

Reformed student loan program in the works

BY LILLY JU

Student leaders from some of the largest universities in Canada have been meeting this past week with the federal government in Halifax to redraw the Canadian Student Loan Program. The focus of the discussion at this conference organized by the Canadian Alliance of Student Association has been on a proposed income-based remission program for the repayment of student loans.

"The student loan program has been unchanged since the 1970s," says Kevin Lacey, vice-president academic/external of the Dalhousie Student Union (DSU) and Atlantic Canada Director of CASA.

"It is now time for the federal and provincial governments to recognize the need to modernize the loan system."

CASA met with officials from Human Resources Development Canada for eight hours on Monday to discuss and work on a reformed student loan program.

"The response was terrific," said Lacey.

Originally, CASA was to announce its national campaign on a new student loan program plan on October 22. However, as of Wednesday, details of this new plan were still being finalized, although the basic principles of the plan have been agreed upon.

An income based remission (IBR) program would be designed to help alleviate a student's debt load upon graduation. According to the Human Resources Development Canada, students are graduating on average with a debt of \$25,000. Student bankruptcies have increased

250 per cent in the past five years, and one in four loans goes into default in the first three years of repayment (increasing from 3,000 in 1990 to 8,000 in 1996).

"Fifty per cent of students in Canada have some debt load," said Hoops Harrison, National Director of CASA.

"That is unacceptable. We need to focus on the current crisis, that being ensuring that those students who need financial assistance have access to it and that they don't end up mortgaging their future in the process."

Loan repayment in an IBR program would be based on an affordable proportion of the graduate's income. Those graduating students who have not found employment or have found employment and are not making much money would be eligible for grants from the

federal government that would help them make loan payments.

"If you make more, you pay more; if you make less, you pay less," explains Lacey. "And if you make so little that you can't make your loan payments, the government will help you out."

Dalhousie, along with the University of New Brunswick (Fredericton), originally passed a motion at CASA to advocate for such a plan nationally. Both schools have already been working towards such a program dealing with provincial student loans in their respective provinces. Since the summer, both schools have been meeting with their respective provincial government representatives.

A proposal for an income-based remission program contrasts with the call for zero tuition from another national

student organization, the Canadian Federation of Students (CFS) three weeks ago. CASA's plan deals with the student loan program, whereas CFS's focuses primarily on tuition fees.

CASA represents the universities of Kwantlen, Alberta, Calgary, Saskatchewan, Manitoba, Waterloo, Western Ontario, McGill, St. Thomas, New Brunswick (Fredericton), New Brunswick (Saint John), Dalhousie and Acadia.

The student debt crisis has also been acknowledged by university administrators, who told federal finance minister Paul Martin that the federal government needs to take greater action on issues such as student loans and scholarships at a meeting in Montreal this past Tuesday.

Government admits loan program needs changes

BY DAVID COCHRANE

OTTAWA (CUP) — The Canada Student Loan Program is no longer doing its job of keeping higher education accessible to Canadian students and needs to be reformed, says a federal government document.

The confidential Human Resources Development (HRD) report admits that tuition fees may have reached levels high enough to deter students from pursuing a post-secondary education. The Student Assistance in the Year 2000 document also outlines a consultation process with provincial governments, the banks, student groups and others. The process is due to be wrapped up later this month, with a reform strategy for the loan program to be presented to the federal cabinet by December.

The document, dated Aug. 12, has been presented to educational policy groups as part of the consultation process, but hasn't been made public. It is the first admission by the federal government that the current student loan system isn't working.

"Debt has become the key issue for student assistance programs, and is the driving consideration for further reform," the report states.

The document makes some candid admissions about the severity of student debt loads, which average \$25,000 for students who borrow, stating that debt payments leave little room for necessary living costs after graduation.

It also stated that any changes to the program will include an income-contingent repayment option. And that the federal government has been developing an income-contingent loan program with Ontario. The government wants to implement the new system by September 1998.

Higher education and student debt have become prominent themes during the federal

Liberal's second mandate. In the Throne Speech the government pledged to reduce barriers to higher education through changes to the Canadian Student Loan Program, and shortly after announced the creation of a \$1-billion scholarship fund. In recent weeks Pierre Pettigrew, federal minister of human resources development, hinted at student aid reform to combat soaring debt loads.

"We are considering all kinds of options, like the income-related repayment options and all that. We are going to work hard on that file still," the minister said.

The government's reform plan is being met with guarded optimism by the Canadian Federation of Students (CFS), says Federation Deputy Chair Jennifer Story, largely due to the inclusion of an income-contingent repayment option.

The federation has long opposed such a scheme, which involves loan payments geared to a graduate's income. It says that students who earn less end up taking longer to pay off their loans, and have to pay more in interest. The federation also points to the fact that in jurisdictions where income-contingent loan programs have been introduced, tuition increases followed shortly thereafter.

But Story says that HRD officials have told her that the government is considering an income-contingent loan program with considerable differences from the one proposed in 1994, which led to nation-wide student protests in 1995.

She says the government is looking at extending the interest-free grace period after graduation and establishing a system of deferred grants or a loan forgiveness program, similar to

existing provincial programs.

"Finally, [the federal government is] honestly saying, 'What we have to do is reduce the debt burden so we are not negatively impacting who is attending,'" Story said.

Hoops Harrison, executive director of the Canadian Alliance of Student Associations (CASA), says he is encouraged by the government initiatives. He says CASA also opposes the 1994 proposals, but says a debt repayment program linked to income will offer students more flexibility in paying back their loans and keep default rates down.

Human Resources reports that student bankruptcies have increased 250 per cent in the last five years and one in four loans goes into default in the first three years of repayment. As a result, lenders like the Canadian Imperial Bank of Commerce (CIBC) have

pressured the federal government to rethink the way it offers student aid. This summer, the CIBC got out of the student loan business in Nova Scotia, citing rising student debts and increasing bankruptcies.

"The program, we feel, is in trouble. It's not satisfactorily providing students with the level of financial support they need," said Peter McCreath, a spokesperson for the CIBC in Halifax.

The CIBC says it would like to see a new loan program which keeps student debt low.

Both national student groups, the CIBC, and even the Council of Ontario Universities — long a proponent of income-contingent loan programs — say that to work, the new loan proposals must include some form of debt relief.

The Department of Human Resources wouldn't comment on any potential reform plans.

Standardized tests in Atlantic Region

BY MICHAEL CONNORS

ST. JOHN'S (CUP) — High schools across Atlantic Canada will soon be teaching courses based on a single, regional curriculum, and members of Newfoundland's academic community are hoping it could mean the introduction of standardized testing.

The Atlantic Canada Education Foundation, an intergovernmental organization established by the Atlantic departments of education, has been developing a common curricula in the sciences, language arts and math since 1995.

Throughout the Atlantic region, all courses in these subject areas will eventually be brought in line to match the new regional curriculum.

"It means that a student could go anywhere in the Atlantic region and expect to be taught the same things, so it's good for mobility," said Laurie Alexander, one of the foundation's project coordinators.

"And it's really good because we

have the benefit of the four Atlantic provinces working together on something, as opposed to each province working on its own, so we have all that shared expertise," she added.

Alexander says in terms of implementation, the common language arts and science courses are in the pilot stages now, and the new math curriculum will likely start in about a year.

The foundation's goals also include the introduction of standardized exams in the region which students would take before graduating from high school, although Alexander says not all provinces would necessarily use them.

"The four provinces are really in different places with their policies for [testing], so it absolutely goes back to each province to do whatever best fits their current and existing policies," she said.

Standardized testing has been a source of controversy in Newfoundland since the government

cancelled its provincial public exams in the spring of 1996. The cancellation sparked the formation of a secondary school student action group called the Student Education Alliance. The alliance organized a march of protest on the provincial legislature of over 3,000 students.

Tracey O'Reilly, one of the founders of the group, says standardized testing is important for students because it ensures consistency in evaluations and makes grading more meaningful.

"If you're from Gander or if you're from St. John's of Goose Bay, everybody's taught the same thing, and you're evaluated in a way that's fair. Right now there is no standard whatsoever," she said.

Now a member of the student union at the Memorial University of Newfoundland (MUN), O'Reilly says she likes the concept of an Atlantic-wide public exam system because it would bring that consistency back.

Ever since the cancellation of exams in Newfoundland, teachers,

students, and university administrators have expressed concern that without the exams, which they say levelled grading practices, students have been graduating from high school with inflated averages.

Jaap Tuinman, vice-president academic at MUN, says it is too early to make definite conclusions that this is happening, but adds there are indications it may be.

"We think we're beginning to see a bit of a grade creep," Tuinman said. "We're not sure of it yet in any major way... [because] our data are still very minimal, but we're keeping a very close eye on it. Either the students are doing better than they used to or we're beginning to see a bit of easier grading."

"But with the onset of these Atlantic exams, we should be getting back to an even keel."

Officials at the Newfoundland department for education were not available to comment on whether they intended to use the regional exams if and when they are introduced.