

Education – Nunavut Adult Learning & Post Secondary Services

Report and Recommendations for Changes to the
Nunavut Student Financial Assistance Program

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EXECUTIVE SUMMARY

The Financial Assistance for Nunavut Students (FANS) is the primary vehicle for delivering direct financial assistance to Nunavut post-secondary students. The program was transferred to the Government of Nunavut (GN) from the Government of the Northwest Territories (GNWT) at the time of Nunavut's inception in April 1999. Through the course of several consultations with various stakeholders in Nunavut's post-secondary education since 1997, it has become evident that the GNWT Program is regarded by many of those consulted as inadequate in meeting the needs of Nunavut's students. Specifically, the program does not provide an adequate living allowance.

It is clear that the needs of Nunavut's post-secondary students differ in many ways from that elsewhere in Canada, including the NWT. As a result, the Nunavut Government has recognized the importance of ensuring that its FANS Program responds to these needs. Such a response is needed to enable and encourage Nunavut's students to pursue post-secondary studies and, consequently, increase the participation of Nunavummiut in tomorrow's workforce.

The GN has made a number of modifications to the Student Financial Assistance (SFA) Program inherited from the GNWT - now known as FANS. However, it is recommended that GN adopt further modifications to FANS, many of which will have significant implications both for costs and for the means by which the GN delivers student financial assistance to post-secondary students. Some of these changes may require an amendment to the *Student Financial Assistance Act*. To this end, this report:

- identifies the sources and processes by which student financial assistance has been provided in Nunavut;
- presents the improvements that have been made to Nunavut's SFA Program over the past 18 months;
- highlights those issues that influence the need for student financial assistance, particularly those that are specific to Nunavut; and
- presents recommendations to improve FANS that address these issues.

These recommendations are intended to ensure all of Nunavut's students receive both equitable treatment and adequate compensation through FANS that will better enable current students to stay in their studies, and equally, to attract others who may be considering post-secondary education. A summary of the recommendations that enables these objectives to be met follows:

SUMMARY OF RECOMMENDATIONS

1. The tuition cap should be increased from \$2,500 to \$5,000 in light of increasing university tuition fees. The present FANS Tuition Benefit no longer meets the needs of the majority of FANS sponsored students attending university. Tuitions have roughly doubled since 1990.

2. The student living allowance should be increased up to 22.3% to enable FANS beneficiaries to receive in real terms that which beneficiaries received in 1990. It is further recommended that the Department of Education review student living allowance amounts every three years and make recommendations for adjustments.

3. The maximum loan amounts should be increased to reflect the rising costs of PSE. The present loan limits are not sufficient to cover the costs of an increasing number of post-secondary education programs. The maximum loan amount for students who received a Basic Grant should increase from \$26,000 to \$ 40,000. The maximum loan amount for students who did not receive a Basic Grant should increase from \$36,000 to \$ 50,000.

4. A maximum benefit amount be established to promote student responsibility and limit abuse as follows:

- \$75,000 for an undergraduate student for combined basic and supplementary grant (excluding travel);
- \$45,000 per program for a graduate student for combined basic and supplementary grant (excluding travel).

5. A two-stage appeal process should be established: *Stage 1: FANS Supervisor, Stage 2: Department of Education Committee*. This recommendation ensures that Nunavummiut have access to a speedy and equitable appeal process.

6. FANS should offer a grant of up to \$8,000 to disabled students who receive FANS funding. Students with disabilities have special needs that are not presently met through the present FANS program.

7. The idea of establishing more bridging programs should be explored and costed for students who are considering PSE. Bridging programs can ease the transition to PSE by providing the extra student support that can be directed to better preparing students about to embark on PSE studies.

The total cost implications of the recommendations is \$979,500 for grants and \$66,000 for loans to total \$1,045,500.

GLOSSARY

AHRDA	Aboriginal Human Resource Development Agreement
CPI	Consumer Price Index
CSLA	Canada Student Loan Act
CSLP	Canada Student Loan Program
FANS	Financial Assistance for Nunavut Students
FTE	Full-time Equivalent
GN	Government of Nunavut
GNWT	Government of the Northwest Territories
NAC	Nunavut Arctic College
PSE	Post-secondary Education
SFA	Student Financial Assistance
UCEP	University College Entrance Preparation Program

1.0 Current Financial Assistance to Nunavut Students

The purpose of this section is to provide background on how financial assistance to post-secondary students is currently provided in Nunavut and to present elements of the Financial Assistance for Nunavut Students Program (FANS) that summarize the benefits available through the Program. The section includes discussion of the characteristics that distinguish the needs of Nunavut's post-secondary students from those of students elsewhere in Canada. As well, a contextual overview of the present status of student financial assistance in the Northwest Territories is provided in Appendix E.

1.1 Funding Sources for Nunavut Student Financial Assistance

Funds available for education, including those allocated to student post-secondary financial assistance in Nunavut, have the following sources.

- *Canada Student Loan Program (CSLP) - Alternative Funding Formula:* Students from across Canada are entitled to apply for loans under the CSLP, or the provincial/territorial equivalent. Nunavut has opted out of the CSLP for reasons described elsewhere in this report. Instead, Nunavut receives an annual lump sum payment under the CSLP alternative funding formula. These funds are used to support a loan program comparable to the CSLP in Nunavut. In 2001 / 2002 Nunavut received \$670,000 under the formula.
- *Aboriginal Human Resource Development Agreements (AHRDAs):* The Nunavut Government is not the only sponsor of Nunavut post-secondary students. Three Inuit Associations (Kitikmeot, Kivalliq, and Qikiqtani) provide significant funding for student sponsorship from Human Resources Development Canada (HRDC) through AHRDAs. These funds are used to support internships and wage subsidies, self-employment incentives, employment services (i.e., counseling, job search assistance, assessment, planning for labour market adjustment), and child care services. In 2000/01, \$1,967,000, \$2,937,000, and \$5,197,000 were distributed to the three organizations respectively. Of this amount, approximately \$6-6.5 million was allocated to training and educational development.¹
- *Labour Market Development Agreements (LMDAs):* For those who are eligible for employment insurance, funding through LMDAs may provide support for post-secondary studies. In 2001-02, some \$2 million will be transferred to Nunavut through LMDAs.
- The *University College Entrance Preparation (UCEP)* Program provided by the Federal Department of Indian Affairs and Northern Development is limited to financial support of Inuit students attending a 1-year program that is designed to

¹ The amounts that are directed to post-secondary education specifically are unknown

prepare the learner for post-secondary studies. The UCEP is linked to FANS in that program staff administers it. In 1999/00 the GN received \$118,708 for UCEP.²

- *Scholarships*: A variety of scholarships are available to Nunavut students. Please refer to Appendix C for a summary of the types of scholarship and the amounts associated with each.

For context, in 2000/01, Department of Indian and Northern Affairs allocated \$288 million toward PSE for First Nations. Nationally, almost 100% of the combined Post-secondary Student Support Program, the University College Entrance Preparation Program and the Indian Studies Support Program is delivered directly by First Nations or their administering organizations.

1.2 How Student Financial Assistance is Provided to Nunavut Post-Secondary Students

The main vehicle through which financial assistance is offered to Nunavut post-secondary students is FANS administered from Arviat. The program, which has evolved from the SFA Program transferred from the Government of the Northwest Territories (GNWT) at the time of Nunavut's inception, has been established under the *Student Financial Assistance Act* and the Regulations under the Act. FANS, with the exception of funding received from CSLP, is financed through general revenue in the amount of \$3.1 million dollars. Nunavut must have a loan component in the FANS program to continue to receive alternate funding from the Canada Student Loan Program. The amount of funding provided by the C.S.L.P. is based on a funding formula that is outlined in Appendix D. This funding amounts to approximately \$670,000 per year and goes directly into the Government of Nunavut's General Revenue Account.

During Nunavut's first year, student financial assistance was partially delivered through a contract-back arrangement with the GNWT. The Government of Nunavut has been responsible for payments to students attending Nunavut Arctic College since September 1999 and, as of June 30th, 2000, the Government of Nunavut has assumed full responsibility for the program's delivery.

Internal operational policies and guidelines under the Act direct how FANS is to be operated. Based on a series of consultations by Nunavut's Department of Education Adult Learning Division, with Nunavummiut stakeholders in post-secondary education (see Appendix A for a summary of the consultations), it was evident that the SFA Program as inherited from the GNWT retained a living allowance that had not changed for many years, and had confusing and cumbersome policies that often frustrated and

² At present funds under UCEP are directed at the Nunavut Sivuniksavut Program, a college program based in Ottawa that is accredited by Algonquin College. Nunavut Sivuniksavut provides Inuit youth with an opportunity to learn about Inuit history and issues essential to Nunavummiut while providing them with experience living and attending school outside the north. The Tunngavik Federation of Nunavut founded it in 1985.

discouraged students from entering post-secondary studies. For example, the Table of NWT Living Allowances found in Appendix D illustrates the complex system of categories for determining a student's living allowance entitlement. The result of the consultations has been the adoption of several improvements directed at the GNWT Student Financial Assistance Program (see Section 2.0) that are now embodied within FANS.

1.2.1 Basic Eligibility

Applicants must be Canadian citizens and residents of Nunavut for twelve continuous months immediately preceding the start of the program to be eligible for FANS. This requirement is consistent with the Canada Student Loans policies that are uniform across Canada. Exceptions are made for those who reside outside of Nunavut due to work assignments, medical care, or educational pursuits. Programs supported by FANS must be full-time post secondary programs that are at least twelve weeks in duration, and offered by a designated post secondary institution. Students are eligible to receive funding provided they carry at least a 60% course load, even if only for one semester per year. Students enrolled in a full course load must pass 60% to receive FANS supports. Students who are enrolled in 60% of a course load must pass 100% of their courses to receive FANS support.

1.2.2 Benefits Determination

Eligibility requirements determine which categories of assistance will be provided. FANS eligibility criteria are based on ethnicity.

- **Nunavut Beneficiary:** Nunavut Beneficiaries who are residents of Nunavut are eligible for a Basic Grant for tuition and travel and a Supplementary Grant, which includes a living allowance and a book benefit. They may also be eligible for a needs assessment loan.

A Letter of Understanding exists between the Government of Nunavut and the Government of the Northwest Territories that ensures that Nunavut Beneficiaries who live in the Northwest Territories are treated in the same manner as Northwest Territories Northern Indigenous Aboriginal Residents for the purposes of student financial assistance.

A Northern Indigenous Aboriginal Residents must meet one of the following criteria:

- be a member of a NWT Dene Band or eligible for NWT Dene Band membership;
 - be a descendant of a person who is a member of a NWT Dene Band or is eligible for NWT Dene Band membership;
 - be a beneficiary or registered as a beneficiary of the Inuvialuit Land Claim;
- or

- be a Nunavut Land Claim beneficiary who lived in the NWT before April 1, 1999 and was not in attendance in full time studies in a postsecondary program.

Non-indigenous Aboriginal students who do not meet the above definition are treated as Nunavut Non-Beneficiaries for the purpose of student financial assistance.

- **Nunavut Non- Beneficiary:** Non-beneficiary students who have attended a Nunavut elementary or secondary school for at least three years are eligible for a Basic Grant of up to a maximum of \$2500 per year for tuition and the FANS travel benefit.

Non-Beneficiary students are eligible for a Primary Loan of \$3200 for every three years they have resided in Nunavut. Non-beneficiary students who are not eligible for a Primary Loan receive a Secondary Loan. Non-beneficiary students may also be eligible for the Needs Assessed Loan.

All support is provided through grants and loans. There are five categories of assistance available under the current FANS program. These benefits are paid to students through a direct deposit to their bank account. Direct deposits are mandatory for all students receiving FANS. Students who receive a monthly living allowance are paid by bi-monthly direct deposits. Direct deposits ensure timely payment, safety of student funds, and contribute to administrative efficiency.

1.2.3 Grants

There are two types of grants:

Basic Grant

The Basic Grant is available to:

- Beneficiary students;
- Non-beneficiary students who have at least three years of schooling in Nunavut. Non-beneficiary students receive one year of grant for each three years of Nunavut schooling.

Basic Grant Benefits include:

- **Tuition and Fees:** Up to \$2,500 per year
- **Travel** FANS assists with the travel costs of students attending post-secondary institutions outside of their home community. Students attending institutions in the North receive round-trip, excursion airfare between their home community and the nearest northern institution offering the program. This travel benefit is available to the dependants of students who qualify for the Supplementary Grant.

Students attending institutions in the South receive round-trip, excursion airfare between their home community and the gateway city nearest to the student's home. The gateway cities are Ottawa, Montreal, Winnipeg, and Edmonton. The number of trips per academic year is based on whether the student traveled alone or with family.

- **Students who travel alone** – These students are eligible for two return trips. The second trip is for Christmas travel home.
- **Students who travel with dependants** – These students are eligible for one return trip. (The Dependant Travel Benefit is only available for students who receive the Supplementary Grant).

Supplementary Grant

The Supplementary Grant is provided only to beneficiary students. It provides for funding for books and a bi-monthly living allowance paid out bi-weekly through direct deposit into a student's bank account.

- **Books and required equipment:** FANS provides \$400 per year for textbooks and required costs. No receipts are required.
- **Living Allowance:** The following table is the schedule of monthly living allowances;

Schedule of Current SFA Monthly Living Allowances for Students Who Receive the Supplementary Grant			
	Single Student	Married Student with Employed Spouse	Married Student with Non-employed Spouse
Living with parent	\$290	\$290	\$290
Living on own	\$675	\$675	\$895
With 1 dependant child	\$1045	\$850	\$1045
With 2 dependant children	\$1205	\$1030	\$1205
With 3 dependant children	\$1355	\$1205	\$1355
With 4 dependant children	\$1405	\$1255	\$1405
With 5 dependant children	\$1455	\$1305	\$1455
Additional dependant children	\$50 for each additional dependant	\$50 for each additional dependant	\$50 for each additional dependant

1.2.4 Nunavut Student Loans

The funding for the student loans comes from the Canada Student Loans Program Alternate Funding Agreement and amount to approximately \$670,000 per year. Loan repayments are added to a revolving loan fund administered by the Department of Finance.

There are three types of student loans:

- Primary Loans;
- Secondary Loans;
- Needs Assessed Loans.

Primary Loan

Non-beneficiary students who have resided in Nunavut for three or more years qualify for a Primary Loan. The Primary Loan is a forgivable loan of a maximum of \$3,200 per academic year.

The student is eligible for a Primary Loan to cover one year of post-secondary education for each three years they have resided in the North (i.e., Nunavut/NWT) and was a Northern resident. If the student does not return to live in Nunavut for the required period of time, the student must pay back all or part of the loan. The loan is forgivable at the rate of \$750 for every three months of living in the north after completion of study.

Primary Loan Amounts Per Academic Year	
Single student	\$3,200
With one dependant	\$4,000
Each additional dependant	\$500

Secondary Loan

Non-beneficiary students who do not qualify for a Basic Grant or primary loan are eligible for a Secondary Loan. The Secondary Loan is a non-forgivable loan of a maximum of \$4,400 per academic year. A Secondary Loan must be repaid in full. The table below lists the per-year loan amounts.

Secondary Year Loan Amounts Per Academic	
Single student	\$4,400
With one dependant	\$5,200
Each additional dependant	\$500

Needs Assessed Loan

The Needs Assessed Loan is available to all students (Nunavut Beneficiaries and Non-Beneficiaries) who are eligible to receive FANS benefits and can demonstrate financial need. It is a non-forgivable loan of up to a maximum of \$165 per week and must be repaid in full. A student may apply for a Needs Assessed Loan at any time during the school year. The amount granted is based on income and expense information provided in a Needs Assessed Loan Application. The maximum amount for each academic year that can be approved is \$165 for each week the student is in school. The loan is paid monthly. A new application must be made for each academic (school) year.

Maximum Loan Amounts

The total amount that students may borrow in loans may not exceed:

- \$26,000 if the student had a Basic Grant;
- \$36,000 if the student did not have a Basic Grant.

Loan Repayment

The interest rate for all loans is set at the time repayment begins. The rate set is one percent below the prime interest rate as set by the Bank of Canada for January 1 of the year in which the student ceases his or her studies. The length of time to repay the loan is based on the total amount borrowed. Once a student completes full-time studies, he or she is not required to pay the interest on the loan for six months following the end of the study period. The student must begin to repay the loan within six months of the completion of schooling.

Students who have forgivable loans and return to Nunavut are required to file a Statutory Declaration with the FANS Office every three months in order to qualify for loan remission (forgiveness). The rate of forgiveness is \$750 for every three consecutive months that the student has physically resided in Nunavut after leaving full-time studies.

FANS Recipients

The tables below illustrate the ethnic and gender makeup of post-secondary students who were in receipt of financial assistance under FANS during 2000/01. Note that during 2000/01 year, for a variety of reasons, approximately 18% of the FANS sponsored students dropped out of their PSE program.

Ethnicity				
<i>Home Region</i>				
	Qikiqtani	Kivalliq	Kitikmeot	Total
Beneficiary	188	95	62	345
Non-Beneficiary	35	11	10	56
Total	223	106	72	401

Gender				
<i>Home Region</i>				
	Qikiqtani	Kivalliq	Kitikmeot	Totals
Female	146	55	48	249
Male	77	51	24	152
Totals:	223	106	72	401

The table below lists the number of loans issued in the 2000-2001 and 2001-2002 fiscal years by type.

Number of Loans Issued – Fiscal Year		
	2000-2001	2001-2002
Primary Loan	40	35
Secondary Loan	22	58
Needs Assessed Loan	16	39
TOTAL LOANS	78	132

The table below provides a summary of FANS expenditure for the 2000-2001 fiscal year.

Total FANS Expenditures – 2000-2001 Fiscal Year		
	Grants	Loans
Nunavut Beneficiaries	\$ 2,813,374	\$ 50,529
Non-Beneficiaries	\$ 132,415	\$ 247,471
TOTAL	\$ 2,945,789	\$ 298,000

The following table provides a snapshot of the program profile of FANS sponsored students as of February 1, 2002. Note that it does not list students who withdrew or include students who started school after that date.

PROGRAM BREAKDOWN FOR FANS SPONSORED STUDENTS 2001-2002 ACADEMIC YEAR	
As of Feb 1, 2002	
PROGRAM	STUDENTS
Ph.D. Programs	
Curriculum Studies	1
Geology	1
Educational Psychology	1
Masters Programs	
Science	3
Education	1
Bachelor's Programs	
Arts	44
Science	32
Commerce	1
Education	7
Social Work	1
Diploma Programs	
Management Studies	28
Education	25
Religion	19
Jewellery & Metalwork	14
Inuit Studies	12
Vocational Occupations	10
Environmental Technology	8
Science/Technology	7
Social Sciences	6
Nursing	5
Business	5
Arts	5
Certificate Programs	
Nunavut Sivuniksavut	22
Management Studies	14
Business	12
Vocational Occupations	11
Health	10
Jewellery & Metalwork	7
Total As of February 2, 2002	312

1.3 Appeals

Students currently have access to a three-stage appeal process should they disagree with a decision over their receipt of FANS benefits. Following a review of a complaint by the FANS Coordinator, the student may appeal as follows:

- Stage 1: Supervisor, Financial Assistance for Nunavut Students
- Stage 2: Director of Adult Learning and Post-Secondary Services
- Stage 3: Minister of Education

1.4 Other Funding

Students have access to a variety of scholarships including the Canada Millennium Scholarship. Approximately 1 out of every 6 Nunavut Students will receive a \$3,000 Millennium Scholarship. This scholarship is available to eligible students over the next ten years. Appendix C contains a list of the main scholarships to which Nunavut students may be eligible. Money received from scholarships is not subtracted from the student's total entitlement. Students may also be eligible for funding from Inuit Associations.

1.5 Tax Implications of FANS Benefits

Reference to the Canadian Customs and Revenue Agency's personal income tax guidelines for 2001 indicates that the vast majority of students who receive student financial assistance are unlikely to owe federal or territorial income taxes.

It should be noted that the average yearly FANS grant to a Nunavut Beneficiary is \$7,900 and the average yearly FANS grant to a non-beneficiary is \$1,800.

Specifically, the tax credits and deductions available to students that lead to this conclusion are listed below:

- 1) the first \$7,412 of income is not subject to tax (this is the Basic Personal Amount);
- 2) the first \$3,000 of SFA support is exempt from income tax, (i.e., not included in income);
- 3) the tuition tax credit may be used by the student or, if the student does need the credit to reduce taxes to zero, the credit may be carried forward to future years or transferred to a spouse, parents, or others;
- 4) the education tax credit (\$400 per month for a full-time student, \$120 per month for a part-time student). Like the tuition tax credit, this amount can be carried forward or transferred to certain individuals;
- 5) moving expenses: students can deduct moving expenses from SFA funds if they move to attend courses as a full-time;
- 6) child care expense deduction for dependant child/children (if paid to allow the student to go to school, conduct research or earn income); and
- 7) interest paid on student loans. Credit can be carried forward to any of the next five years.

The following table is a summary of assistance under the current FANS Program.

ETHNICITY	CATEGORY OF ASSISTANCE	BENEFITS
<p>NUNAVUT BENEFICIARY</p>	<p>Basic Grant</p>	<ul style="list-style-type: none"> • Tuition maximum \$2500 per year • FANS Travel Benefit
	<p>Supplementary Grant</p>	<ul style="list-style-type: none"> • Books \$400 per year • Living allowance
	<p>Needs Assessed Loan</p>	<ul style="list-style-type: none"> • Based on financial need • Up to \$165 per week • Must be repaid
<p>NON-NUNAVUT BENEFICIARY with schooling in the North</p>	<p>Basic Grant 1 year of grant for each 3 years of schooling</p>	<ul style="list-style-type: none"> • Tuition maximum \$2500 per year • FANS Travel Benefit
	<p>Primary Loan 1 year of loan for each 3 years of schooling or residency</p>	<ul style="list-style-type: none"> • \$1600 per term (\$3200/year) • Forgivable based on Northern residency
	<p>Needs Assessed Loan</p>	<ul style="list-style-type: none"> • Based on financial need • Up to \$165 per week • Must be repaid
<p>NON-NUNAVUT BENEFICIARY no schooling in the North</p>	<p>Primary Loan 1 year of loan for each 3 years of schooling or residency</p>	<ul style="list-style-type: none"> • \$1600 per term (\$3200/year) • Forgivable based on Northern residency
	<p>Secondary Loan Issued to students not eligible for the Primary Loan</p>	<ul style="list-style-type: none"> • \$2200 per term (\$4400/year) • Must be repaid
	<p>Needs Assessed Loan</p>	<ul style="list-style-type: none"> • Based on financial need • Up to \$165 per week • Must be repaid

1.6 How The Needs Of Nunavut's Students Differ From Those Of Students Elsewhere In Canada

In the mid-1960s, there were about 200 Status Indian students enrolled in Canadian colleges and universities. By 1999, the number had increased to more than 27,000 Indian and Inuit. Several factors have led to this increase including the increasing control Aboriginal people have been taking over their own education. However, there is still far to go, particularly in the North. The vast majority of Inuit still do not complete secondary school and, therefore, relatively few Inuit participate in post-secondary education.

The needs of Nunavut's post-secondary students differ from those of students elsewhere in Canada in several ways. Recognizing these needs is essential to enable the financial assistance requirements of Nunavut's students to be effectively identified, prioritized, and funded appropriately.

The key factors and the characteristics that must be considered in the context of PSE assistance in Nunavut are as follows:

- 1) The cost of living in Nunavut is approximately twice that in southern Canada. Tuition, however, at Nunavut Arctic College is roughly half of the average at other Canadian universities.
- 2) Demographically, Nunavut contains both a young and rapidly growing population. In 1999/00 there were some 3,264 persons between the ages of 18 and 24.
- 3) Student living allowances have not changed in at least 13 years.
- 4) FANS maximum tuition benefit is \$2,500 per year. Undergraduate arts students will pay an average of \$3,453 in tuition in 2001/02, about double the average tuition of 10 years ago of \$1,714. The increase in tuition is some five times greater than the 20.6% increase in inflation over this period as measured by the Consumer Price Index (CPI).
- 5) At approximately 27,000 people, Nunavut's population is small in absolute terms, yet is spread over an area approximately twice that of Ontario.
- 6) The sudden and dramatic changes that have occurred in the North over only a few decades have had direct and often negative socio-cultural implications for the Inuit, which in turn, influence the efficacy of programs promoting education at all levels.
- 6) During 2000/01, 171 Nunavut PSE students receiving FANS benefits attended Northern schools and 230 attended southern schools, with Inuit students far outnumbering non-Inuit students and female students outnumbering male. However, approximately 18% did not complete their courses.
- 7) More than most Canadian students, there is an intrinsic reluctance on the part of many Inuit students to take on debt, often because of the uncertainty of students as to whether they will have a paying job upon completion of their studies
- 8) For geographic, social and cultural reasons, Nunavut's population is less mobile than is that in the South. As a result, many Inuit are reluctant to relocate from their home communities to obtain work, or to attend a PSE institution.

2.0 CHANGES TO DATE TO THE FANS PROGRAM

While the GNWT continued to administer student financial assistance on Nunavut's behalf during the first year of Nunavut's existence, the GN concentrated on enhancing the existing program to better meet the needs of Nunavut's students. These efforts have been undertaken under existing GNWT legislation (i.e., *Student Financial Assistance Act*) inherited at the time of Nunavut's inception. These changes are a result of the consultations that were held with a number of stakeholders. These efforts, however, must be expanded upon to better meet the needs of Nunavut's students.

Following is a summary of changes made to the FANS Program. The efforts that have been undertaken to date fall into Phase I of the FANS Program.

2.1 Phase I - Progress-to-date

Two primary concerns expressed during the initial consultations with students concerned cheque delivery:

- Lack of on-time cheque delivery; cheques often arrived late or were held up due to administrative problems and
- Budgeting difficulties on the part of students caused by a one-cheque per month payment system

Nunavut's Department of Education resolved these concerns by instituting a direct deposit two-payment a month system delivered directly to the student's bank account. The payment schedule is consistently adhered to. This process ensures that payments are delivered to students on time and, as well, achieves administrative efficiencies that ease the burden on students and department staff alike. Students are better able to focus on their studies when they are not concerned with the reliability of the financial assistance they need to support themselves and their families. Fees owed by students to Nunavut Arctic College are paid directly by FANS.

A Nunavut Student Financial Assistance Office was established in Arviat HQ. This provided:

- Services in Inuktitut and English
- Toll-free phone and fax contact with Arviat office
- A FANS e-mail address: fans@gov.nu.ca
- A simplified application form in the official working languages of Nunavut
- Individual attention to students, with consideration for special circumstances on a case by case basis

A Student Financial Assistance Team was established which included Career Development Officers from the Department of Education's regional offices, Registrars of Nunavut Arctic College from each region and headquarters, staff from Nunavut Student Financial Assistance and staff from the Income Support division.

A Nunavut Scholarship Committee was formed. The purpose of this committee, which has representatives from across Nunavut, is to administer alternative sources of funding for PSE students. Among the tasks completed through the Committee in 2000/01 were the following:

- Awarded 65 Millennium Bursaries of \$3000 each from a fund established by the Federal Government
- Awarded 3 Canadian Council of Aboriginal Business Scholarships of \$1,000 each
- Awarded 12 Bank of Montreal Scholarships of \$500 each, from a \$50,000 fund to be distributed over 5 years
- Awarded 6 Nunavut Department of Education Academic Excellence Scholarships which totalled \$7,250
- Created scholarship materials in English and Inuktitut

A computer information system was initiated and has been partially implemented to manage the FANS Program. At present the system supports a database that enables: key information on students to be maintained; the tracking of benefits distributed; and defined, but not ad hoc, reporting. Remaining tasks include the completion of reporting modules to better track statistics and generate both ad hoc reports and reports that interface with the government's accounting system. Due to technical problems with the FANS software, a technical review of this software is currently underway

FANS began a pilot project with Kakivak to jointly sponsor selected Inuit students. Previously students who were funded by Student Financial Assistance had restricted access to other sponsorship. This forced students to choose between being sponsored by FANS or by one of the Inuit Regional Organizations. Often this is not an easy choice for the student.

A pilot program is now underway with Kakivak to jointly sponsor selected Inuit students who are in Nunavut Arctic College's Nunavut Teacher Education Program and Nursing Program. This program began in February 2001 and will be evaluated at the end of the term. Students participating in this program receive their living allowances from Kakivak, while FANS provides tuition, fees, books benefits and the travel benefit. This partnership provides a blended support package and, therefore, a significant enhancement to the student's benefits.

Based on the success of the pilot, long-term agreements could be negotiated with each of the Inuit regional organizations for joint sponsorship of Inuit students. This would significantly enhance benefits for Inuit students and allow the Financial Assistance of Nunavut Students Program to provide core benefits to all Nunavummiut. Lessons learned from this project may be applied in future to cost share in the provision of financial assistance to post-secondary students

The Department of Education is now proposing Phase II of the SFA redesign. The proposed changes to the FANS program are provided for with two options detailed in Section 3.0.

3.0 FANS PROGRAM PROPOSED CHANGES

It is clear that the needs of Nunavut's post-secondary students differ in many ways from those elsewhere in Canada, including the NWT. As a result, steps must be taken to ensure that the FANS Program responds to these needs. Such a response is needed to enable and encourage Nunavut's students to pursue post-secondary studies and, consequently, increase the participation of Nunavummiut in tomorrow's workforce. These recommendations are intended to ensure all of Nunavut's students receive both equitable treatment and adequate compensation through FANS that will better enable current students to stay in their studies, and equally, to attract others who may be considering post-secondary education.

3.1 Proposed Changes to Benefits

3.1.1 Basic Grant

The average tuition at a Canadian University is \$3,379; NAC tuition & fees is \$1,730. While the NAC fees fall within the current tuition cap, hardships are presented to students going to university. Students in specialized programs may have a particularly difficult time with tuition fees of more than \$5,000 per year. Thus, changes are required to the tuition cap.

The Basic grant is available to beneficiaries and for those who have at least 3 years of schooling in the north. Increase to Grant Benefits should include:

- **Tuition and Fees:** An increase from \$2,500 to a maximum of \$5,000 per year.
- **Travel:** The FANS Travel Benefit should remain the same as now.

3.1.2 Supplementary Grant

The Supplementary Grant is provided only to students who are Nunavut Beneficiaries. It provides for a grant for books and a living allowance paid out twice a month through direct deposit into a student's bank account.

- **Books and required equipment:** FANS support for textbook and required equipment costs would be doubled from \$400 to a maximum of \$800 per year. Receipts are not required if the amount is not over \$400. If these costs are greater than \$400, the additional costs are reimbursed to a maximum of \$800 per year when supported by receipts and documentation from institution.

The current FANS living allowances have not changed since the 1980s. The rate of inflation, however, as measured by the Consumer Price Index (CPI) has increased by 22.3% between 1990 and 2001. There are increasing demands from students to increase the living allowance to help cover their living costs. Therefore the general increase to living allowances benefits should correspond to increase in inflation since 1990.

The Department of Education conducted a review of living allowances paid by other jurisdictions including First Nations. The results of this review are located in Appendices E and F. The recommended changes to the living allowance schedule compare very favourably with living allowances paid by other jurisdictions.

- **Living allowance:** The living allowances would be increased as per the table that follows. This reflects the cost of living increase since the last change overall by an average of 22%. In addition, changes were required to ensure consistent treatment of dependents and to provide more appropriate levels of benefits for a student with a non-employed spouse.

SCHEDULE OF PROPOSED SFA MONTHLY LIVING ALLOWANCES FOR STUDENTS WHO RECEIVE THE SUPPLEMENTARY GRANT			
	Married Student with Employed Spouse	Married-student with Non-Employed Spouse	Single Student with Dependants
Student	\$825	\$825	\$825
With 1 dependant	\$1075	\$1280 *	\$1280
With 2 dependants	\$1175	\$1480	\$1480
With 3 dependants	\$1275	\$1680	\$1680
With 4 dependants	\$1375	\$1880	\$1880
With 5 dependants	\$1475	\$2080	\$2080
Additional dependents	\$100 for each additional dependant	\$200 for each additional dependant	\$200 for each additional dependant

*The student's spouse is considered the first dependent

It should be noted that the proposed living allowance schedule eliminates the old category: Student Living with employed parents. Under the present benefit schedule, this category provides a monthly living allowance of \$295. The proposed Living Allowance schedule treats all single students equally and pays them a living allowance of \$825 per month.

The living allowance schedule is based on students living and attending school in the North. Since living costs can be significantly lower in the south, this provides an extra incentive for those students studying in the south due to the lack of a northern universities.

The Department considered treating communities separately for the purposes of determining living allowance benefits but determined that this would create a complexity that would be difficult to administer. The recommended living allowance schedule is a significant improvement that will assist Nunavummiut studying in the North.

COMPARISON OF CURRENT AND PROPOSED MONTHLY LIVING ALLOWANCE				
	LIVING ALLOWANCE CATEGORY	PRESENT ALLOWANCE	PROPOSED ALLOWANCE	INCREASE
LS	Single Student – on own	\$675	\$825	\$150
M0	Married Student with Employed Spouse, no children	\$675	\$825	\$150
M1	with 1 child	\$850	\$1075	\$225
M2	with 2 children	\$1030	\$1175	\$145
M3	with 3 children	\$1205	\$1275	\$70
M4	with 4 children	\$1255	\$1375	\$120
M5	with 5 children	\$1305	\$1475	\$170
	Additional dependant children	\$50 per child	\$100 per child	\$50 per child
N0	Married Student with Non-Employed Spouse with no children	\$895	\$1280	\$385
N1	With one child	\$1045	\$1480	\$435
N2	with 2 children	\$1205	\$1680	\$475
N3	with 3 children	\$1355	\$1880	\$525
N4	with 4 children	\$1405	\$2080	\$675
N5	with 5 children	\$1455	\$2280	\$825
	Additional dependant children	\$50 per child	\$200 per child	\$150 per child
D1	Single Parent, 1 child	\$1045	\$1280	\$235
D2	with 2 children	\$1205	\$1480	\$275
D3	with 3 children	\$1355	\$1680	\$325
D4	with 4 children	\$1405	\$1880	\$475
D5	with 5 children	\$1455	\$2080	\$625
	Additional dependant children	\$50 per child	\$200 per child	\$150 per child

*Please note that a non-employed spouse would be considered a dependant. If both parents are in school, only one may claim the children as dependants. The other parent would claim as a student and be entitled to \$825 per month in living allowance.

3.1.3 Primary Loan

The Primary Loan, which is a forgivable loan, should be increased from \$1,600 per semester to a maximum of \$2,000 per semester. The loan is available to eligible non-beneficiaries who have resided three or more years in the Nunavut. The student would be eligible for a Primary Loan to cover one year of post-secondary education for each three years during which he or she lived in the North (i.e., Nunavut/NWT) and was a Northern resident. If the student does not live in Nunavut for the required period of time, the student must pay back all or part of the loan. The loan would be forgivable at the rate of \$1000 per every three months of living in the north.

PRIMARY LOAN AMOUNTS PER ACADEMIC YEAR			
	Existing Loan Amount	Proposed Loan Amount	Increase
Single student	\$3,200	\$4,000	\$800
With one dependant	\$4,000	\$5,000	\$1,000
Each additional dependant	\$500	\$1,000	\$500

3.1.4 Secondary Loan

The Secondary Loan, which is a non-forgivable loan, should be increased from \$2,200 per semester to a maximum of \$2,750 per semester. This loan is made to residents of Nunavut who are ineligible for a grant or a Primary Loan. A Secondary Loan must be repaid in full. The table below lists the per-year loan amounts.

SECONDARY LOAN AMOUNTS PER ACADEMIC YEAR			
	Existing Loan Amount	Proposed Loan Amount	Increase
Single student	\$4,400	\$5,500	\$1,100
With one dependant	\$5,200	\$6,500	\$1,300
Each additional dependant	\$500	\$1,000	\$500

3.1.5 Needs Assessed Loan

The Needs Assessed Loan, which is a non-forgivable loan, should be increased from \$165 per week up to a maximum of \$200 per week based on financial need.

3.1.6 Students with Special Needs

There is currently no special provision in FANS for students with disabilities to facilitate their access to PSE (e.g., through provision of interpretation support, computers and specialized equipment). The Canada Student Loan Program includes a component that allows such provision. As Nunavut has opted out of the CSLP, it is obliged to maintain a loan program of a similar nature. Although this subject was not addressed specifically during consultations, it is evident that in the interests of equity and fairness for all potential Nunavummiut PSE students, it be given due consideration.

IT IS RECOMMENDED THAT: FANS offer a grant of up to \$8,000 per year to disabled students who receive FANS funding. The Disability Grant may be used to cover exceptional expenses such as the cost of a tutor, an interpreter (oral, sign), note taker, transportation, attendant care or special equipment. Where there is a demonstrated need supported by verified evidence.

This grant will be available to assist students with permanent disabilities (visual or hearing impairments and other physical or learning disabilities are among the types of disabilities covered) who are studying in post-secondary institutions.

Disabled students will be able to apply for the benefit at any time during the academic year and will require medical or other appropriate documentation about the student's disability and the manner in which it limits the student's ability to participate fully in postsecondary studies.

The \$8,000 grant is equivalent to the Canada Student Loans Study Grant for Student with Disabilities. Based on an assessment of the student's educational needs, eligible part time students may qualify for up to \$1,000 per course completed. If the student is applying as a part time student, he or she must be enrolled in at least 20% of a full course load.

The Disability Grant may be used to cover exceptional expenses such as the cost of a tutor, an interpreter (oral, sign), note taker, transportation, attendant care or special equipment. The grant will also reimburse students with up to 75% of the cost of a learning disability assessment (up to \$1,000).

It is difficult to predict the financial impact of the Disability Grant on the FANS Program. In the Northwest Territories, eleven students received Disability Grants last year. Based on this figure, it is estimated that five Nunavut Students will qualify for the FANS Disability Grant. This will result in an additional cost to FANS of approximately \$32,500. This figure was arrived at by assuming that the five students would qualify for an average per-student grant of \$6,500.

The following table illustrates the recommended new benefits.

ETHNICITY	CATEGORY OF ASSISTANCE	RECOMMENDED BENEFITS
NUNAVUT BENEFICIARY	Basic Grant	<ul style="list-style-type: none"> • Tuition maximum \$5000 per year • Travel
	Supplementary Grant	<ul style="list-style-type: none"> • Books up to \$800 per year • Living allowance
	Needs Assessed Loan	<ul style="list-style-type: none"> • Based on financial need • Up to \$200 per week • Must be repaid
NON-NUNAVUT BENEFICIARY with schooling in the North	Basic Grant (1 year of grant for each three years of schooling)	<ul style="list-style-type: none"> • Tuition maximum \$5000 per year • Travel
	Primary Loan (1 year of loan for each three years of residency)	<ul style="list-style-type: none"> • \$2000 per term (\$4000/year) • Forgivable loan based on Northern residency
	Needs Assessed Loan	<ul style="list-style-type: none"> • Based on financial need • Up to \$200 per week • Must be repaid
NON-NUNAVUT BENEFICIARY no schooling in the North	Primary Loan (1 year of loan for each three years of residency)	<ul style="list-style-type: none"> • \$2000 per term (\$4000/year) • Forgivable loan based on Northern residency
	Secondary Loan	<ul style="list-style-type: none"> • \$2750 per term (\$5500/year) • Must be repaid
	Needs Assessed Loan	<ul style="list-style-type: none"> • Based on financial need • Up to \$200 per week • Must be repaid

3.2 Cost Implications and Financial Projection

The following chart shows the amounts and projections with the increases to the benefits rounded to the nearest \$1,000.

COST IMPLICATIONS*			
FOR RECOMMENDED OPTION –FANS BENEFIT INCREASES			
*All amounts rounded to nearest \$1000	Present Expenditures	Proposed Expenditures	Increase
BASIC GRANT			
• Tuition and fees	\$ 536,000	\$ 802,000	\$ 266,000
• Travel	\$ 451,000	\$ 466,000	\$ 15,000
DISABILITY GRANT	\$ 0	\$ 32,500	\$ 32,500
SUPPLEMENTARY GRANT			
• Living Allowance	\$ 2,004,000	\$2,575,000	\$ 571,000
• Books	\$ 87,000	\$ 183,000	\$ 96,000
TOTAL GRANTS	\$ 3,078,000	\$4,058,500	\$ 980,500
TOTAL STUDENT LOANS	\$ 456,000	\$ 522,000	\$ 66,000

*It is assumed that FANS enrolments will grow 3.5% per year from present figures.

Please note that student numbers on this table are full-time equivalents. As a result, it should be understood more students would actually be in receipt of FANS funding over the course of the school years. Projections are based on averaged amounts. They include:

- Average university tuition: \$ 3,700
- Average university books: \$ 800
- Average college tuition: \$ 2,000
- Average college books: \$ 600

It should be noted that the average fiscal year FANS grant to a Nunavut Beneficiary is \$7,900 and the average yearly FANS grant to a non-beneficiary is \$1,800.

It is understood that the cost increase is significant. We believe however, that the costs are necessary to help enable a sufficient numbers of Nunavut's students to pursue - and complete - PSE. In turn, Nunavut will be better able to meet its objective of increasing greatly the number of Inuit students in skilled and professional positions. Implementing this recommendation will require an additional financial commitment of \$1,045,500. In addition, population increases, high school graduation increases, and the incentive of improved benefits are predicted to increase the number of participating students.

The following table projects FANS expenditures using the recommended increases to FANS benefits and factoring the impact of a 3.5% annual increase in students using FANS.

PROJECTED FANS EXPENDITURES			
Amounts are rounded to the nearest \$1000	Year 1	Year 2	Year 3
	583 students*	603 students	624 students
BENEFITS			
(GRANTS)			
Tuition	\$ 802,000	\$ 830,000	\$ 859,000
Travel	\$ 466,000	\$ 483,000	\$ 500,000
Living Allowance	\$ 2,575,000	\$ 2,665,000	\$ 2,759,000
Books	\$ 183,000	\$ 189,000	\$ 196,000
Disability Grant	\$ 32,500	\$ 39,000	\$ 45,500
TOTAL GRANTS	\$ 4,058,500	\$ 4,206,000	\$ 4,359,500
TOTAL LOANS	\$ 472,000	\$ 488,000	\$ 505,000

3.3 Additional Recommendations

3.3.1 Appeals

It is important that student have a means of appealing decisions made by FANS staff that is timely, fair and consistent.

IT IS RECOMMENDED THAT: a two-stage appeal process be implemented rather than the current one.

- **Stage 1: Supervisor of FANS**
- **Stage 2: Department of Education Appeal Committee. This committee would consist of the Director of Adult Learning & Post Secondary Services, the Director of Income Support and the Assistant Deputy Minister of Adult Programs, Employment & Career Services**

3.3.2 Maximum Grant Benefit

It is important that the FANS Program promotes student responsibility and limits abuse. The present FANS program is susceptible to abuse by not limiting the amount of funding a student can receive. This has allowed some individuals to become professional students who constantly switch programs without ever obtaining a credential. The establishment of generous grant maximums will limit this abuse. The Department of Education recognizes that some students may take longer to complete their program and that other students will have valid reasons to change programs. These situations will be dealt with on a case-by-case basis.

IT IS RECOMMENDED THAT: the maximum lifetime benefit for the combined Basic and Supplementary Grant per undergraduate student be set at \$75,000 not including travel. This provides for over five years of full-time study for most students. The maximum benefit for post-graduate programs would be an additional \$45,000 per program not including travel. Additional funding will be considered on a case-by-case basis for those students who have reached their maximums.

3.3.3 Increase Maximum Loans Limits

The cost of PSE has increased considerably over the last ten years. Costs such as tuition, fees, and books have increased over 30% within the last five years. It is important to recognize this by increasing the maximum student loan limits so that students are able to borrow enough money to finance their education.

IT IS RECOMMENDED THAT: the maximum loan limits be increased so that a student who receives a Basic Grant and is eligible for a primary loan will be able to borrow up to \$40,000 and a student who is not eligible for a Basic Grant and is eligible for a secondary loan may borrow up to \$50,000.

3.3.4 Bridging Programs

One of the reasons many students drop out of their post-secondary studies is because they are not adequately equipped to handle the expectations surrounding the successful completion of their courses. The implications for the student's morale, self-confidence, likelihood of returning to PSE, in addition to the costs to FANS, are evident. Therefore, an investment in programs that are directed at better preparing students about to embark on PSE studies would likely provide net benefits.

IT IS RECOMMENDED THAT: the idea of establishing bridging programs be explored and costed for students who are considering PSE.

APPENDIX A: SFA PROGRAM CONSULTATION PROCESS

The Adult Learning Division has formally and informally consulted students, parents, adult educators, and the public in the past with little or no fundamental alterations to the SFA program. The changes that have been made to date are identified in Section 2.0 of this document. Thus, when the Government of Nunavut initiated its redesign of the SFA Program, it conducted a thorough review of previous consultations and committed to developing a program that meets and resolves the issues expressed through an action-oriented Nunavut consultation. This approach was supported in recent discussions with Nunavut Arctic College (NAC) students who stated "we want action; we want change".

Discussions with NAC students revealed they feel further consultations would be repetitive. This was echoed by NAC staff and Regional Department of Education staff, which indicates consensus exists on the issues and the need for immediate change.

The following tables summarize the processes used and results of several consultations that have been held with key SFA stakeholders since 1997.

Consultation	Date	Process
NWT Ministerial Forum on Student Financial Assistance (SFA)	October 1997	225 individuals and organizations from both the east and west were consulted and a Discussion Paper a Report to the Minister was produced
Nunavut Arctic College Nunatta Campus	November 1998	The Director of Adult Learning held a meeting with 50 Nunavut Arctic College Students and 8 staff members to discuss the Student Financial Assistance Program
Hamlet of Arviat	November 1998	Dept of Ed. consultation which included SFA discussions
Oititliq Secondary School- Arviat	November 1998	Dept of Ed. consultation which included SFA discussions
Inuksuk High School	December 1998	Consultation with Grades 10,11,12 on Career Development and SFA
Nunavut Arctic College -Kivalliq Campus	October 1999	FANS staff met with the Rankin Inlet Students to discuss SFA
SFA Advisory Committee	May 1999 to March 2000	This committee was created to provide guidance and input in creating interim and long-term improvements in the SFA Program. It consisted of representatives from: Nunavut Arctic College Dept. of Ed. Regional Office Career Dev. Officers Department of Finance Income Support Division Dept. of Education - HQ. Nunavut Project Office Consultant SFA/Income Support Office of Interim Commissioner 2 NAC students
Nunavut-wide SFA Tele-conference	September 1999	Representatives of Nunavut Arctic College, Department of Education Regional Offices, Department of Education HQ. Staff met to discuss interim improvements to the SFA Program, Dept. of Finance
Departmental SFA Committee	On-going	Scheduled teleconferences between FANS Staff and Career Development Officers in each region
Interdepartmental SFA Steering Committee	June, 2000	This committee contains representatives from the following departments, divisions, and others including: Department of Education HQ Iqaluit/Arviat Adult Learning & Post Secondary Services Division Income Support Division Department of Finance Consultant SFA/Income Support Nunavut Project Office
Student Survey	September 1999	72 students completed a survey on Student Financial Assistance, recommended changes, and voiced their opinions on the new two-cheque per month system.
SFA Application Feedback consultation	January 2000	A new application form was designed and feedback was requested from 4 Nunavut Arctic College Adult Educators and their students. This feedback was incorporated in the design of a new form.
Toll Free phone and e-mail SFA Contact	March 2000	A toll free telephone number and a generic SFA e-mail address were established in Arviat to handle on-going inquiries from students and parents on SFA issues in the working languages of Nunavut.
Intergovernmental Consultative Committee for Student Financial Assistance	March 2000	Mary Pameolik and David Freeman attended this meeting to discuss outstanding student financial assistance issues. This meeting included representatives from all territories and provinces and the federal government.
Nunavut Sivuniksavut	April 2000	Members of the Financial Assistance for Nunavut Students staff met 18 students of the Nunavut Sivuniksavut Program in Ottawa to discuss SFA issues.
Association of Canadian Community Colleges Student Financial Assistance Think Tank	April 2000	Mary Pameolik and David Freeman attended a Pan-Canadian Think Tank on the issue of student debt that included student representation
Nunavut Social Development Council	Ongoing	Mary Pameolik is in contact with Mary Wilman, Chair of the Nunavut Social Development Council. She spoke with her on June 2, 2000
Canada Student Loan Program	Ongoing	Consultation and meetings since March 2000, with Dana Heide (FANS consultant) and Nancy Hyland, Director Adult Learning & Post Secondary Services

SFA Current Program Issue and Solutions Identified through Consultations

The outcomes of the consultations conducted by the Department of Education are summarized in the table below. The table indicates the issue/problem identified through consultations and highlights the recommended solution. The cost implication of each solution is also indicated.

Current Program Component	Issue/Problem	Solution Recommended	Status	Cost Implication
Language of Business	Limited access to the working languages of Nunavut.	Make services available in the working languages of Nunavut.	In Progress	Increase
Qualification for entitlements	Qualifications are based on ethnicity.	Partner with Inuit Organizations for joint sponsorship of Inuit students to enhance benefits.	In Progress	Neutral
Benefits	The current system consists of loans and grants based on ethnicity and need. Some of the loans are remissible. Maximum entitlement is \$36,000 (including travel) The maximums under the current program are inadequate.	System of Grants based on identified and supported needs. Maximum entitlement per student: -Undergraduate: \$50,000, excluding travel costs; -Graduate Programs: \$30,000 excluding travel.	Pending	Increase
Living Allowance categories	Program has a complicated system of 28 living allowance categories.	Create a simplified system with easily understood categories in keeping with the Bathurst Mandate of Simplicity and Unity.	Pending	Neutral
Tuition	\$1,250 max per semester. This amount is below the Canadian average for post-secondary tuition, which is \$1,700 per semester and rising.	Payment of the actual tuition costs based on passing 60% of a full course load. Increase benefit maximum to \$5000.	Pending	Increase
Books	\$200 per semester; this is seen as inadequate.	Payment of the actual cost of required books to a maximum of \$400 per semester.	Pending	Increase
Fees/Equipment	The current system does not cover all mandatory fees/equipment.	Payment of the actual mandatory fees.	Pending	Increase
Application Processing	Complicated system with no tracking built in. It is difficult to in the system the status of an application and that, which may be missing.	A simplified system with built in application tracking that will ensure that a student's applications are processed in a timely and complete manner in keeping with the Bath.	In Progress	Neutral
SFA-Student Communications	Communication mechanisms need to be established to ensure that student inquires are answered in a timely manner, and in the appropriate language.	Institute quality customer service practices. Establish a toll free telephone, fax and e-mail to the SFA office where individuals can be communicated with in the official working languages of Nunavut. Translation costs.	In Progress	Increase
Once-per-month living allowance payments to students	Consultations with students have identified budgeting issues that arise from issuing cheques once a month.	Pay students twice per month with the first payment of 70% of the allowance on the 1 st of the month and 30% on the 15 th of the month.	Implemented	Neutral

Current Program Component	Issue/Problem	Solution Recommended	Status	Cost Implication
Student Payment Process	Cheques are issued by the Nunavut Arctic College for SFA sponsored students attending their institution and Department of Finance for students attending other institutions. This is a complicated process that often leads to late payments and considerable administrative overhead.	Establish a payment function in the SFA information system that would issue payments directly to student's bank account. This will insure that students would receive their payments on time. This system would also incorporate a reconciliation system that would ease financial administration work and result in a savings of one PY. SFA would work with students to assist them in obtaining bank accounts.	Completed	Decrease
Student Support	The present SFA program provides only financial support	A variety of supports need to be built into the SFA program that will, along with adequate financing, help encourage student success.	In Progress	Increase
Payment Accuracy	Accuracy of payments is often problematic. Administrative errors are sometimes made in the calculation of benefits.	Implement an information system that tracks all payments made to students. This system will ensure payment accuracy, which would decrease administrative work on payment recovery. This would result in a reduction of one FTE between the IS and SFA Program	In Progress	Increase in short-term, with a decrease in mid/long-term
Suspensions	Students must be accountable for their progress.	Students must successfully complete at least 60% of a full course load. If student is unsuccessful in one term – student is put on probation. If student is still unsuccessful in second term – student is suspended. Suspended students have 4 options: Remain suspended for 3 years; Successfully complete a term at no cost to FANS; Pay back all money paid to the student or on the student's behalf during the unsuccessful term; Appeal the decision.	No Change	Neutral
Appeals to Minister	Ensuring timely and fair process for appeals	Creation of a two stage appeals process	Pending	Neutral
Travel	Travel process cumbersome and costly	Implement a memorandum of understanding with travel agencies and airlines	Completed	Decrease
Childcare	Students with small children need access to childcare.	FANS will include information on how students can apply for the Day Care User Subsidy Program when they apply for student financial assistance.	In Progress	Neutral
Correspondence Courses	Students are reimbursed the actual costs to a maximum of \$250 per approved course upon successful completion.	FANS will continue the policy to support correspondence studies, but the amount approved is inadequate and should be reviewed accordingly	No Change	Increase
Taxation	The Canada Customs and Revenue Agency taxes the portion of a grant, scholarship, or bursar that exceeds \$3000. Loans are not taxable	This is a federal responsibility.	No Change	Neutral

APPENDIX B: COMMITTEES OVERSEEING FANS

SFA Advisory Committee:

This committee was created to provide guidance and input in creating interim and long-term improvements in the SFA Program. This committee was established May 1999 and the last meeting was April 2000.

Departmental SFA Committee

This committee discusses operational issues relating to the FANS Program. It meets by teleconference and consists of FANS Staff and Career Development Officers in each region. This committee was established April 2000 and is ongoing.

Interdepartmental SFA Steering Committee

The mandate of this committee is to ensure that the FANS Program meets the needs and requirements of the Government of Nunavut. This committee contains representatives from the following departments, divisions, and others including:

- Department of Education HQ Iqaluit/Arviat.
- Adult Learning & Post Secondary Services Division
- Income Support Division
- Department of Finance
- Nunavut Project Office

This committee was established March 2000 and is ongoing.

APPENDIX C: KEY SCHOLARSHIPS AND OTHER FUNDING AVAILABLE TO NUNAVUT STUDENTS

The Canada Millennium Scholarship

The Canada Millennium Scholarship Foundation was created by an Act of the Parliament of Canada in June 1998. The Foundation is not a political body; it is an autonomous organization independent from the government and is governed by a Board of private citizens, the majority of whom will be appointed following broad consultations.

The Canada Millennium Scholarship Foundation was created to increase access to post-secondary education by reducing student indebtedness. The Foundation administers two separate programs. The Foundation's Bursary Program represents 95% of its endowment. The first bursaries were distributed in January 2000 to over 90,000 post-secondary students who demonstrated the greatest financial need. Students who apply for financial aid from the province or territory in which they reside are automatically considered for a bursary. The Foundation's Excellence Award Program constitutes the remaining 5% of the endowment. The Foundation awarded almost 900 excellence awards for the first time in June 2000, on the basis of academic merit, community involvement, leadership, and innovation.

The total annual disbursement is \$285 million, with provincial and territorial allotments based on population. Approximately sixty-six \$3000 bursaries are awarded to undergraduate students from Nunavut who are attending designated post-secondary institutions and who have successfully completed their first year.

Funding for this year and next will be for the territories as follows:

Nunavut: \$244,500
NWT: \$382,500
Yukon: \$313,500

The estimates for 2003/04 based on the 2001 census numbers are:

Nunavut: \$256,500
NWT: \$390,500
Yukon: \$285,000

FAAY (Foundation for the Advancement of Aboriginal Youth) Scholarship

- Available to Inuit & Aboriginal students upgrading to grade 12
- Five (5) \$1000 awarded annually

Bank of Montreal

- 6 scholarship for College & University Students:
Each region - one \$1000.00 for 2nd, 3rd or 4th year students, \$1300 for students entering 1st year level in an undergraduate university program.
- 6 scholarships for Grade 12 students
Each region – two (2) \$500 for grade 12 graduates who are entering at a designated institution full time

APPENDIX D: CANADA STUDENT LOAN PROGRAM

The Canada Student Loans Program (CSLP) is the largest financial assistance program in Canada in terms of the numbers of students assisted. The CSLP provides subsidized loans to over 350,000 students per year. From 1964 to 1995, the CSLP provided financial assistance in the form of 100% government guarantees for the loans made by financial institutions (banks, credit unions and caisses populaires). Guarantees proved extremely costly for governments, provided limited incentive for lenders to seek repayment, and resulted in low levels of service to borrowers. As a result, the Government of Canada entered into new risk-premium financing agreements in 1995. Under the arrangements, a participating financial institution assumed responsibility for managing all aspects of loan repayment and accepted the risk of any Canada Student Loan not being repaid. In return, the Government of Canada paid the lenders a risk premium of five per cent annually on the value of that loan consolidation in the given year. The risk premium was intended to compensate financial institutions for the larger number of defaults experienced with student loans when compared to other loans.

Since March 1, 2001, financial institutions no longer issue Canada Student Loans. Instead, the Government of Canada issues Canada Student Loans directly through the National Student Loans Service Centre, a private entity. The National Student Loans Service Centre manages all Canada Student Loans issued on or after August 1, 2000.

Quebec, the NWT and Nunavut have opted out of the CSLP and instead receive an annual block grant. This grant must be applied toward a comparable student loan program in these jurisdictions. The rationale behind NWT's opting out of the CSLP arose because the funding allocations under the alternative funding mechanism are partially based on the proportion of those attending post-secondary institutions among the total population between the ages of 18 and 24. Given the low take up of post-secondary studies by this age group in the NWT, there was a clear financial incentive to opt out of the CSLP, as this results in a greater per capita transfer of funding for those between the ages of 18 and 24 who are students. The rationale for NWT's opting out of the CSLP is also valid for Nunavut. Nunavut, therefore, is also opted out of the CSLP. In addition, there are a number of generally acknowledged administrative difficulties and complexities currently associated with the CSLP that detract from its attractiveness.

Alternative Funding Formula

The Canada Student Loans Act defines the alternate funding formula (CSLA). The alternate funding formula is based on the 1990/91 Net Per Capita Costs (for delivery of the Canada Student Loan Program) by all Participating Provinces (NPCCPP), Sec 14. (4) (d)(i) of the CSLA. This aggregate amount is then divided by the estimated population that is between the ages of 18 and 24. (Ref: Sec. 14. (4) (a)(ii)). An escalator then multiplies this figure yearly. The escalator is the NPCCPP divided by the previous years NPCCPP (Ref: Sec. 14. (5) (a)(i)(ii)). For Nunavut this means 117.20768 (the Nunavut NPCCP for 90/91) divided by 3,264 (estimated number of 18 to 24 year old population) for a total of 382,565.86.

Once the escalator for the previous years has been applied Nunavut is eligible to receive \$604,166.00. This amount is transferred following the school year ending in July. To provide context, therefore, of the \$3,142,000 FANS expenditures in 1999/00, the alternate funding transfer funds only 19% of this amount. The Legislative Assembly of Nunavut determines the remainder within the main estimates process, which, in turn, are within the overall annual Canada Health and Social Transfer envelope provided by the federal government.

Harmonization of CSLP

The Council of Ministers of Education along with the federal Human Resource Development Canada's Canada Student Loans Directorate is currently reviewing overall assistance to the provinces and territories in an effort to simplify the delivery of this assistance and to ensure student needs are met. To a great extent, this exercise is based on the fact that the CSLP has not changed substantively since its inception in 1964. The requirements of students, however, have changed. The Council, therefore, is looking both at short-term measures to address student needs. This effort will result in a report to be prepared for an October 2001 meeting of the Council. There is also a senior level working group in place that is looking at longer-term solutions to modify the CSLP. A report on this work is due in April 2002. Nunavut is represented at the table for these. The CSLP requires a broader interpretation of designation of institutions; a communications strategy could better inform students regarding facets of student aid, such as letting them know sooner regarding planning and repaying.

The table on the following page is Pan-Canadian comparison of student loan amounts.

PAN-CANADIAN COMPARISON OF ACADEMIC YEAR MAXIMUM LOAN AMOUNTS		
	Maximum Canada Student Loan*	Maximum Provincial/Territorial Student Loan*
Alberta	\$4950	\$4470
British Columbia	\$4950	Single students: \$2850 - \$3300 as of Aug 02 With dependants: \$8100
Manitoba	\$4950	\$3300
Newfoundland	\$4950	\$3300
New Brunswick	\$4950	\$3300
Nova Scotia	\$4950	\$4500
Northwest Territories	Alternative Funding	Remissible loan: Single Student - \$5600 (The loan amount parallels supplementary grant amounts) Repayable loan - \$10,000 Maximum loan amount - \$47,000
Nunavut	Alternative Funding: Grant	Primary Loan: \$3,200 Secondary Loan: \$4,400 Needs Assessed Loan: \$4,950 Maximum loan amounts: With Basic Grant: \$26,000 No Basic Grant: \$36,000
Ontario	\$4950	Single Students: \$3,300 With dependants: \$10,050 <i>Prov. Loans are only given to students enrolled in public institutions.</i>
Prince Edward Island	\$4950	\$3300
Quebec	Alternative Funding: Grant	Quebec relies heavily on grants. Per year grants range from \$12,457 to \$14,779 Per year loans range from \$2,005 to \$3,255
Saskatchewan	\$4950	Single students: \$3300 With dependants: \$7050
Yukon	\$4950	There are no territorial loans. The Yukon has a system of grants including a weekly training allowance for approved programs based on # of dependants to students who have been residents for at least 24 months. Students can also receive funding for travel and other expenses.

*NOTE: The academic year amounts are based on two 15 weeks terms. All jurisdictions except for Nunavut and NWT use a per week amount. Data used to create this chart taken from:

- Compendium of Provincial/Territorial Student Financial Assistance Programs – Canada Student Loans Branch
- Websites of Provincial/Territorial SFA Offices

APPENDIX E: LIVING ALLOWANCES PAID BY FIRST NATIONS

A brief survey was done of living allowances paid by First Nations. The results indicated that a large number of First Nations Bands pay the old DIAND rates which the present Nunavut Living Allowance Schedule was based on. INAC has not increased PSE funding to First Nations; therefore, if living allowances are increased, fewer students can be sponsored.

Some First Nations have changed their PSE living allowances. The Meadow Lake Tribal Council is one of Saskatchewan's largest tribal councils. It consists of twelve bands and is located in Prince Albert. Two years ago the tribal council changed their living allowance schedule to the one below.

Meadow Lake Tribal Council PSE Amounts	Monthly Living Allowance	Proposed FANS Monthly Living Allowance
Single student	\$850	\$825
with 1 to 3 dependants	\$1100	1 dependant - \$1280 2 dependants - \$1480 3 dependants - \$1680
with 4 or more dependants	\$1250	4 dependants - \$1880 5 dependants - \$2080 \$200 for each additional dependant
Married student - employed spouse	\$850	\$825
	no extra for dependants	1 dependant - \$1075 2 dependants - \$1175 3 dependants - \$1275 \$100 for each additional dependant
Married student - unemployed spouse	\$1100	\$1280
with 1 to 3 dependants	\$1150	1 dependants - \$1480 2 dependants - \$1680 3 dependants - \$1880
with 4 or more dependants	\$1250	4 dependants - \$2080 \$200 for each additional dependant

APPENDIX F: COMPARISON OF PROPOSED FANS AND CURRENT GNWT SFA BENEFITS

For the purposes of context, it is helpful to compare the proposed FANS benefits with the GNWT's SFA benefits. The following table summarizes this comparison.

COMPARISON OF PROPOSED NUNAVUT BENEFITS WITH PRESENT NWT BENEFITS		
	NUNAVUT	NORTHWEST TERRITORIES
Basic Grant:		
Tuition	Up to \$2500 per term	Up to \$1,750 per term
Supplementary Grant:		
Books:	Up to \$400 per term	Up to \$300 per term
Living Allowance (per month):		
Single Student		
living with parents	N/A	\$300
0 Dependant	\$825	\$700
1 Dependant	\$1,280	\$1,100
2 Dependants	\$1,480	\$1,300
3 Dependants	\$1,680	\$1,500
4 Dependants	\$1,880	\$1,550
5 Dependants	\$2,080	\$1,600
Each Additional Dependant	\$200	\$50
Spouse-not employed		
0 Dependant	\$825	\$900
1 Dependant	\$1,280	\$1,100
2 Dependants	\$1,480	\$1,300
3 Dependants	\$1,680	\$1,500
4 Dependants	\$1,880	\$1,550
5 Dependants	\$2,080	\$1,600
Each Additional Dependant	\$200	\$50
Spouse - employed		
0 Dependant	\$825	\$700
1 Dependant	\$1,075	\$900
2 Dependants	\$1,175	\$1,100
3 Dependants	\$1,275	\$1,300
4 Dependants	\$1,375	\$1,350
5 Dependants	\$1,475	\$1,400
Each Additional Dependant	\$100	\$50

BENEFIT	NUNAVUT	NORTHWEST TERRITORIES
Remissible Loan	Up to \$500 per month Based on an academic year of 8 months	NWT uses the above Living Allowance rates for its remissible loan monthly amounts.
Repayable Loan	Up to \$1,437 per month* Based on an academic year of 8 months	Up to \$1,100 per month
Study Grant: Students with Disabilities	Up to \$8,000 (per academic year)	Up to \$5,000 (per academic year) Note this amount is now under review and likely to be increased to \$8, 000 which is the amount of the Canada Student Loans Disability Study Grant.

The following are the highlights of amendments made to the GNWT SFA program over the past year, as of September 2001³.

- Basic tuition grant has increased from \$1,250 to \$1,750/books increased to \$300 from \$200
- SFA grants are available to all of those schooled in the NWT and indigenous aboriginal people. (There are different grant and eligibility criteria for both groups).
- No more primary and secondary loans; remissible loans and grants are capped and are available only to Nunavut Beneficiaries and those schooled in the north.
- Remissible loans are provided monthly and are provided based on personal status (i.e., a single students receives \$700; a single parent receives \$1,100).
- Travel for dependants are now available to those schooled in the north as opposed to only Aborigines as was previously the case.
- Repayable loan has been increased up to \$1,100 per month to eligible students.
- NWT study grant for disabled people; this grant is intended to assist in the purchase of school equipment (e.g., a computer). This grant is modelled after the Canada Study Grant for Permanently Disabled Persons. (The NWT has opted out of the Canada Student Loan Program and, therefore, NWT residents cannot access loans or study grants through this program).
- Suspension policy is one year instead of three.
- 20 semesters lifetime limit of loans and grants; funding capped at \$47,000 total loans, whereas previously there were no fixed limits for Aboriginal students.
- There are plans to introduce an Interest Relief Program to assist low-income students with increasing loan debt levels. Beginning in November 2001, students whose monthly payments exceed a given percentage of their income may be able to reduce or defer monthly loan obligations. The new program will also work with students first entering the workforce, to help manage their financial affairs and maintain their credit ratings.

The NWT Study Grant for Students with Disabilities

The NWT Study Grant is available to assist students with permanent disabilities (visual or hearing impairments and other physical or learning disabilities are among the types of disabilities covered) who are studying in postsecondary institutions. Disabled students can apply for the benefit at any time during the academic year. Applications for the NWT Study Grant require medical or other appropriate documentation about the student's disability and the manner in which it limits the student's ability to participate fully in postsecondary studies.

Based on an assessment of the student's educational needs, eligible part time students may qualify for up to \$1,000 per course completed. If the student is applying as a part time student, he or she must be enrolled in at least 20% of a full course load.

The Study Grant may be used to cover exceptional expenses such as the cost of a tutor, an interpreter (oral, sign), note taker, transportation, attendant care or special equipment. The grant will also reimburse students with up to 75% of the cost of a learning disability assessment (up to \$1,000).

The amount of this grant is under review and will likely be increased from \$5000 to \$8000 to match the amount of the grant offered under the Canada Student Loans Program.