

# Designation Manual

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*Alberta*  *Student Aid*

## Introduction

The Student Aid sector within Alberta Advanced Education is responsible for the administration and delivery of student financial aid programs for Alberta residents enrolled in post-secondary education.

The purpose of this manual is to explain Alberta's process and criteria for designating programs, and how post-secondary educational institutions are evaluated to maintain their designation:

- Alberta's designation criteria are based on provincial and federal legislation and Pan Canadian requirements. Alberta's post-secondary educational institutions must adhere to the acts, regulations, policies and agreements identified in **Appendix A** of this manual.
- Several resources are available to assist post-secondary institutions to meet the designation criteria (See **Appendices B to F**).

**The process and criteria outlined in this manual are guidelines intended for general information. For specific issues, please contact Student Aid for assistance.**

## Designation Overview

The Advanced Learning and Community Partnerships division and Student Aid sector are two separate areas within Alberta Advanced Education:

- The Advanced Learning and Community Partnerships division is responsible for approval and licensing of post-secondary educational programs.
- The Student Aid sector is responsible for assigning designation status once a post-secondary program is approved or licensed. Designation status is assigned when the program meets specific federal and provincial designation criteria. Designation status allows students in that program to apply for student financial assistance.

The Minister of Advanced Education has the authority to designate educational institutions and programs as eligible for both federal and provincial student financial assistance. Using the Pan Canadian Designation Policy Framework as a guide, Student Aid develops, implements and maintains Alberta's post-secondary designation policies.

The Pan Canadian Designation Policy Framework gives assurance that a consistent minimum designation standard is applied by provinces and territories in their decisions to designate post-secondary programs, and also that students and taxpayers will receive an appropriate return on their education investment. As part of the Pan Canadian Designation Policy Framework, provinces are required to monitor student loan repayment rates at educational institutions, evaluate those rates against established benchmarks and take action should repayment rates not achieve established benchmarks.

## **Purpose of Designations**

Government student financial aid programs increase access to post-secondary education through the distribution of loans and grants to students. Post-secondary institutions play a central role in ensuring students succeed in completing their studies which improves the student's ability for gainful employment. These factors, in turn, contribute to a student's ability to repay their student loan.

To effectively manage loan repayment risk, it is important that student aid funding is monitored and consistent standards for designation are maintained. To be eligible for funding, the school must be approved and the program must be designated for student aid (loans and grants). Designation status is assigned to a program when designation criteria are met; however, designation status is not an indicator of program quality, graduation outcomes or career potential.

Prior to registering in a program, students are encouraged to research the program and inquire about the graduation and employment rates of students who complete. Researching past loan repayment rates is recommended as repayment rates can be an indicator of a student's ability to repay his/her loans.

The Government of Canada website provides student loan repayment rates across Canada:

- [Canada Student Loan Repayment Rates](#)

## Designation Process

Student Aid is responsible for designating post-secondary programs for student financial aid eligibility.

### Programs in Alberta

Once a program is approved or licenced through the Advanced Learning and Community Partnerships division of Advanced Education, the program is reviewed by Student Aid to determine if it meets Alberta's designation criteria. The educational institution will be notified if the program is designated or not.

### Programs outside Alberta

Upon receiving a request for designation of a program outside of Alberta, the program is reviewed by Student Aid to determine if it meets Alberta's designation criteria. Requests for program designation can come from a potential or current student, the institution or from another jurisdiction. The person who made the request will be notified of the outcome of the designation request.

## Program Designation Criteria

The criteria for program designation are specific to both program location and type of program:

- First, the location of the program is considered based on whether the program is in Alberta, Canada, United States or another country.
- Second, the type of program is considered based on whether it is post-secondary, divinity (religious), online, e-learning or medical.

For more information, see Alberta's Program Designation Criteria in [Appendix B](#).

## Maintaining Designation

To maintain designation status, the post-secondary institution must:

- a) Maintain compliance with all requirements (including all legislative requirements) as outlined in any applicable agreements with Alberta Advanced Education,
- b) Continue to meet program designation criteria, and
- c) Maintain student loan repayment rates in the acceptable zone according to Alberta's repayment rate benchmarks (See [Appendix C: Repayment Benchmark Chart](#)).

## Evaluating Student Loan Repayment Rates

Under the Pan Canadian Designation Policy Framework, provinces are required to monitor student loan repayment rates at educational institutions, evaluate those rates against established benchmarks, provide feedback and support to the educational institution and take action if there is no improvement in repayment rates.

Under the Pan Canadian Designation Framework, each province must monitor, evaluate, and provide student loan repayment rates to institutions in their home jurisdiction. Alberta monitors student loan repayment rates annually, and provides educational institutions in Alberta with a repayment report and evaluation status. Alberta uses the federal Canada Student Loan repayment rate for evaluation purposes.

Educational institutions having less than 10 students with consolidated loans are not evaluated as less than ten is not statistically relevant.

Repayment rate evaluations are based on a standard deviation of repayment rates over a three year cycle as set by the Canada Student Loans Program (CSLP). Student Aid determines the repayment rate benchmark zones based on this methodology. Based on the results of the evaluation, an educational institution will receive specific direction from Student Aid on the benchmarks that must be achieved to maintain designation.

These benchmarks remain in place regardless of:

- a) The number of students entering repayment in subsequent years, and
- b) Whether the educational institution has developed, implemented or updated their Loan Repayment Strategy.

Student Aid will support the educational institution to help achieve these improvements, but the ultimate responsibility for achieving and maintaining compliance with the required repayment rate benchmarks rests with the educational institution. For more information on repayment rate methodology, benchmarks and the three year evaluation process, see [Appendix C](#).

## Loan Repayment Strategy

Educational institutions must have a documented Loan Repayment Strategy in place that outlines how and when they provide loan information and resources to students receiving student aid.

- It is the educational institution's responsibility to ensure its strategy is effective for the specific needs of its students, and the resources they are using are updated annually.
- At a minimum, educational institutions need to provide information to their students about:
  - 1) The two types of loans (provincial and federal),
  - 2) The provincial and federal Repayment Assistance Plans and how to apply for them, and
  - 3) Contact information for the provincial and federal service providers.

For more detailed information, see [Appendix D: Developing a Loan Repayment Strategy](#).

## Designation Compliance<sup>1</sup>

Educational institutions must comply with all applicable legislation (federal and provincial), policies and agreements to maintain designation. Private vocational training institutions are selected for review based on issues identified and/or as part of the rotating annual schedule for compliance reviews. Compliance reviews for private vocational training institutions are conducted to ensure an institution's compliance with the *Private Vocational Training Act*, the [Private Vocational Training Regulation](#) and the Alberta Institution Designation Agreement (AIDA) for Student Aid.

For more information on compliance reviews, see [Appendix E](#).

Further, educational institutions must maintain acceptable repayment rates to maintain their designation status. If an educational institution has three years of repayment rates in the unacceptable zone (0% to 59.9% repayment), Student Aid will recommend to the Minister of Advanced Education, or his/her designate, that the educational institution be de-designated.

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<sup>1</sup> Public post-secondary institutions are monitored through the Advanced Learning and Community Partnerships Division of Advanced Education and are not discussed in this section.

If compliance is not maintained by an educational institution, or targets for repayment rates are not achieved over a three-year period, all of the institution's programs may be de-designated and will not be eligible for student aid. Educational institutions may reapply for designation status after three years.

When programs are de-designated, students attending those programs are not eligible to receive student aid. The program(s) may continue to be offered by the educational institution, if the appropriate licensing or approvals are in place, but student aid funding will not be issued to students.

## De-Designation and Appeal Process

The educational institution will be given written notification of the loss of its designation and the effective date of de-designation.

The educational institution has 60 days from the date of the letter to appeal the decision. The appeal form and instructions on how to appeal are provided with the notification. See [Appendix F](#) for the Appeal Application for De-Designation.

The Minister of Advanced Education, or his/her designate, will review all of the information submitted in the appeal. As part of this review, a meeting with the educational institution's representatives may be scheduled to seek further clarification. A decision will be made within 30 days of receiving the appeal, and the educational institution's owner or designated representative will be notified in writing.

Appendices	
A	Acts, Regulations, Policies and Agreements
B	Alberta's Program Designation Criteria
C	Annual Evaluation of Student Loan Repayment Rates
D	Developing a Loan Repayment Strategy
E	Compliance Reviews for Private Vocational Training Institutions
F	Appeal Application for De-Designation

## Contacts

- For questions regarding the content of this manual, contact [designationinquiry@gov.ab.ca](mailto:designationinquiry@gov.ab.ca)
- Educational institutions may contact [program.servicedelivery@gov.ab.ca](mailto:program.servicedelivery@gov.ab.ca) for all other questions.

## Appendix A

### Acts, Regulations, Policies and Agreements

Post-secondary educational institutions with designated programs must follow:

#### Federal Acts and Regulations

- *Canada Student Financial Assistance Act*
- Canada Student Financial Assistance Regulations
- *Canada Student Loans Act*
- Canada Student Loans Regulation

#### Provincial Acts, Regulations, Policies and Agreements

##### Acts and Regulations:

- *Post-Secondary Learning Act*
- Programs of Study Regulation
- *Private Vocational Training Act*
- Private Vocational Training Regulation
- *Student Financial Assistance Act*
- Student Financial Assistance Regulation

##### Policies and Agreements:

- Alberta Institution Designation Agreement (AIDA) for Private Vocational Training Institutions
- Pan Canadian Designation Policy Framework
- Student Aid Designation Policy
- Student Aid Operational Policy and Procedure Manual

## Appendix B

### Alberta's Program Designation Criteria

#### Criteria for Designation

Designation is a status assigned to a post-secondary program that allows students attending the program to apply for student aid in the form of federal and provincial loans and grants.

Provinces are required under the Pan Canadian Designation Framework to follow the minimum standards outlined in the Framework and are encouraged to develop their own additional criteria.

Each province in Canada is authorized to assign designated status for federal student aid on behalf of the federal government.

Designation criteria depend on location of the institution and the program type:

1. Location

Designation eligibility criteria first depends on the location of the program: Alberta, Canada, United States or other international location.

2. Program Type

The second eligibility criteria pertains to the type of program: post-secondary, divinity (religious), online/e-learning and medical.

#### Non-eligible programs regardless of location:

- Commercial Truck Driver Training programs
- Additional practical or professional training or exams offered by professional bodies, organizations or associations required to become accredited/approved/validated for the practice of any trade or profession. For example, medical residency, law articling, accounting designation, etc.

- Adult basic education
- High school equivalency
- College preparatory or upgrading
- Literacy training
- Language Instruction
- English as a Second Language (ESL) programs

# Alberta's Program Designation Criteria

## Alberta

## Canada

## USA

## International

	Alberta			Canada			USA			International			
	Regular Post-Secondary	Online / E-Learning	Divinity	Regular Post-Secondary	Online / E-Learning	Divinity	Regular Post-Secondary	Online / E-Learning	Divinity	Regular Post-Secondary	Online / E-Learning	Divinity	Medical
1. Program is approved by Minister, licensed under the Private Vocational Training Act or recognized by appropriate authorities.	•	•	• <sup>1</sup>	•	•	•	•	•	•	•	•	•	•
2. Program results in a degree, certificate or diploma.	•	•	•	•	•	•	•	•	•	•	•	•	•
3. Full-time program is 12 weeks or more.	•	•	•	•	•	•	•	•	•	•	•	•	•
4. Minister considers employment of graduates relevant and potential for employment acceptable.	•	•	•	•	•	•	•	•	•	•	•	•	•
5. Accredited or 60% or more of program accepted for credit by fully accredited educational institution.	•	•	•	•	•	•			•			•	
6. For degree program, degree name clearly identifies as a divinity degree program <sup>2</sup>			•			•			•			•	
7. Program designated by home province.				•	•	•							
8. Program requires minimum 20 hours per week of student activity or participation.		•			•			•			•		
9. Educational institution actively monitors student participation and maintains contact with students to ensure minimum course load is maintained.		•			•			•			•		
10. Educational institution demonstrates its courses/programs and monitoring activities meet criteria guidelines.		•			•			•			•		
11. Educational institution provides specific program/course start and end dates.		•			•			•			•		
12. Program approved for "Title IV" funding by United States Department of Education.							•	•	•				
13. Educational institution approved for student financial assistance or accredited in home country.										•	•	•	•
14. Educational institution has been in continuous operation for minimum two years prior to designation.										•	•	•	
15. Educational institutions in UK have acceptable rating <sup>3</sup> in a full institutional audit conducted within last 5 years.											•		
16. Educational institution listed in one of the approved references for international programs. <sup>4</sup>										•	•	•	•
17. Educational institution listed in one of the approved medical program references. <sup>5</sup>													•
18. Medical program has been in continuous operation for at least ten years.													•

Footnotes:

<sup>1</sup> Divinity programs in Alberta, Canada and the United States, must be accredited by the Association of Biblical Higher Education or Association of Theological Schools.

<sup>2</sup> The degree name cannot be a Ministerial protected title such as Bachelor of Arts, Master of Arts, etc.

<sup>3</sup> A full institutional audit is conducted by the United Kingdom Quality Assurance Agency for Higher Education.

<sup>4</sup> See Required References for International Programs on the following page.

<sup>5</sup> See Required References for International Medical Programs on the following page.

## Required References for International Programs

International Post-Secondary Educational Institutions must be listed in one of the following six references:

### Online Resources:

1. Association of Commonwealth Universities
2. International Association of Universities
3. The United States Department of Education, Title IV Funding

### Print Resources:

4. International Handbook of Universities (Palgrave MacMillan)
5. Europa World of Learning (Routledge Publications)
6. Accredited Institutions of Post-secondary Education (American Council on Education)

## Required References for International Medical Programs

In addition to being listed in one of six references above, International Post-Secondary Educational Institutions with Medical Programs must also be listed in one of the following references:

1. International Medical Education Directory by Foundation for Advancement of International Medical Education and Research (FAIMER)
2. World Directory of Medical Schools by World Health Organization (WHO)

## Appendix C

### Annual Evaluation of Student Loan Repayment Rates

#### Why are Student Loan Repayment Rates Evaluated?

Alberta Advanced Education is committed to the responsible management of public funds in the area of student financial assistance. As part of the Pan Canadian Designation Policy Framework, provinces are required to monitor student loan repayment rates at educational institutions, evaluate those rates and take compliance action when repayments rates are below acceptable levels. One focus of the Framework is to improve the performance of the student loan portfolio, providing accountability to students and taxpayers and maintaining performance targets for designated institutions.

The Framework also allows for provinces to consider maintaining designation based on access to educational opportunities, the community served, regional, socio-economic or cultural priorities.

#### Institution Evaluations

Student Aid evaluates student loan repayment rates on an annual basis. Institutions are evaluated based on their overall Canada student loan repayment rate.

Student Aid provides each institution with a customized repayment rate report annually and an evaluation of how the institution is rating compared to established benchmarks.

#### Benchmark Zones for Evaluation

Repayment rate benchmarks are created based on data from a three year cycle using a standard deviation methodology set by the Canada Student Loans Program (CSLP).

Student Aid communicates any changes to the benchmarks to institutions when the benchmarks change. Communication is sent via email and letter.

## Repayment Benchmark Chart

The current repayment rate benchmark zones in Alberta are:

Benchmark Zone	Repayment % Range
Green/Acceptable	85.2 to 100%
Yellow/Cause for Concern	60 to 85.1%
Red/Unacceptable	0 to 59%

## Three Year Evaluation Process

First Year Evaluation	Second Year	Third Year
<p><b>In Green Zone:</b></p> <p>No action required by the institution when it remains in the green zone</p>	No action required	No action required
<p><b>In Yellow Zone:</b></p> <p>Institution must provide proof of a current Loan Repayment Strategy.</p> <p>Institution targets are set by Student Aid; the institution must improve their current rate by 3% by the third year.</p>	Report only	If the rate has not improved by 3%, institution must meet with Student Aid to discuss.
<p><b>In Red Zone:</b></p> <p>Institution must provide proof of a current Loan Repayment Strategy and meet with Student Aid to discuss the situation.</p> <p>Institution targets are set by Student Aid; the institution must move into yellow zone by the third year</p>	Report only	<p>If the rate has not moved into the yellow zone, the institution is recommended to the Minister for de-designation.</p> <p>Institutions may appeal their de-designation within 60 days of notification.</p>

## Student Loan Repayment Methodology

Repayment rates are derived based on the aggregate amount of Canada Student loan dollars of all students who entered repayment between August 1<sup>st</sup> to July 31<sup>st</sup> of the previous loan year. It includes all Canadians who attended an Alberta institution.

On July 31st of each year, students are identified as:

- 1) **In Good Standing:** Student is up-to-date and current on loan payments and made the July 31st payment. Students on an approved Repayment Assistance Plan are also classified as being in good standing.
- 2) **Delinquent:** Student is not current on loan payments and did not make the July 31st payment, or student is in default.

The formula for calculating the Canada student loan repayment rate is:

### Calculation Methodology:

- $$\frac{\text{Principal in Good Standing (\$)} + \text{Principal Paid (\$)}}{\text{Principal at Consolidation (\$)}} \times 100$$

If a student attended multiple institutions, each educational institution is responsible only for the loan amount the student received to attend their institution.

Educational institutions having less than 10 students with consolidated loans in a given time period are not evaluated as less than ten is not statistically relevant.

## Appendix D

### Developing a Loan Repayment Strategy

#### What is a Loan Repayment Strategy?

Student Aid requires all post-secondary educational institutions in Alberta with designated programs to have a written Loan Repayment Strategy. Institutions are recommended to review their strategy annually.

A strategy defines how an institution will educate its students on their loan responsibilities. It will also empower the student to successfully manage his or her loans through regular payments or through government repayment assistance programs, and will support students to successfully complete their program of study.

#### Creating a Loan Repayment Strategy

An effective strategy will be tailored to the specific needs of the post-secondary institution's students.

There are several recommended approaches:

- Understand the main factors that promote loan repayment and the factors that contribute to loan default.
- Customize the strategy based on unique aspects of each post-secondary institution and its programs and students.
- Incorporate the five key elements of an effective strategy:
  - educating borrowers through student loan counselling resources
  - leveraging technology
  - managing student retention
  - providing employment services for students
  - building alliances and training staff within the post-secondary institution

- Document in the Loan Repayment Strategy the information that will be provided to students relating to student completion and graduation and the way the information will be provided. Including samples of these resources in the Loan Repayment Strategy is recommended.
- Implement the strategy and share it with all areas of the institution interacting with students.
- Maintain the strategy by reviewing it each year and updating it with new loan information resources.

## More Information

Access the **Developing a Loan Repayment Strategy Guide** and **Student Aid Designation Policies** at:

- [Resources for Schools](#)

Student Aid is also available to assist you to develop and/or review your loan repayment strategy.

- Email: [designationinquiry@gov.ab.ca](mailto:designationinquiry@gov.ab.ca)

## Appendix E

### Compliance Reviews for Private Vocational Training Institutions

#### What is a Compliance Review?

A compliance review of an institution may occur as part of regular monitoring, on a rotating scheduled basis, or based on issues identified.

#### Purpose of a Compliance Review

The review is to examine an institution's compliance with the *Private Vocational Training Act*, the Private Vocational Training Regulation and the Alberta Institution Designation Agreement (AIDA) for Student Aid.

#### Preparing for a Compliance Review

The institution will be given notification of the compliance review in advance from Alberta Advanced Education.

#### What Happens After the Compliance Review?

Upon completion of the compliance review, the institution will be provided with a copy of the report to review the findings and provide written comments. After that, Student Aid will identify any issues and prescribe actions the institution must take for compliance within specific timelines.

Once the institution has provided evidence that any compliance matters identified have been satisfactorily addressed, the review will be concluded. Alberta Advanced Education will continue to monitor each institution to ensure compliance is maintained on an ongoing basis.

# Appeal Application for De-Designation

Advanced Education is collecting this personal information under the authority of section 33(c) of the *Freedom of Information and Protection of Privacy Act* (Alberta) to determine the designation status of the Institution in accordance with the *Student Financial Assistance Act* (Alberta), the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*, each as may be amended from time to time. The use and disclosure of your personal information is managed in accordance with the *Freedom of Information and Protection of Privacy Act* (Alberta). If you have any questions about the collection, use or disclosure of this information, call the Alberta Student Aid Service Centre toll free at 1-855-606-2096 from anywhere in North America. You can also mail your questions to Alberta Student Aid, Privacy Officer, PO Box 28000 Stn Main, Edmonton AB T5J 4R4.

## Appeal Process

- An educational institution can appeal within **60 days** from the notice of their de-designation.
- The educational institution owner or designated representative can complete the appeal and mail to: (or fax to 780-422-4516)
- The Executive Director will review the appeal. A meeting with the owner or designated representative may be scheduled if further clarification is required.
- The Executive Director will make a decision within 30 days of receiving the appeal and will notify the owner or designated representative in writing.

Advanced Education  
Executive Director, Student Aid  
9th Floor, Sterling Place  
9940 106 Street  
Edmonton AB T5K 2V1

## Educational Institution Details

Educational Institution Name		School Code	
<input type="text"/>		<input type="text"/>	
Owner or Designated Representative(s) Name(s)			
<input type="text"/>			
Apartment or Box Number	Street Address (add direction, e.g. S, NW, SE, if applicable)		
<input type="text"/>	<input type="text"/>		
City/Town	Prov/State	Country	Postal/Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Telephone Number (format: 999-999-9999)	Fax Number (format: 999-999-9999)		
<input type="text"/>	<input type="text"/>		

## Details of Appeal (attach additional pages if required)

1. Did you develop a Loan Repayment Strategy in recent years?  Yes  No

If yes, please attach strategy.

If yes, when were the strategies implemented? \_\_\_\_\_

2. Have you monitored the results of the strategy?  Yes  No

If yes, please provide findings.

3. Provide any other additional material or reasons that supports why you feel your institution should not be de-designated.

## Name(s) and Signature(s)

Owner or Designated Representative

Signature of Owner or Designated Representative

Date

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

Owner or Designated Representative

Signature of Owner or Designated Representative

Date

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>