

**STUDENT LOAN CORPORATION OF
NEWFOUNDLAND AND LABRADOR**

**BUSINESS PLAN
APRIL 1, 2014 - MARCH 31, 2017**

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MESSAGE FROM THE CHAIR

Honourable Kevin O'Brien
Minister of Advanced Education and Skills

Dear Minister:

In accordance with the responsibility of the Student Loan Corporation of Newfoundland and Labrador's Board of Directors under the *Transparency and Accountability Act*, I submit the attached business plan for the corporation covering the three year period from April 1, 2014 to March 31, 2017.

The corporation is a category two entity and this business plan was prepared in accordance with government's strategic direction for an enhanced post-secondary system that contributes to social, cultural, and economic development of the province, as communicated by the Minister of Advanced Education and Skills and considering the business issue identified by the board. This document sets forth in clear language how the corporation will address the business issue in accordance with its mandate.

Readers of this plan should note that the corporation acts as the provincial banker with respect to the disbursement and collection of Newfoundland and Labrador Student Financial Assistance. Eligibility is actually determined by the Department of Advanced Education and Skills' Division of Student Financial Services. As such, issues related to the determination of eligibility are not included in this document. Readers are encouraged to consult the Department of Advanced Education and Skills' publications for this type of information.

My signature below is indicative of the Board's accountability for the preparation of this plan and the achievement of the specific goal and objectives contained herein.

Sincerely,



Lori Anne Companion
Chair

Vision

The vision of the Student Loan Corporation is of a well-managed debt and investment portfolio and student borrowers with access to the best possible repayment services.

Mission

By 2017, the corporation will have enhanced services to student borrowers.

Goal

Issue: Improved Portfolio Management

By March 31, 2017, the corporation will have improved its portfolio management.

Objectives:

1. By March 31, 2015 the corporation will have completed an assessment of its portfolio management.
2. By March 31, 2016 the corporation will have developed a plan to address the declining loans portfolio.
3. By March 31, 2017 the corporation will have initiated implementation of the plan to address the declining loans portfolio.

OVERVIEW

The Student Loan Corporation of Newfoundland and Labrador (corporation) was established on March 30, 2004 pursuant to the *Student Financial Assistance Act* and is a category two government entity in accordance with the *Transparency and Accountability Act*. The corporation is responsible for the financial administration of the Newfoundland and Labrador Student Financial Assistance Program, which includes disbursement of student financial assistance and receipt of loan repayments. Readers should note that eligibility is determined by the Department of Advanced Education and Skills' Student Financial Services Division.

In 2007, the corporation entered an agreement with the federal government for repayment services for loans issued after January 31, 2007 to be provided by the National Student Loans Service Centre and the Canada Revenue Agency. The corporation continues to manage provincial student loan accounts in default status prior to February 1, 2007 and monitors repayment services undertaken by the Canada Revenue Agency on defaulted loans post February 1, 2007 as per the federal-provincial Integrated Collections agreement.

As of April 1, 2014, the corporation is managed by a board of directors responsible to the Minister for the Department of Advanced Education and Skills. The Board of Directors includes:

- Deputy Minister of Advanced Education and Skills, Chair, Ms. Lori Anne Companion;
- Deputy Minister of Finance, Ms. Donna Brewer;
- Comptroller General, Ms. Ann Marie Miller;
- Assistant Deputy Minister of Advanced Education and Skills, Post-Secondary Education, Mr. Bob Gardiner; and
- Assistant Deputy Minister of Advanced Education and Skills, Corporate Services, Mr. David Pike.

On April 1, 2014, the corporation employed 16 individuals as per the table below. These staff members are also included as employees by the Department of Advanced Education and Skills under the Corporate Services Branch.

Staff	Female	Male	Total
Management	0	2	2
Collections	5	2	7
Financial	2	2	4
Administrative	3	0	3
Total	10	6	16

The corporation's offices are located on the fourth floor of the West Block of Confederation Building in St. John's.

Each year the province provides the corporation with an operating grant. The grant is \$30.3 million for 2014-15.

MANDATE

The corporation was established in 2004 to provide and facilitate repayment of loans, manage the debt and investment portfolio, and provide financial administration for the Newfoundland and Labrador Student Financial Assistance Program as set out in section 14 of the *Student Financial Assistance Act*, and includes disbursement of student financial assistance and receipt of loan repayments.

LINES OF BUSINESS

The corporation provides financial administration for the Newfoundland and Labrador Student Financial Assistance Program. Its lines of business include:

1. Portfolio Management:

The corporation acts as the province's "banker" in providing student financial assistance, and in the administration and oversight of financial activities for the program. In completing these activities, the corporation oversees the work of its service provider which operates the National Student Loan Service Centre in the day-to-day operations of loan administration. In addition, the corporation has partnered with the federal government through an Integration Agreement in the financial administration of this direct lending program.

2. Debt and Investment Services:

The corporation manages all debt-related activities pertaining to the purchase of the loans program in 2004, and short-term investments of the corporation's annual cash flows.

3. Repayment Services:

A loan is transferred for further repayment activities after it has been 270 days in arrears at the National Student Loan Service Centre. The corporation provides repayment services for corporation and provincial loans which defaulted prior to February 1, 2007. The corporation monitors repayment services undertaken by the Canada Revenue Agency on defaulted loans post February 1, 2007 as per the federal-provincial Integrated Collections agreement.

VALUES

The Board and staff of the corporation perform their duties within the following set of core values:

- Respect:** Each person recognizes the personal circumstances and dignity of others during the performance of work duties.
- Honesty:** Each person acts in a truthful and ethical manner recognizing their role in the safeguarding of public assets.
- Professionalism:** Each person performs their duties without judgment or personal opinion in a conscientious and organized manner.
- Quality:** Each person strives to perform all tasks to the utmost of their ability in accordance with established policies and processes.
- Fairness:** Each person is consistent, impartial, and unbiased in the performance of their work activities.

PRIMARY CLIENTS

The corporation has two primary clients:

- students requiring financial assistance to pursue post-secondary education; and
- the Government of Newfoundland and Labrador, which established and mandated the corporation to oversee and manage the financial administration of the provincial student loan portfolio.

VISION

A vision statement is a short statement describing the ideal state an organization is striving to achieve for its clients. Government's strategy is to enhance the post-secondary education system through various interventions; one of which is affordability and student access. This requires substantial financial investment. The corporation, through improved repayment services, receipt of loan repayments, and finalizing outstanding loan accounts, will contribute to that financial investment. As such, during the development of this business plan, the board concluded the corporation's vision remains:

The vision of the Student Loan Corporation is of a well-managed debt and investment portfolio and student borrowers with access to the best possible repayment services.

MISSION

The mission statement identifies the priority areas for the corporation over two planning cycles. It represents the key longer-term result the corporation will be working toward in implementing government's strategic directions and identifies the measures and indicators that will assist both the corporation and the public in monitoring and evaluating success. In an effort to keep the corporation in line with government's planning requirements, the current mission was developed to encompass two planning cycles; from 2011-14 to 2014-17. The corporation will work to enhance repayment services provided to student borrowers.

The corporation's mission statement continues to support the newly communicated strategic direction of government pertaining to post-secondary education; however, the mission was originally developed in consideration of the strategic direction pertaining to higher education and specifically the outcome of an enhanced post-secondary system that benefits those seeking higher education.

By 2017, the corporation will have enhanced services to student borrowers.

Measure: Enhanced services to student borrowers

Indicators:

1. Enhanced communication with clients
2. Increased staff training

BUSINESS ISSUE

The board developed its goal and objectives in consideration of the applicable strategic direction of "enhanced post-secondary education system that contributes to the social, cultural and economic development of the province" and will work to achieve this through enhancing its repayment services. The following issue has been established by the corporation's Board of Directors as a key priority for the 2014-17 planning period. In 2013-14, Government approved the elimination of provincial student loans in favor of non-repayable grants for residents of Newfoundland and Labrador attending qualified post-secondary programs in the province or enrolled in eligible programs outside the province. The elimination of loans will be implemented during 2014-15 and 2015-16. The corporation will continue to disburse student financial assistance, but the loans portfolio will decrease as a result of the elimination of loans.

The goal identified for the issue reflects the results expected over three years, while the objectives provide an annual focus. Measures and indicators are provided for the goal and objectives to assist both the corporation and public in monitoring and evaluating success.

The issue identified below reflects the corporation's mission and focus, in accordance with the minister's strategic direction to enhance the post-secondary system over the next three years.

Issue One: Improved Portfolio Management Services

The corporation believes that with improved portfolio management services, provincial student loan accounts will be resolved effectively, financial administration of the student financial assistance program will be enhanced, and the process for addressing the declining loans portfolio will be well-defined and effectively managed. Furthermore, the disbursement of student financial assistance should continue to be as efficient and client-friendly as possible.

Goal: By March 31, 2017, the corporation will have improved its portfolio management.

Measure: Improved portfolio management.

Indicators:

1. Prepared an assessment report documenting impact of declining loans portfolio
2. Drafted a plan to address the declining loans portfolio
3. Completed initial steps to implement the plan to address declining loans portfolio

Objectives:

1. By March 31, 2015 the corporation will have completed an assessment of portfolio management.

Measure: Completed an assessment of portfolio management

Indicators: 1. Completed an assessment report

2. By March 31, 2016 the corporation will have developed a plan to address the declining loans portfolio.

3. By March 31, 2017 the corporation will have initiated implementation of the plan to address the declining loans portfolio.

CONCLUSION

Improving portfolio management services will facilitate finalization of outstanding student loan accounts, thereby assisting student borrowers in addressing their outstanding student debt and contributing to their participation in the province's economy. Improved portfolio management will further contribute to effective financial administration of the student financial assistance program to support affordability and access to post-secondary education.

The assets of the corporation are wholly owned by the Government of Newfoundland and Labrador. Hence, sound fiscal management contributes to the financial health of the student loan portfolio, ultimately impacting the overall provincial fiscal situation.

Outputs associated with this Business Plan will be reported each fall in the corporation's Annual Report. Copies of this document and past Annual Reports may be accessed on the Student Loan Corporation's website through the Department of Advanced Education and Skills website at: www.aes.gov.nl.ca/.

APPENDIX A - STRATEGIC DIRECTIONS

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by government through platform documents, Throne and Budget Speeches, policy documents, and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across government and will ensure that all entities are moving forward on key commitments.

Upon review of all the strategic directions communicated by the Minister of Advanced Education and Skills, the Student Loan Corporation of Newfoundland and Labrador has determined it can contribute to the enhanced post-secondary education system direction as indicated below.

Title: Post-Secondary Education

Strategic Direction: An enhanced post-secondary system that contributes to the social, cultural, and economic development of the province.

This outcome supports the policy direction of government. It requires systemic intervention by the department and its entities in the areas of:

Components of Strategic Direction	This Direction is addressed:		
	in the corporation's business plan	in the corporation's operational plan	in the branch/divisional work plans of the corporation
1. Post-secondary infrastructure			
2. Affordability and student access	X		
3. Programming			
4. Apprenticeship opportunities			