

**STUDENT LOAN CORPORATION OF  
NEWFOUNDLAND AND LABRADOR**

**BUSINESS PLAN  
APRIL 1, 2008 - MARCH 31, 2011**

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MESSAGE FROM THE CHAIR

June 17, 2008

Honourable Joan Burke  
Minister of Education

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, 2008 to March 31, 2011.

In cooperation with all stakeholders, the corporation will improve service to clients through the included measures and indicators.

The corporation is a category two entity and this business plan was prepared in accordance with the strategic directions provided by the Minister of Education and considering the business issues identified by the board. This document sets forth in clear language how the corporation will address the strategic directions and business issues 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 Education's 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 Education's 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 goals and objectives contained herein.

Sincerely,



Rebecca Roome  
Chair

## PLAN AT A GLANCE

### **Vision**

The vision of the Student Loan Corporation is students with access to the best possible services with respect to accessing financial assistance while attending a post-secondary institution and subsequent services to assist during repayment.

### **Mission**

By 2011, the corporation will have improved services to student borrowers in repayment through improved communications and improved information provided to government through better reporting.

### **Goals**

#### **Issue One: Improved Services to Student Borrowers**

**Goal:** By March 31, 2011 the corporation will have improved its services to assist students with loan repayment issues.

#### **Objectives:**

1. By March 31, 2009 the corporation will have further developed its website to provide more relevant repayment information and forms for download.
2. By March 31, 2010 the corporation will provide forms that can be completed online by clients.
3. By March 31, 2011 the corporation will have developed and delivered a client survey to explore client concerns on repayment.

#### **Issue Two: Improved Information to Government**

**Goal:** By March 31, 2011 the corporation will have improved reporting to assist government in its decision-making process.

#### **Objectives:**

1. By March 31, 2009 the corporation will have implemented a portfolio monitoring system to show repayment trends and forecasts.
2. By March 31, 2010 the corporation will have completed a review to improve the forecasting of performance measures such as repayment rates.

3. By March 31, 2011 the corporation will have developed a profile of clients with repayment difficulties.

## 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. Readers should note that eligibility is determined by the Department of Education's Division of Student Financial Services.

The affairs of the corporation are managed by a board of directors responsible to the Minister of Education. The Board of Directors includes:

- The Deputy Minister of Education, who is chair, Ms. Rebecca Roome; and
- The Deputy Minister of Finance, Mr. Terry Paddon.

On April 1, 2008, the corporation employed 23 individuals as per the table below. These staff members are also included as employees by the Department of Education under the Advanced Studies Branch.

<b>Staff</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
Management	2	1	3
Professional	9	6	15
Clerical	5	0	5
<b>Total</b>	<b>16</b>	<b>7</b>	<b>23</b>

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. While the net grant has been in the range of \$30.7 million - \$31.6 million for each of the last three years, in Budget 2008 the province reduced this amount on a one-time basis by \$15.9 million, due to cash available within the corporation, for a total net grant of \$16.3 million in fiscal 2008-09.

## MANDATE

The corporation was established 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*.

## 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 loans, 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 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 all repayment services for the province's existing defaulted loans and for the corporation's loans which defaulted prior to February 1, 2007. The corporation monitors collection activities undertaken by the Canada Revenue Agency on all defaulted loans post February 1, 2007 as per the 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. Many young people require financial assistance to pursue higher education due to family financial circumstances. Higher levels of education are directly linked to individual economic success. Financially stable individuals are able to contribute to their family and community which in turn fuels our success as a province. As such, during the development of this business plan, the board reviewed the vision statement contained in the 2006-08 business plan and concluded the corporation's vision can be best articulated by the following revised statement, which is more in line with its mandate:

The vision of the Student Loan Corporation is students with access to the best possible services with respect to accessing financial assistance while attending a post-secondary institution and subsequent services to assist during repayment.



## MISSION

The mission statement normally identifies the priority 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 direction and identifies the measures and indicators that will assist both the corporation and the public in monitoring and evaluating success. A mission was developed in 2006 to cover the 2006-08 and 2008-11 planning cycles. However, the Board of Directors revisited same during the development of this business plan and concluded that revision was necessary and appropriate. In an effort to keep the corporation in line with government's planning cycle, the current mission was developed with only the current plan in mind.

In keeping with the vision and the minister's strategic direction respecting improved post secondary programs, the corporation is committed to providing economically viable services to students in the area of student financing. This will ensure a sound economic basis on which to support future students in their post-secondary activities and in the achievement of further provincial economic success. Hence:

By 2011, the corporation will have improved services to student borrowers in repayment through improved communications and improved information provided to government through better reporting.

**Measure One:** Improved services to student borrowers  
**Indicators:** Improved website  
Made online forms available  
Conducted a client survey  
Enhanced provision of grants to eligible Memorial University students

**Measure Two:** Improved information to government  
**Indicators:** Implemented portfolio reporting system  
Improved forecasting  
Developed client profiles

## **BUSINESS ISSUES**

The board has reviewed the Minister of Education's strategic directions and has determined that it can contribute to the post secondary direction as indicated in Appendix A. The following areas have been established by the corporation's Board of Directors, in line with the strategic direction, as the key priorities for 2008-2011. The goal identified for each issue reflects the results expected, while the objectives provide an annual focus. Measures and indicators are provided for the goals and objectives to assist both the corporation and public in monitoring and evaluating success.

The two issues identified below reflect the corporation's mission and focus, in accordance with the minister's strategic direction to improve post secondary service, for the next three years.

### ***Issue One: Improved Services to Student Borrowers***

The corporation believes that with enhanced and increased communications, students in repayment will become more knowledgeable about their loan and better prepared to manage their debt. Furthermore, the disbursement of loan and grant funding should be as efficient and client friendly as possible.

**Goal:** By March 31, 2011 the corporation will have improved its services to assist students with loan repayment issues.  
**Measure:** Improved services to student borrowers  
**Indicators:** Improved website  
Made online forms available  
Conducted a client survey  
Enhanced provision of grants to eligible Memorial University students.

### **Objectives:**

1. By March 31, 2009 the corporation will have further developed its website to provide more relevant repayment information and forms for download.  
**Measure:** Increased website information  
**Indicators:** Implemented on-line repayment forms  
Provided links to other relevant websites  
Enhanced provision of grants to eligible Memorial University students.
2. By March 31, 2010 the corporation will provide forms that can be completed online by clients.
3. By March 31, 2011 the corporation will have developed and delivered a client survey to explore client concerns with respect to repayment.

***Issue Two: Improved Information to Government***

The corporation believes that improved portfolio performance reporting will provide better information to Government for decision making. This is especially relevant in light of the recent decision to reduce the corporation's operating grant for 2008-09 on a one time basis by \$15.9 million in recognition of cash available for that fiscal year.

**Goal:** By March 31, 2011 the corporation will have improved reporting to assist government in its decision-making process.

Measure: Reporting on portfolio trends and forecasts

Indicators: Implemented portfolio reporting system

Improved forecasting

Developed client profiles

**Objectives:**

1. By March 31, 2009 the corporation will have implemented a portfolio monitoring system to show repayment trends and forecasts.

Measure: Portfolio reporting system

Indicator: Implemented system

2. By March 31, 2010 the corporation will have completed a review to improve the forecasting of performance measures such as repayment rates.

3. By March 31, 2011 the corporation will have developed a profile of clients with repayment difficulties.

## CONCLUSION

Students possessing good financial stability in their personal lives are able to positively contribute to their families, communities and the province. Increased and reliable options for student borrowers and improved corporation business processes are important to a borrower's future and to the province's ability to continue delivering an effective student financial assistance program.

The assets of the corporation are wholly owned by the Government of Newfoundland and Labrador who is guarantor of all corporation debt. 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 Education website at: [www.gov.nl.ca/edu](http://www.gov.nl.ca/edu).

## 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 of the Minister of Education’s strategic directions, the Student Loan Corporation of Newfoundland and Labrador has determined it can contribute to the post secondary direction as indicated below.

**Title:** Post-Secondary

**Strategic Direction:** Improved post-secondary programs and public post-secondary institutions benefit students and 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	Applicable to Other Entities Reporting to the Minister	This Direction is addressed: in the board’s business plan
1. The Centre for Environmental Excellence	<b>X</b>	
2. Infrastructure	<b>X</b>	
3. Affordability	<b>X</b>	
4. Post-secondary programs	<b>X</b>	
5. Student Financial Assistance		<b>X</b>