

**STUDENT LOAN CORPORATION OF
NEWFOUNDLAND AND LABRADOR**

**BUSINESS PLAN
APRIL 1, 2011 - MARCH 31, 2014**

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MESSAGE FROM THE CHAIR

March 23, 2011

Honourable Joan Burke
Minister of Education

Dear Minister:

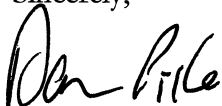
In accordance with the responsibility of the Student Loan Corporation of Newfoundland and Labrador's Board of Directors under the *Transparency and Accountability Act*, I submit the attached business plan for the corporation covering the three year period from April 1, 2011 to March 31, 2014.

The corporation is a category two entity and this business plan was prepared in accordance with government's strategic directions as communicated by the Minister of Education 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 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 goal and objectives contained herein.

Sincerely,



Darrin Pike
Chair

Vision

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

Mission

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

Goal

Issue: Improved Repayment Services to Student Borrowers

By March 31, 2014, the corporation will have improved its repayment services for student borrowers.

Objectives:

1. By March 31, 2012 the corporation will have improved communication with clients and promoted the corporation's online bill payment option.
2. By March 31, 2013 the corporation will have improved the corporation's website and continued to improve client statements.
3. By March 31, 2014 the corporation will have promoted its website, increased client statement frequency and completed a client survey.

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

- Deputy Minister of Education, who is chair, Mr. Darrin Pike;
- Deputy Minister of Finance, Mr. Terry Paddon;
- Comptroller General, Mr. Ron Williams;
- Assistant Deputy Minister of Education, Advanced Studies, Mr. Bruce Belbin; and
- Assistant Deputy Minister of Education Corporate Services, Ms. Ramona Cole.

On April 1, 2011, the corporation employed 29 individuals as per the table below. These staff members are also included as employees by the Department of Education under the Advanced Studies Branch.

Staff	Female	Male	Total
Management	1	2	3
Professional	9	7	16
Clerical	10	0	10
Total	20	9	29

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 \$30,675,000 for 2011-12.

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 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 all repayment services for the province's existing defaulted loans and for corporation and provincial 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 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. 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 2008-11 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 of a well-managed debt and investment portfolio and students 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 the next two planning cycles; from 2011-14 to 2014-17. The corporation will work to enhance services provided to student borrowers over the next two planning cycles, by enhancing communications with clients to ensure they are well informed of the details of their loan and repayment status, and are aware of repayment options; and, increasing staff training so that collection officers can serve clients with the most current and client-friendly methods possible.

The corporation developed its mission in consideration of the applicable strategic direction of "an enhanced post-secondary system benefits those seeking higher education" as communicated by the Minister of Education.

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

Measure: Enhanced services to student borrowers

Indicators: Enhanced communication with clients
Increased staff training

BUSINESS ISSUE

The board developed its goal and objectives in consideration of the applicable strategic direction as communicated by the Minister of Education of "an enhanced post-secondary system benefits those seeking higher education" and will work to achieve this by promoting services to student borrowers. The following issue has been established by the corporation's Board of Directors as a key priority for the 2011-14 planning period. Improved repayment services to student borrowers will further enhance the existing post-secondary system by providing better efficiency in the loan administration system to students as they repay their student loans. The goal identified for the issue reflects the results expected, 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 Repayment 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, 2014, the corporation will have improved its repayment services for student borrowers.

Measure: Improved repayment services to student borrowers

Indicators: Improved website
Improved communication with clients
Enhanced client statements
Completed client survey

Objectives:

1. By March 31, 2012 the corporation will have improved communication with clients and promoted the corporation's online bill payment option.

Measure: Improved communication with clients
Promoted online bill payment option

Indicators: Increased telephone calls to clients
Completed staff training in client communication
Enhanced the Statement of Financial Affairs form
Enhanced client statements
Promoted online bill payment option to clients by including information on client statements

2. By March 31, 2013 the corporation will have improved the corporation's website and continued to improve client statements.
3. By March 31, 2014 the corporation will have promoted its website, increased client statement frequency and completed a client survey.

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 though the Department of Education website at: 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 the strategic directions communicated by the Minister of Education, the Student Loan Corporation of Newfoundland and Labrador has determined it can contribute to the Higher Education direction as indicated below.

Title: Higher Education

Strategic Direction: An enhanced post-secondary system benefits those seeking higher education

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	Being Addressed by Other Entities Reporting to the Minister	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. Adult Literacy	X			
2. Affordability	X			
3. Programming	X			
4. Apprenticeship opportunities	X			
5. Marketing/promoting		X		
6. Fact-track opportunities	X			
7. Post-graduate opportunities	X			