received assistance from the program, 16,246 full-time students and 123 part-time students were from Saskatchewan and 145,287 full-time students and 802 part-time students were from Ontario.

The available evidence suggests that integration has simplified the loan process and improved communications with students.

Provincial officials from Ontario and Saskatchewan noted that the “front end” of the loan process is clearer and less complex for students and that communications with students has improved due to increased provincial participation/responsibility. Among the focus group participants who were aware of integration, many felt that service delivery had improved.

In the case of the non-integrated provinces, there is some evidence that the federal government’s role is less clear under the new service delivery model.

Many of the provincial officials noted that the federal government’s role in terms of setting policy direction was generally clear. However, the CSLP’s responsibilities with respect to program implementation were less clear to some of the non-integrated provincial informants as they considered the province to be the primary agent involved in program delivery.

The general view is that the needs assessment process and formula are simple and straightforward to apply, and are generally applied consistently across provinces.

Service provider and provincial informants considered the needs assessment process/formula to be clear and applied consistently by the provinces. None of the provincial informants considered the needs assessment process to be difficult to administer. Some provincial officials considered the criteria applied in the calculation of need to be complicated, especially from the students’ perspective.

Focus group participants were more concerned about their ability to repay student loan debt than about the amount of debt incurred.

In 2001-02, CSLP debt averaged \$9,539 per student borrower at consolidation. The majority of the focus group participants indicated that they chose to pursue post-secondary education regardless of the anticipated debt load at the completion of their studies. They viewed their education as an investment in their future, which made the costs associated with obtaining a post-secondary education expected and acceptable.

Students, including CSLP borrowers, are also borrowing funds from private financial institutions while attending post-secondary education.

Studies indicate that approximately 20% of university undergraduates and 13% of college students reported using a personal bank loan as a source of funding for post-secondary education. The extent to which CSLP borrowers rely upon other sources of funding including private borrowing is unknown.

Utilization of Interest Relief (IR) has increased substantially since its inception.

IR assistance peaked at \$106.8 million in 2000-01, rising from \$18.6 million in 1995-96 but fell to \$76.7 million in 2001-02. All of the informants and experts indicated that IR “was working well in general” and was adequate in responding to the needs of CSLP borrowers. While the reasons underlying the increase in IR expenditures (e.g., debt

burden; labour market demand) are known, the extent to which each contributes to increased use is not known.

Utilization of Debt Reduction in Repayment (DRR) is currently low, although the recent increases in IR clients are expected to translate into greater utilization of DRR over the next few years.

Low utilization was expected by the CSLP because DRR, which was introduced in 1998, is designed to target a small group of borrowers who have an extended period of repayment difficulty (i.e., after IR has been exhausted). Greater utilization over the next few years is anticipated because more borrowers will qualify for DRR once they have exhausted five years of IR.

The evidence indicates that difficulty in loan repayment is more related to the type of education and the employment situation than to the amount of debt.

Difficulties in repaying student loans are related to the type of education and the employment situation after post-secondary studies. Some focus group participants and informants suggested linking repayment to income, as is done in other countries.

The risk of loan default is highest for CSLP borrowers attending private institutions.

CSLP borrowers attending private institutions consistently have the largest percentage of student loan defaults. From 1990-91 until 1999-2000, the default rate for private institutions was consistently higher than for university or college ranging from 8% to 37%.

Performance Measurement Framework:

The program logic model developed in 2002 provides a reasonable basis for assessing program performance.

It was noted, however, that the connection between information products and improved decision-making is left unexplained. It was also found that the long-term outcome of “Strengthening the ability of borrowers to better help themselves within the community” was not supported by strong causal links to the program’s activities.

Additional indicators were developed to respond to concerns of incrementality and attribution, particularly in the area of impacts on Post-Secondary Education (PSE) accessibility, as well as program cost.

Program Resources:

The formative evaluation was conducted too soon after the change to direct loan provision to determine whether program resources were adequate or whether the change in the service delivery model will lead to reduced administrative costs.

In 2001-02, CSLP officials expect program operating costs to decrease over the next three years as the new administrative processes are fully implemented. CSLP officials interviewed considered program administration resources to be sufficient and reasonable,

although they did indicate that efficiency in program administration could be improved; for example, making better use of technology.

6.2 Areas for Improvement

Data Collection and Information Sharing:

The program's administrative data were insufficient to fully determine the impact that loans and grants have upon PSE attendance and/or completion.

Due to data limitations regarding the financial circumstances of Canada Student Loans (CSL), Canada Study Grants (CSG) recipients and non-qualifiers, the evaluation was unable to fully determine the impact that loans and grants have upon PSE attendance and/or completion. Although the formative evaluation could not speak to this issue, it was able to begin an examination of loan repayment issues that are related. The question of impacts and a detailed profile of CSL and CSG recipients as well as non-qualifiers should be considered for the summative evaluation of the CSLP which is scheduled to begin in 2004-2005.

Some data collection and information-sharing practices could compromise the program's ability to meet its mandated performance measurement strategy.

The review of the administrative data indicated that missing data were not a substantial issue for the most recent entries from the 1998-99 loan year upward. Information available from historical sources (i.e., from the previous two loan regimes not to the new, direct loan delivery model) is variable with some figures characterized as "not reliable" due to missing, incomplete or poor quality data. Among other limitations/gaps in administrative data, the review indicated there is a lack of some socio-economic profile data for CSL recipients, CSG recipients and information for individuals who applied to the program, but were not eligible for assistance. Some data collection and information-storing practices could compromise the program's ability to meet its mandated performance measurement strategy.

CSLP and provincial officials emphasized the need for better data collection and information sharing.

Several informants noted that the main reason for data-related problems is the complexity of the student financial assistance system. Information-sharing and administrative processes need to be simplified in order to extract meaningful data for management and decision making.

Performance measurement will be challenged by the absence of comparable population data.

At present, the program's administrative data has gaps with respect to CSG recipients, DRR clients, rejected applicants and accepted applicants who subsequently decided not to use a CSL. The absence of data for an adequate comparison group limits the measurement of program outcomes.

Communications:

Communications between federal and provincial programs were identified as an area for improvement.

The majority of informants from the provinces indicated that communications between the federal and provincial programs needs improvement. Specific areas identified by the informants for improvement included the timeliness with which provinces are notified of changes to the CSLP, and the duplication of communications received by the institutions from the provincial program and the CSLP.

CSLP activities and plans exhibit an on-going commitment to improving communications with CSLP borrowers and potential applicants.

A communications strategy was introduced in 2002-03 with a budget of \$1.45 million which included among other topics advertising via posters, brochures, signs, fact sheets, websites, etc. Other communication plans include working in partnership with the provinces/territory to develop joint communications products.

To help clarify communications responsibilities, Corporate Communications has developed a draft Communications Function Management Framework while CSLP Client Relations has developed draft communications agreements with the National Student Loans Service Centre and the provinces of Ontario and Saskatchewan.

Despite program efforts, the evidence suggests that there is a need to further enhance CSLP communications/awareness of specific products and services.

The HRDC Client Satisfaction Survey indicated that in the case of those who reported experiencing problems with the program, 13% reported receiving conflicting information and 9% reported communications problems.

Needs Assessment:

Informants and focus group participants noted several areas of concern in the calculation of student need.

Some of the provincial informants suggested that cost of living differentials could be considered regionally, within a province, rather than provincially. Many focus group participants, the majority of informants and the experts interviewed were concerned about the extent to which individual or special circumstances are considered in the needs assessment process. Two specific concerns were also noted:

- The needs assessment formula does not take into account the existing financial obligations of the student, parents or spouse such as mortgage payments or other debt serving obligations; and
- The effectiveness of the needs assessment process to consider circumstances on a case-by-case basis is largely dependent upon the applicant's awareness of the reassessment option.

Integration of Federal and Provincial Program:

There have been some delays in finalizing/implementing all aspects of the integration agreements.

At the time of the evaluation, full integration had not been completed. Saskatchewan considered the province and federal integration to be well under way and Ontario noted certain elements of the programs had not yet been addressed.

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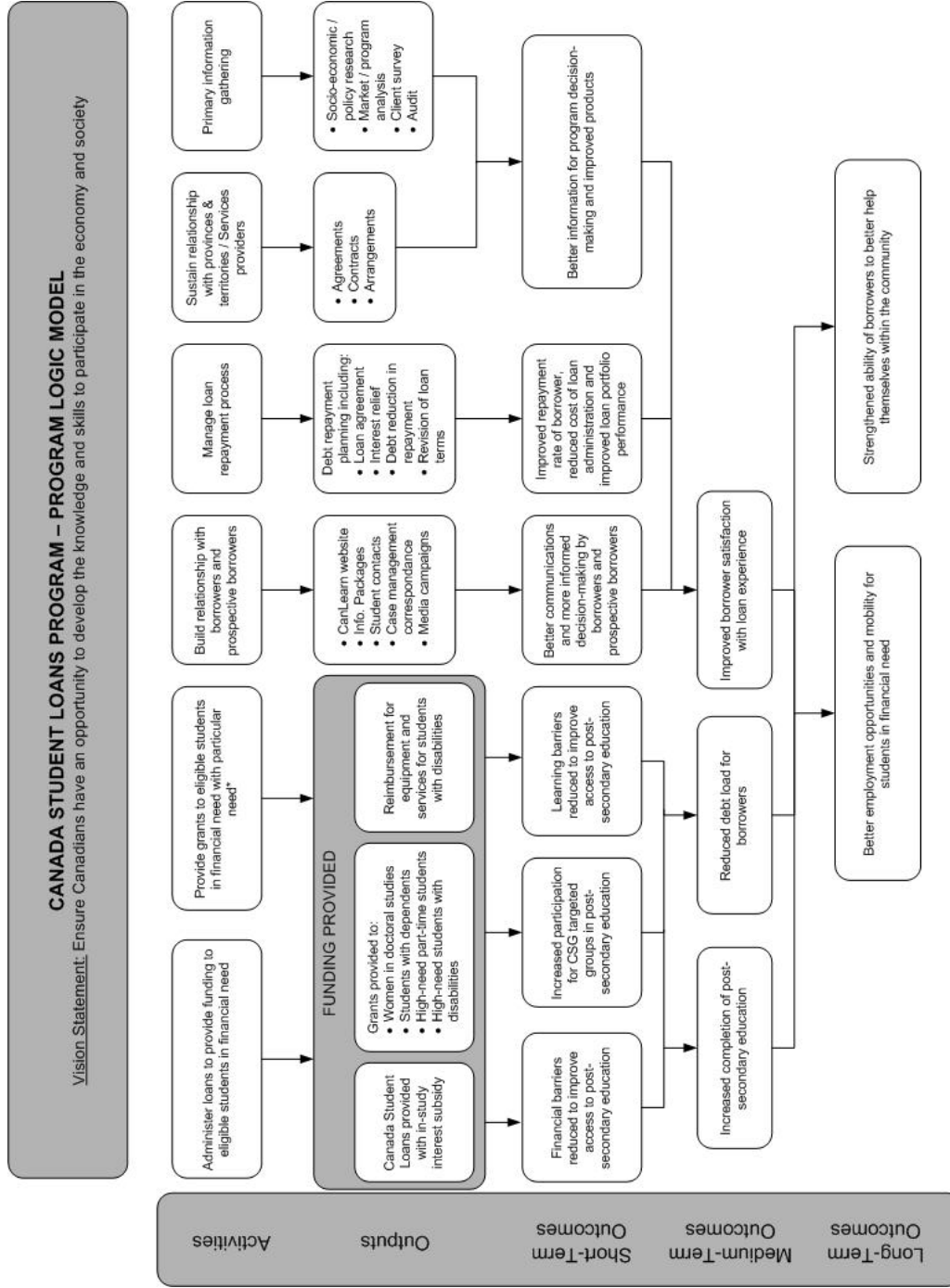
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Appendix A: Program Logic Model

CSLP Logic Model



* Canada Study Grants are targeted at: Students with disabilities; Students with dependents; High-need part-time students and, Women in Doctoral Studies

Appendix B: *Canada Student Loans Program (CSLP)* *Eligibility Criteria*

CSLP Eligibility Criteria	
Study Time Category	Description
Full-Time Studies	<ul style="list-style-type: none"> • Be a Canadian citizen or permanent resident • Be a resident (12 or more consecutive months) of a province or territory that issues Canada Student Loans • Show financial need • Be enrolled in at least 60% of a full course load • Be enrolled in a degree, diploma or certificate program • Maintain satisfactory academic performance • Pass a credit check if over 22 years of age (first time applicants)
Part Time Studies	<ul style="list-style-type: none"> • Be a Canadian citizen or permanent resident • Be a resident (12 or more consecutive months) of a province or territory that issues Canada Student Loans • Show financial need • Be enrolled in 20% to 59% of a full course load • Be enrolled in a degree, diploma or certificate program • Be enrolled in a course with content similar to that which is eligible for Canada Student Loans for full-time study • Maintain satisfactory academic performance
Source: www.canlearn.ca	

Appendix C: *Student Categories for Needs Assessment*

Categories of Students		
Marital Status	Parental Relationship	Description
Single	Dependent	<ul style="list-style-type: none"> • Have never been married • Have never been single parents supporting children • Entering post-secondary education within four years of leaving high school • Have not been in the labour force full-time for two years
	Independent	<ul style="list-style-type: none"> • No parent, guardian or other supporting relative • Have been out of high school for at least four years • Have been in the labour force full-time for two years • Have previously been a married/common-law student or a single parent student
Married/ Common-law		<ul style="list-style-type: none"> • Cohabiting with a partner • Considered to be living at home when living with a spouse
Single Parent		<ul style="list-style-type: none"> • Can be students who have never been married or in a common-law relationship • Can be students who are separated or divorced • Single parent students must have legal/physical custody for supporting one or more children

Living Situation	Description
At home	<ul style="list-style-type: none"> • Single students living in their parents' home • Married/Common-law students living with their spouses
Away from home	<ul style="list-style-type: none"> • Dependent and independent students who live away from their parents' home • Married/Common-law students who live away from their spouses

Source: <http://www.hrsdc.gc.ca/en/gateways/individuals/cluster/tl.shtml>

Appendix D: Canada Study Grants (CSG) Eligibility and Funding Maximums

Eligibility Requirements and Annual Funding Maximums for CSGs		
Category by Student	Yearly Maximum	Additional Eligibility Requirements
With disabilities	\$8,000	<ul style="list-style-type: none"> • Exceptional education-related costs associated with disability (e.g., specialised equipment and services required to participate in PSE)
High need, with disabilities	\$2,000	<ul style="list-style-type: none"> • High level of financial need above and beyond the disability-related assistance required
High-need part-time	\$1,200	<ul style="list-style-type: none"> • Enrolled in courses representing 20% of a course load • Can justify reason for part-time studies • Gross income and living situation
With dependents	\$3,120 – full-time \$1,920 – part-time	<ul style="list-style-type: none"> • Extra \$40 per week of study with one or two dependents; or • Extra \$60 per week of study with three or more dependents
Women pursuing doctoral studies	\$3,000 for a three year maximum	<ul style="list-style-type: none"> • Studying in traditionally male dominated fields at the doctoral level
Source: Office of the Chief Actuary, <i>Actuarial Report on the Canada Student Loans Program</i> , 2001.		

Appendix E:

Inter-provincial Consistency in the Needs Assessment

Consistency Across Participating Provinces with CSLP

	Needs Assessment / Costs		Resources									
	Tuition	Books/Supplies	Pre-Study	In-Study	Scholarships	Savings	Student Assets ⁹¹	Parental Contribution	Parental Assets	Spousal Contribution		
CSLP	Actual amount	≤\$3,000	\$1,500-\$2,000 (live at home); \$100-\$400 (away from home)	80% of income over \$600	All income over \$600	All	Car value >\$5,000; RRSP value >\$2,000/year over 18	Three-tier system ⁹²	Generally none	Greater of: 1. \$0-\$500/mo. ⁹³ 2. 80% of income > provincial living allowance		
BC	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	1% of >150,000 ⁹⁴	See above		
AB	Actual amount	≤\$3,000	See above	80% of income over \$2,000	All income over \$2,000	All	See above	Three-tier system	5% of >\$250,000	See above		
SK	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	Generally none	See above		
MB	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	Generally none	See above		
ON	Actual amount ⁹⁵	≤\$3,000	See above	80% of income over \$3,000	All income over \$3,000	All	See above	\$100 plus 5% of net >\$30K; three tier for >\$40K	None	See above		

⁹¹ 100% of applicable assets are considered resources.

⁹² 45% of the first \$3,000 net income above exemption level; 60% of the next \$3,000; 75% of income after that. Exemption level range is between \$26,100 to \$32,500 (depending on province), plus \$5,000 per family member.

⁹³ Amount varies by province.

⁹⁴ Excluding RRSPs, vehicle and principal residence.

⁹⁵ Actual amount except for deregulated fee programs, which are capped at \$5,350 and \$4,500 (Co-op programs and non-co-op, respectively)

Consistency Across Participating Provinces with CSLP (continued)

Needs Assessment / Costs		Resources									
		Tuition	Books/ Supplies	Pre-Study	In-Study	Scholarships	Savings	Student Assets ⁹⁶	Parental Contribution	Parental Assets	Spousal Contribution
NB	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	Generally none	See above	
PE	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	Generally none	See above	
	Tuition	Books / Supplies	Pre-Study	In-Study	Scholarships	Savings	Assets	Parental Contribution	Parental Assets	Spousal Contribution	
NS	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	Generally none	See above	
NL	Actual amount	≤\$3,000	See above	80% of income over \$600	All income over \$600	All	See above	Three-tier system	Generally none	See above	
YT	Varies	Varies	NA	NA	NA	NA	NA	NA	NA	NA	

Source: CMSF, *The Price of Knowledge: Access and Student Finance in Canada, 2002*.

⁹⁶ 100% of applicable assets are considered resources.

Appendix F: Provincial Designation Policies

Designation Requirements and Loan Negotiation/Disbursement by Province			
Province	Type of Loan	Designation Policies	Loan Negotiation & Disbursement⁹⁷
BC	Canada and Provincial	Private schools are under the mandate of (PPSEC). All private schools offering training to students over 17 years of age must register with PPSEC. However, accreditation is voluntary and it is accreditation that enables institutions eligibility for (BCSAP).	Canada Post offices, government agent offices
AB	Canada and Provincial	To operate an institution in Alberta, its program(s) must first become licensed through the Private Institutions Branch. This license allows the institution to run those programs that are registered. Designation follows the licensing process, and allows the program eligibility for student loans. There is no specific time frame on this process, and it really just depends on the backlog.	EDULINX, also Canada Post
SK	Integrated	Private vocational schools apply for Student Loan Designation after being registered for at least 18 months and after having graduated at least one class. Applicant institutions must have been certified, as defined by the <i>Private Vocational Schools Regulation Act, 1995</i> .	Canada Post or Saskatchewan Learning
MB	Canada and Provincial	All private vocational schools in Manitoba are governed by The <i>Private Vocational Schools Act</i> and Manitoba Regulation 182/88. Operators of schools are required to be registered with Manitoba Advanced Education. The process of designation (eligible for student assistance) in MB starts with a student request. A student wishing to attend the institution and receive financial assistance must first make a request to Advanced Education. Out-of-province schools must already be designated in their own province.	Manitoba Student Loan Service Bureau (MSLSB) for CSL and MSL

⁹⁷ Note that all Canada Student Loans are administered through National Student Loans Service Centre and most are disbursed through Canada Post offices or various government agents. Some provinces also utilize Canada Post for negotiating loans, although this is not universal.

**Designation Requirements and Loan Negotiation/Disbursement
by Province (continued)**

Province	Type of Loan	Designation Policies	Loan Negotiation & Disbursement⁹⁸
ON	Integrated	In order for an institution to be designated as an OSAP-eligible institution, it must be registered and in good standing with the Superintendent of Private Vocational Schools, Ministry of Education and Training (PVS Unit), as regulated under the <i>PVS Act</i> . Initial OSAP eligibility allows an institution to offer CSL to its students. To apply for initial eligibility, an institution must file with the ministry a Request for OSAP Designation form and supporting documentation. Minimum requirements include at least 12 months as a registered institution and at least 1 graduating class. After 2 years, including audits, the institution can then apply for full eligibility, allowing it to offer OSA in addition to CSL.	
NF	Canada and Provincial	Moratorium on establishing new private training institutions	CIBC
NB	Canada and Provincial	New Brunswick has two private universities and one private degree-granting institution.	Post Office
NS	Canada and Provincial	To offer student assistance in NS, an institution must first register with Private Career Colleges Division (PCC), Dept. of Education, a process that can take around 6 months. This does not qualify a college to offer loans; once registered, the institution must then apply to be designated with Department of Education, which can also take up to 6 months. Out of province institutions do not have to be first designated in their own province, as long as they become registered in NS.	
PEI	Canada and Provincial	Schools are registered with the Department of Education, a process which can take up to 6 months. The process requires registration of the school, its program(s), and its instructors. At this time, registration also confers designation in PEI, although there is the potential that this may change in the future.	credit unions
YK	Canada and Territory	Institution must become registered under <i>Trade Schools Act</i> (application process to the Department of Advanced Education). Once all documentation is in, process only takes a couple weeks. A separate application process is required to become designated for student loans.	

⁹⁸ Note that all Canada Student Loans are administered through National Student Loans Service Centre and most are disbursed through Canada Post offices or various government agents. Some provinces also utilize Canada Post for negotiating loans, although this is not universal.