



MEETING SD 25-20-24

**STANDING COMMITTEE ON SOCIAL DEVELOPMENT**

**TUESDAY, AUGUST 20, 2024  
DET'ANCHOGH KÙÉ - EAGLE ROOM / ZOOM  
1:00 PM**

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**AGENDA**

1. Call to Order
2. Prayer
3. Review and Adoption of Agenda
4. Declarations of Conflict of Interest
5. In Camera Matters:
  - a. Internal Briefing on Bill 8: An Act to Amend the *Student Financial Assistance Act*
6. Public Matters:
  - a. Public Hearing on Bill 8: An Act to Amend the *Student Financial Assistance Act*
7. In Camera Matters:
  - a. Discussion on Bill 8: An Act to Amend the *Student Financial Assistance Act*
  - b. Confidential Correspondence:
    - i. 2024-08-14 Honourable Minister of Education, Culture and Employment
  - c. Workplan
8. New Business
  - a.
9. Date and Time of Next Meeting: Thursday, September 5, 2024 at 1:30PM
10. Adjournment



Government of  
Northwest Territories

# Student Financial Assistance Program

Department of Education, Culture and Employment

**Public Briefing on Bill 8: An Act to Amend the SFA Act**

**August 20, 2024**

# Presentation Overview

- Student Financial Assistance Program
- Program Benefit Types – Full-time Studies
- Private Member's Public Bill
- Current Status
- Loan Repayment
- Data Analysis on Loans
- Revolving Loan Fund



# Student Financial Assistance Program

- The Student Financial Assistance (SFA) program is one of five Income Security programs delivered by the Department of Education, Culture and Employment (ECE).
- The SFA program provides a variety of non-repayable grants, remissible (forgivable) and repayable student loans to assist residents with the costs associated in obtaining a post-secondary education.
- The cost of a post-secondary education is a shared responsibility. The SFA program is intended to supplement a student's own resources.
- ECE recently completed a review of the SFA program and made several improvements, including increased benefit levels and removal of barriers. These improvements were introduced during the 2023-2024 academic year.



# Program Benefit Types – Full-time Studies

Assistance Type	Northern Indigenous	Northern Schooled	Northern Resident
Basic Grant	✓	✓	x
Supplementary Grant	✓	x	x
Remissible Loan	or ✓	✓	✓
Repayable Loan	✓	✓	✓
Grant for Students with Disabilities	✓	✓	✓
Grant for Services and Equipment for Students with Disabilities	✓	✓	✓



# Private Member's Public Bill

## Bill 8

### An Act to Amend the Student Financial Assistance Act

The Commissioner of the Northwest Territories, by and with the advice and consent of the Legislative Assembly, enacts as follows:

1. The *Student Financial Assistance Act* is amended by this Act.
2. Paragraph 10(3)(a) is amended by striking out "\$60,000" and substituting "\$90,000".



# Current Status

- Students are eligible for a combination of Remissible and Repayable Loans, to a maximum consolidated loan balance of \$60,000.
- This limit is revolving, allowing students to continually access loans up to \$60,000.
- Remissible Loans assist with monthly living expenses and is based on family size.
  - Single student - \$1,000 per month | Student with 3 dependents - \$1,650 per month
- Repayable Loans are to assist with tuition, books, fees travel and monthly living expenses and is based on financial need. The maximum rate is \$1,400 per month.
- Remissible Loans can be forgiven (based on residency) while Repayable Loans must be repaid.
- Terms of repayment range from 1 year to a maximum of 14 years.
  - 20 years for Students with Disabilities.



# Current Status

- Approximately 75% of students accessing benefits under the SFA program are single with no dependents.
- Undergraduate Degrees typically take 4 years to complete, however, if a student studies at a reduced course load it may take 5 or 6 years.
- The following is a breakdown of maximum benefits advanced to a single Northern Schooled student enrolled in an Undergraduate Degree.

# of Years	Basic Grant	Remissible Loan	Repayable Loan*	Total Loans
4	\$26,840 + Travel	\$32,000	\$5,368	<b>\$37,368</b>
5	\$33,550 + Travel	\$40,000	\$6,710	<b>\$46,710</b>
6	\$40,260 + Travel	\$48,000	\$8,052	<b>\$56,052</b>

\* The Basic Grant is calculated at approximately 80% of the average costs of obtaining a Bachelor of Arts. As such, the Repayable Loan would be based on the remaining 20% not covered by the Basic Grant and Remissible Loan.





# Current Status - Student Loans Advanced

	Northern Indigenous		Northern Schooled & Northern Resident	
	2022-2023	2023-2024	2022-2023	2023-2024
Remissible Loans	17	18	537	706
Repayable Loans	46	29	277	283



# Loan Repayment

- The SFA program provides a variety of Loan Repayment Incentives, to help alleviate the burden of student loan debt and to encourage students to return to the NWT.
  - Remission (forgiveness)
  - 0% Interest
- Students that do not return to the NWT or apply for Loan Repayment Incentives are required to repay their loans plus interest, over the established repayment terms.
  - The current interest rate is 4%
  - Repayment terms range from 1 year to 14 years (20 years for Students with Disabilities)
- The following is a breakdown of what a student's minimum monthly payment amount would be over 14 years based on the current and proposed loan limit:

<b>Consolidated Loan Balance</b>	<b>\$60,000</b>	<b>\$90,000</b>
Minimum Monthly Payment	\$467.07	\$700.51



# Revolving Loan Fund

- Although Bill 8 was brought forward to increase the personal loan limit of one person, increasing this amount will require further consideration on the impact it will have on the Revolving Loan Fund.
- In accordance with Section 10.(3) of the *Act*, all loans issued under the *Act* cannot exceed an aggregate balance \$45 million.
- The Revolving Loan Fund is currently \$40.8 million.
- Increasing the Revolving Loan Fund will require a legislative change and investment from the GNWT during a time of fiscal restraint.



# Data on Consolidated Loan Limit

- There are approximately 2,002 students who are repaying their SFA student loans
  - 696 borrowers are currently in collections, these loans are valued at over \$7.8 million
- On average, borrowers repay over \$3 million worth of loans each year
- On average, over \$2 million worth of loans get remised (forgiven)
- Of the over 5,000 students who have accessed SFA student loans:
  - 335 have accessed over \$50,000 in student loans
  - 93 students accessed over \$60,000 in student loans
  - 3 students accessed over \$90,000 in student loans
- There are 16 students who applied for the 2024-2025 academic year who have less than \$10,000 remaining in their consolidated loan limit.



# Questions and Feedback

