

# EDUCATED INVESTMENTS

*providing effective systems &  
enriching experiences*

OUSA BUDGET SUBMISSION 2016



# OUSA

Ontario Undergraduate Student Alliance

# ABOUT OUSA

*OUSA represents the interests of over 140,000 professional and undergraduate, full-time and part-time university students at seven institutions across Ontario. Our vision is for an accessible, affordable, accountable and high quality post-secondary education in Ontario. To achieve this vision we've come together to develop solutions to challenges facing higher education, build broad consensus for our policy options, and lobby government to implement them.*

# CONTENTS

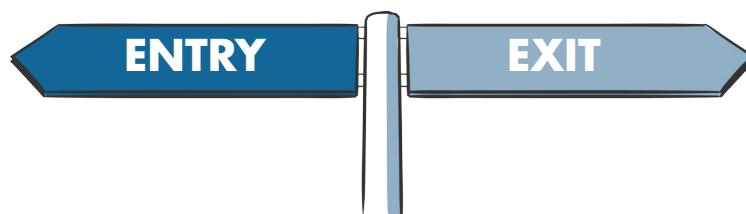
<b>INTRODUCTION</b>	<i>4</i>
<b>FINANCIAL ASSISTANCE IN ONTARIO</b>	<i>5</i>
<b>WORK-INTEGRATED LEARNING</b>	<i>10</i>
<b>SUMMARY OF RECOMMENDATIONS</b>	<i>15</i>
<b>ENDNOTES</b>	<i>16</i>

# INTRODUCTION

A healthy university system is essential for Ontarians. University education leads to the best long-term career prospects for individuals and benefits the province as a whole by generating a more civically engaged population with the skills and tools needed to succeed in the knowledge economy of today.<sup>1</sup>

To prepare for the future needs of the economy, the province has committed to foster a highly skilled workforce. To this end, the Premier's office has assembled an expert panel to address this issue, and broad ranging consultations have already begun. In January 2016, the Ontario Talent and Skills Summit brought together leaders from the corporate sector, the public sector, the non-profit sector, and the post-secondary education sector to have meaningful discussions about developing future leaders and innovators; OUSA was proud to be a part of this initiative.

Ensuring smooth and equitable access into higher education and ensuring an enriching and quality experience are integral components of developing a highly skilled workforce. OUSA's budget submission for 2016 touches on inputs and outputs: primarily, we will address the entry and exit points of the university experience. We discuss ways to ensure access and financial assistance can be improved, and we discuss how students can graduate with the skills, confidence, and understanding necessary to begin their careers or take the next steps along whatever path they choose to pursue.



Though we have a high proportion of youth entering the higher education sector, the participation rates among certain marginalized groups—for example, Indigenous youth, those with disabilities, and those from low-income families—remains lower than the general student population.<sup>2,3,4</sup> Moreover, though many students are able to overcome the initial hurdle of entering the post-secondary system, many do so by taking on enormous debt burdens that delay their entry into the world of work, investment, and the economy at large. Others opt out entirely when faced with the high sticker price of education, a convoluted financial aid system, and the prospect of enormous debt.

Access must therefore be evaluated by thinking about more than the number of students entering the system, but as the totality of students' experiences. Equitable access should be far reaching and address issues of participation gaps and persistence. As a starting point, a comprehensive access strategy should ensure individuals' costs to access post-secondary education are reasonable and appropriate.

Graduates are facing an increasingly competitive labour market upon degree completion. Higher education levels are typically associated with higher employment rates; however, while Canada has some of the highest tertiary education attainment rates among OECD countries, we rank tenth for our employment rate.<sup>5,6</sup> Our members do not wish to see universities become overly beholden to labour market demands, and they recognize that a university education is an enriching and valuable experience for many reasons. However, with that being said, the desire for increased career prospects is one of the main reasons students choose to attend university.<sup>7</sup> Universities must be equipped to help students realize these goals.

If the province is serious in its commitment to embrace the needs of the future and ensure that Ontario's workforce has the skills and education necessary to embrace the challenges and opportunities of the modern economy, then now is the time to act. We must recommit to the creation and expansion of proven and enriching experiences, replace inefficient and ineffective aspects of the system, and proactively invest in the education and talent of the next generation.



# FINANCIAL ASSISTANCE

## THE PROBLEM WITH TAX CREDITS

***Recommendation: Cease issuing tuition and education tax credits, and reallocate the funds into more effective, targeted, up-front financial aid.***

***Value: \$365 million to reallocate<sup>8</sup>***

In her 2014 mandate letter, Premier Kathleen Wynne asked the Ministry of Training, Colleges and Universities “to focus resources on those who need them most” and to “improve the efficiency and effectiveness of student financial assistance.” These directives affirm the purpose of financial aid as a system intended to provide the greatest benefit for those facing the most significant barriers and shouldering the greatest burden. OUSA wholeheartedly agrees; particularly in the current context of limited resources and limited government investment, ensuring that Ontario’s financial aid system is progressive – meaning, that it is designed to help those who need it most – is imperative.

Unfortunately, an enormous portion of current financial aid is neither progressive nor effective. This huge portion comes in the form of “tuition and education” tax credits. These are non-refundable tax credits that students or their parents can use to reduce the taxes they owe. The amounts for the Tuition and Education Tax Credit are calculated based on tuition paid and time enrolled during the tax year. The resulting amounts are then used to reduce the amount of provincial taxes owed.

For many years, OUSA has advocated that these tax credits be repurposed into more progressive solutions. Given that the goal of financial assistance in Ontario is to offset the extremely high price of tuition for those in greatest financial need, there are several critical failings of such a heavily tax-credit based system.

## DISTRIBUTION

Everyone, including those with comparatively high incomes who do not require financial assistance, can claim tax credits. This is obviously an inefficient use of limited funds that are meant to assist those with financial need. Given that there is currently almost \$280 million in unmet OSAP need, funds should not be used to subsidize the cost of education for those who do not need assistance.<sup>9</sup> Not only do higher income families claim tax credits, but research shows they actually claim them more. The highest earning families claim tax credits worth at least twice as much as those claimed by the lowest income families: those in the lowest income quartile claim \$520 per tax year

whereas those in the highest income claim \$2,000.<sup>10</sup> The desired outcome of Ontario’s student financial aid system is to provide the most assistance to those in the most need. Tax credits are unambiguously the wrong mechanism to achieve this goal.

**“Unfortunately, an enormous portion of current financial aid is neither progressive nor effective. This comes in the form of ‘tuition and education’ tax credits.”**

## TIMELINESS

Since financial aid is meant to assist with expenses, it follows that it should be made available when those expenses are actually due to be paid. Not only do tax credits fail to provide financial benefit when tuition is paid, but in many cases, they do not even yield their value in full (if at all) during the year tuition is paid. As tax credits are non-refundable and therefore cannot be used to reduce taxes-owed below zero, students are often forced to carry their credits forward until a later date when they earn enough to owe more taxes. Meanwhile, many students will have been saddled with debt. If the province is committing resources to lower the net cost of university, it makes little sense to allocate those resources in such a way that students must first shoulder a high up-front cost, accumulate debt, and then receive their assistance long after the fact.

## COMPLEXITY

Financial assistance should be easy to understand so that students and families can make informed choices. However, tax credits are one of the most complicated ways to provide assistance, as they require calculation of rates, values, semesters enrolled, and transfers. The perception of a high cost (even when the net cost might be lower) can discourage some students, especially those from lower income families, from enrolling in certain programs or university entirely—an effect known as “sticker shock.”<sup>11</sup> Ultimately, the true value of tax credits depends on income and is usually spread over several years, making it very difficult to gain understanding of the reimbursement being offered. In the most recent survey of OUSA’s student membership, we found that 35 percent of respondents didn’t even know that tuition and education tax credits existed.

OUSA has long advocated that the money currently devoted to providing these tax credits be reallocated to better, more effective forms of financial assistance that better align with the government’s and students’ priorities, and which truly “focus resources on those who need them most.” All current and outstanding tax credits should be honoured; however, the government should cease their issuance, and begin diverting resources into more targeted assistance programs.

As a starting point, OUSA recommends that reallocated tax credit funds be put towards the initiatives in the following section

“IN THE MOST RECENT SURVEY OF OUSA’S STUDENT MEMBERSHIP, WE FOUND THAT 35 PERCENT OF RESPONDENTS DIDN’T EVEN KNOW THAT TUITION AND EDUCATION TAX CREDITS EXISTED.”



## IMPROVEMENTS TO GRANTS PROGRAMS

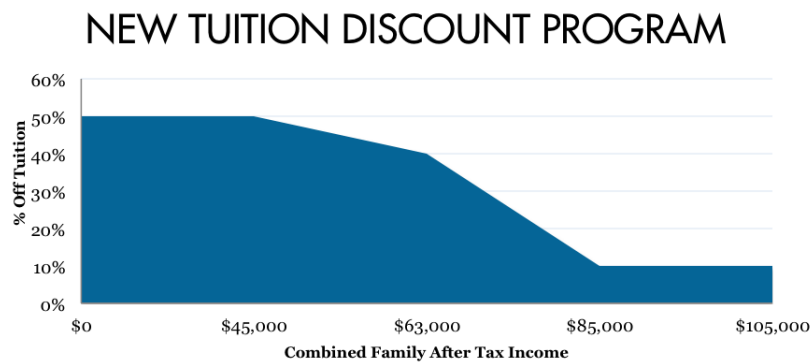
***Recommendation: Merge the Ontario Tuition Grant and Ontario Access Grant into a new discount program that provides more non-repayable aid to lower-income students, and which responds to personal tuition costs.***

The Ontario Tuition Grant (OTG) offers eligible students tuition reductions between \$915 and \$1,830 per term. This figure is calculated by the government assuming an average tuition of roughly \$6,000; however, the real average in Ontario is closer to \$7,900.<sup>12</sup> Additionally, 25 percent of first-entry university students are in programs like Engineering or Business which have much higher tuition fees. Tuition discounting grant programs should be structured to reflect the costs of an individual student’s actual tuition fees.

With few exceptions, the OTG is only offered to students who have been out of high school for fewer than four years. This can disqualify many students whose university experience does not conform to this rigid timeline. For example, a 2013 OUSA survey revealed that Indigenous students on average have a longer gap between completion of high school and entrance into university. This limited four-year eligibility window also adversely affects those who take breaks or reduced course loads to work, students with disabilities who often take longer to graduate, and mature students.

The Ontario Access Grant (OAG) is another needs-based grant program that is too limited to be effective. Through the OAG, students receive either \$3,000 or 25 to 50 percent of the value of tuition, whichever is less. This program also only applies to students’ first two years of university.

OUSA suggests redesigning and combining the above programs to create a new tuition discount program that is more nuanced, more generous, and much more effective for traditional and non-traditional students alike. Based on the eligibility criteria used for the Canada Student Grants for students from low-income families, this new model should assume that any family, regardless of size, making \$63,000 or less is low-income. As such, these families should be given the largest discounts. By using slopes to approach income thresholds—rather than the hard cut offs currently in place—the model would attempt to determine students’ percentage discount in an equitable manner. These sloping income thresholds should help to expand eligibility for those from middle-income families.



This model should also provide eligibility for the entire length of a student’s program, regardless of time out of high school, thereby maximizing its utility and effectiveness for students from underrepresented groups who may not follow a more direct and traditional path.

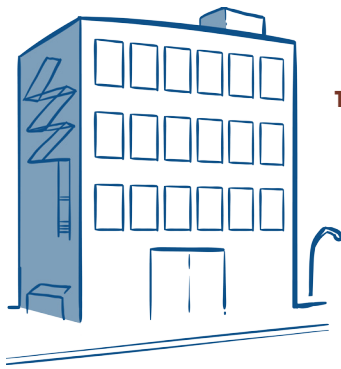
**MODERNIZE OSAP**

**Recommendation: Update OSAP’s estimated costs of living to better reflect the costs of living in Ontario, and increase the maximum aid that can be delivered through OSAP.**

Financial assistance delivered through OSAP is based on a complex assessment of financial need. While the intention may be to follow the need-based philosophy when allocating financial aid, the estimates used in the OSAP need assessment do not accurately reflect current costs of living and education.

Inflation and other economic factors have steadily pushed the cost of living up over many years, while OSAP’s estimates have not kept pace. The following table compares OSAP’s cost of living estimates with our own estimates of actual costs in Canada for 2008, and then adjusted for 2014 dollars.<sup>13</sup>

	OSAP Allowable Living Costs	Cost of Living Estimate: 2008	Cost of Living Estimate: 2014
Student Living at Home	\$3,888	\$5,814	\$6,487
Student Living away from Home	\$9,344	\$12,369	\$13,633



TORONTO

WINDSOR

VS.



This disparity can be even larger depending on region or city. The variability in housing costs between Windsor and Toronto, for example, means that for some students, OSAP's outdated and broad-strokes estimates can be dramatically lower than their actual costs of living.

In addition to underestimating students' costs of living, students' actual tuition, textbook, and equipment costs are also frequently underestimated. Currently, Ontario's need assessment caps the costs of professional-program tuition and ancillary fees at a level much lower than what students actually pay. These restraints significantly mask students' true financial need.

Even those who receive the maximum OSAP entitlement may often find themselves unable to cover the costs of their education with OSAP funding alone. These students may have no recourse other than to borrow money from banks, which offer far less favourable terms and can compound the burden of debt. The province should aim to reduce this wherever possible.

If OSAP is to fulfill its purpose of covering gaps between students' resources and educational costs, prioritizing students with the greatest financial need, the system must be reflective

of the actual costs of post-secondary education and issue loans accordingly. The government should update its OSAP need assessment to reflect current costs of living, tuition, and additional materials, and also work with the federal government to substantially increase the maximum OSAP loan entitlement.

#### ALIGNED PARENTAL CONTRIBUTIONS

**Recommendation:** *The Ontario government should match the Federal government's expectations of the amount parents are expected to contribute to their children's education.*

The provincial OSAP need assessment assumes that the parents of a dependent student in Ontario require less income to maintain a "moderate standard of living" than the federal assessment assumes, while simultaneously expecting that they contribute a greater proportion of their income. The following tables show the disparity between these governments' expectations of parents: first in their definitions of "moderate standard of living" and then in their assumptions of how much discretionary income parents should contribute.

#### MODERATE STANDARD OF LIVING BY FAMILY SIZE<sup>14</sup>

	2	3	4	5	6
CAN	\$47,646	\$59,152	\$67,316	\$73,652	\$78,821
ON	\$41,695	\$47,711	\$52,884	\$57,458	\$61,429

15

Annual Discretionary Income	CAN Expected Contribution	ON Expected Contribution
\$0-\$7,000	15%	25%
\$7,001-\$14,000	20%	50%
\$14,001 and over	40%	75%



## *an aside*

OUSA BELIEVES THAT TARGETED, NEEDS-BASED ASSISTANCE IS THE MOST ACTIONABLE AND MOST IMPORTANT ASPECT OF UNIVERSITY AFFORDABILITY AND ACCESS.

HOWEVER, THIS IS NOT TO SAY THAT THERE IS NO ROOM FOR A LARGER CONVERSATION ABOUT COST-SHARING AND LONG TERM SUSTAINABILITY. AS OUSA HIGHLIGHTED IN ITS RECENT "TIME OUT" CAMPAIGN, THE UNIVERSITY SECTOR IS BECOMING INCREASINGLY FUNDED BY STUDENTS' PRIVATE CONTRIBUTIONS, THROUGH TUITION AND ANCILLARY FEES, AND LESS FUNDED BY GOVERNMENT INVESTMENT. DURING THIS CAMPAIGN, OUSA CALLED ON THE GOVERNMENT TO RE-COMMIT ITSELF TO HIGHER EDUCATION BY FREEZING TUITION DURING THE NEXT FRAMEWORK, AND MAKING UP THE DIFFERENCE IN UNIVERSITIES' REVENUES VIA INCREASED INVESTMENT.

THE 2016-2017 ACADEMIC YEAR IS THE LAST UNDER THE CURRENT TUITION FRAMEWORK. AS THE NEXT FRAMEWORK IS BEING NEGOTIATED, OUSA WILL CALL ON THE GOVERNMENT TO STRICTLY REGULATE TUITION AND SIGNIFICANTLY INCREASE ITS OWN INVESTMENT IN ORDER TO SHARE COSTS FAIRLY WITH STUDENTS, WHILE ALSO SUPPORTING THE WIDE RANGE OF SERVICES AND PROGRAMS REQUIRED TO PROVIDE A WELL-ROUNDED, HIGH QUALITY, ENRICHING UNIVERSITY EXPERIENCE.

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These differences complicate the interaction between the federal and provincial portions of the Canada-Ontario Integrated Student Loan (OSAP). The system intends for Canada to cover 60 percent of a student's need while Ontario covers the remaining 40 percent. However, the separate sets of expectations mean that the federal government issues funds to meet 60 percent of an applicant's need as calculated according to its own formula, then the Ontario government only issues whatever outstanding amount brings the total up to its own, lesser figure. The following table demonstrates this interaction for a hypothetical student.

	Assessed Need	Intended Contribution	Expected Aid Delivered	Actual Aid Delivered
CANADA	\$10,000	60% of federally calculated need	\$6,000	\$6,000
ONTARIO	\$8,000	40% of provincially calculated need	\$3,200	\$2,000

OUSA recommends that the Ontario Student Loans parental contribution expectations be aligned with those in the Canada Student Loan Program. Ontario is one of the more expensive provinces in which to live, so it makes little sense for the provincial government's expectations of living costs to be less generous and more restrictive than the federal estimates. Restoring balance to the intended 60/40 split would also add clarity around how the loan system works and what students can expect.

# WORK-INTEGRATED LEARNING

## THE VALUE OF WIL

Over the past few decades, universities have faced increasing expectations to contribute to students' employability and labour market competitiveness.<sup>16</sup> Though this is hardly the only purpose or value of a university degree, it is critically important to today's students. While a university education typically provides the most favourable long-term employment outcomes, students feel they are not being provided with adequate opportunities to apply the knowledge they acquire in their studies in ways that also develop job-specific skills.

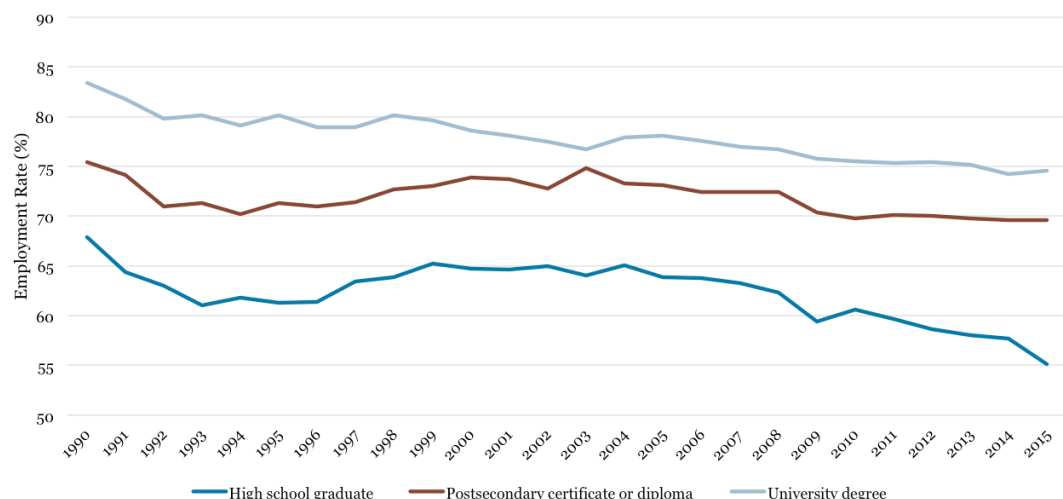
Work-integrated learning (WIL) is a skills-focused subset of a broader approach to teaching called experiential learning. Experiential learning involves learning through reflection on doing. This requires the use of active learning techniques as well as structured critical evaluation and self reflection. Structured co-op placements are what most people tend to think of when imagining work-integrated learning, however, there are additional ways to integrate relevant workplace skills into learning. Some examples may include work with community groups, case studies for businesses, entrepreneurship programs, research projects rooted in current and real issues, or collaborative activities that mimic workplace projects. These types of experiences

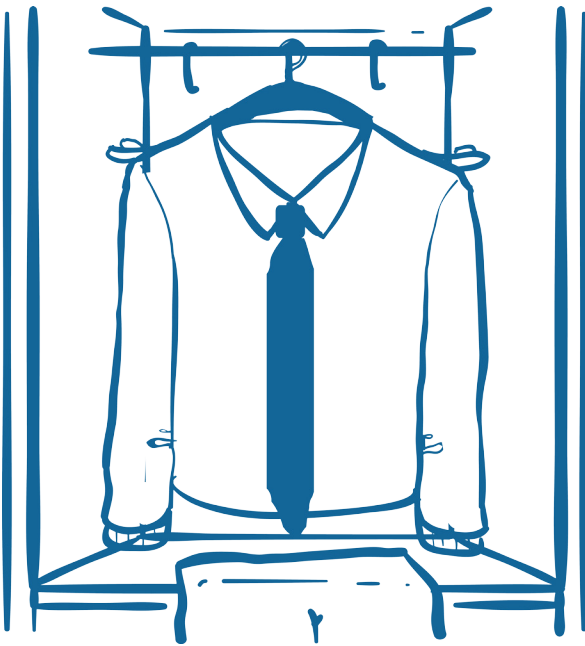
can bring together multiple learning outcomes and demonstrate the real-world impacts and applications of classroom learning.

Students who undertake WIL are better equipped to apply their education to the workplace and articulate the things they learned in their academic programs. It enhances their own recognition of the skills they have developed and the growth they have experienced during their time in class. Students who have had these opportunities report being more confident in interviews and having a stronger concept of what they wanted to do with their education.<sup>17</sup>

The current status of the labour market does not suggest that the province has been misguided in expanding post-secondary participation rates. Ontarians with a post-secondary credential have the best long-term employment outcomes of any education attainment level in the province. University graduates face the lowest unemployment rates, have the most stable long-term employment outcomes through economic peaks and troughs, and have the highest income levels of those with PSE credentials.<sup>18</sup> Although college graduates with a post-secondary certificate or diploma post higher employment rates immediately upon graduation, as the chart below demonstrates, a university degree offers higher employment rates in the long term, and greater employment stability over time.

EMPLOYMENT RATE BY EDUCATIONAL ATTAINMENT IN ONTARIO, 25 AND OLDER<sup>19</sup>





Despite the enduring and long term value of a university degree in comparison to other attainment levels, graduate employment is at a low point in the context of the last 15 years, as is graduate income.<sup>20</sup> Among employed graduates, the relevance of students' programs to their fields of work has been consistently decreasing within both the six month and two year time span.<sup>21</sup> Though not a "silver bullet" solution, WIL opportunities are highly valuable and have a significant role to play in improving some of these trends. Students who participate in paid WIL during their studies earn \$2 to \$3 more per hour than their peers who do not, and 82 percent of employers who offer WIL opportunities typically offer post-graduate employment to former co-op students or interns.<sup>22</sup> WIL experiences have the potential to ease students' transition into a competitive labour market and more of these programs should be developed and implemented.

Experiential and work-integrated learning can strengthen a student's educational experience and improve their chances of quickly entering the workforce upon graduation. Given this, students believe that the province should be expanding these opportunities in three dimensions, by providing incentives to employers, institutions, and students as outlined in the following section.

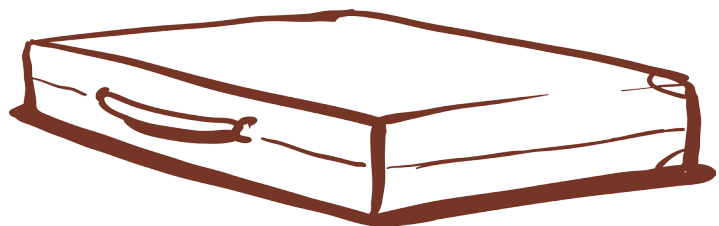
## EMPLOYERS

**Recommendation:** *The provincial government should increase the benefits employers receive through the Ontario Co-operative Education Tax Credit*  
**Estimated cost:** ~ \$7 Million

Students need more work-integrated learning opportunities that allow them to gain essential employability skills and apply their knowledge in job-specific settings. In order to encourage the creation and expansion of WIL programs, the province must incentivize employers to hire students.

Demand for WIL experiences is high, and supply cannot always keep pace.<sup>23</sup> OUSA recommends addressing this need by expanding the amount employers may claim through Ontario Co-operative Education Tax Credit funding, which was last adjusted in 2009. At a minimum, the funds allocated to this program should be adjusted by a growth factor that reflects the increase in the student population since the last adjustment.

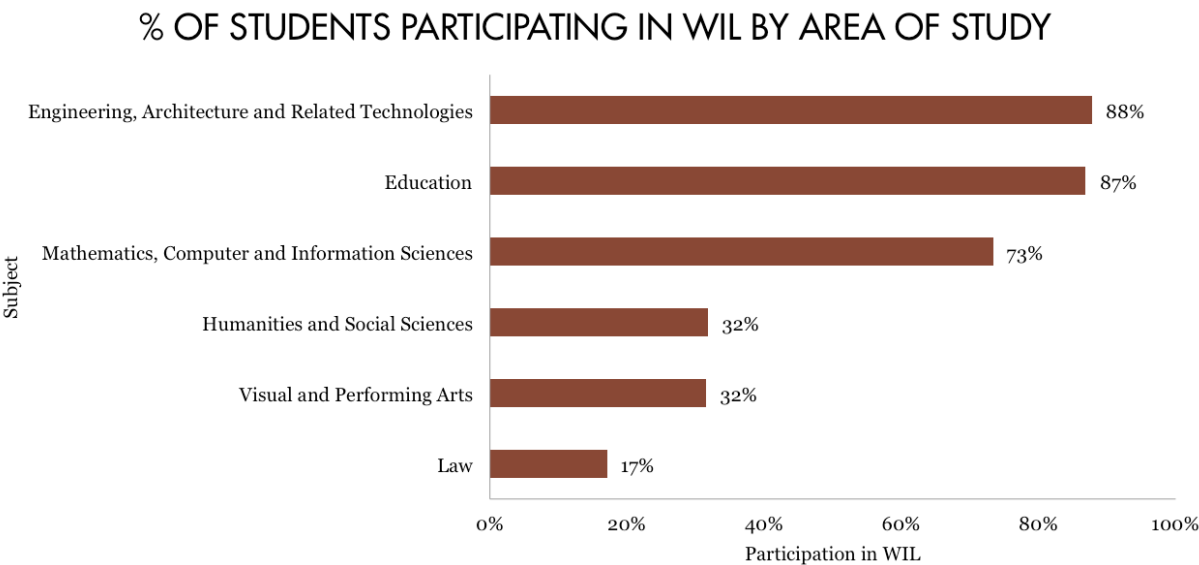
Among the most successful forms of work-integrated learning are the excellent co-operative education programs we have in Ontario. Far too often, "entry level" positions already require practical job experience in the field, and co-operative education is one of the best ways to give students that work experience while they complete their education. By expanding a system of financial incentives already in place, the province would be incentivizing more co-operative education placements while not incurring the expense of creating a brand new program. This would be a financially efficient way to encourage employers to become newly involved, or more involved, in co-operative education.



**Recommendation: The provincial should reinstate and expand wage subsidy programs for employers providing valuable WIL opportunities to students.**  
**Renewal: ~ \$96 Million**

Until its recent cancellation, the government spent approximately \$100 million on its summer jobs program, which provided direct wage subsidies for employers providing jobs to youth that were returning to school.<sup>24</sup> OUSA believes that in the interest of furthering the benefits of experiential learning, this program should be reinstated and restructured as a tax-exempt subsidy to promote WIL with particular attention given to students in programs where such opportunities are comparatively few.

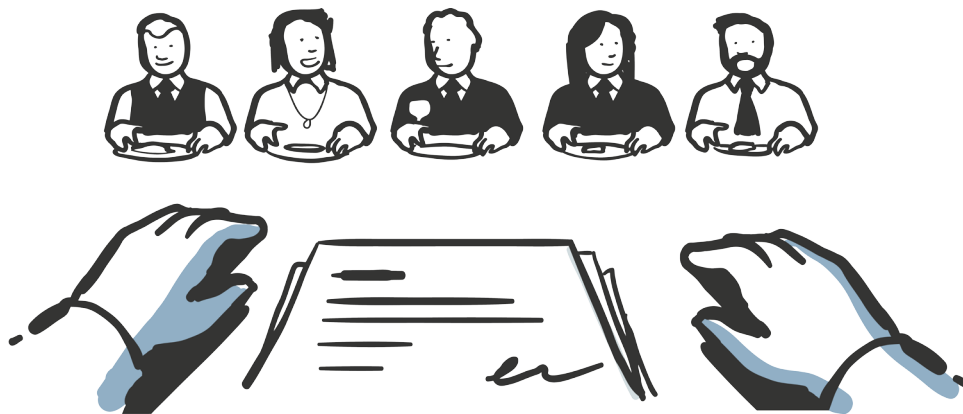
As seen in the graph below, there is a healthy system in place for OUSA members seeking work-integrated learning opportunities in the fields of engineering and education, but our students in humanities and social science programs lag far behind in their WIL participation. This needs to improve.



A key component in increasing the number of WIL opportunities available to students in more disciplines is to engage with a more diverse array of organizations as employers. Although the Co-Operative Education Tax Credit is a powerful tool that should be expanded, some businesses, particularly smaller businesses, might benefit more from wage subsidies which are available sooner, can ease cash flow concerns, and can directly offset the wage cost directly. In addition, some employers may offer WIL opportunities that may not meet some of the specific criteria of the Co-Operative Education Tax Credit, but nevertheless would be beneficial to students. This strategy would have the potential to reach more employers from more sectors, expanding opportunities for students studying in fields without extensive co-op networks.

To ensure that the opportunities generated by this program would benefit students in their learning, employers would be required to indicate in their applications how the position would give the student opportunities to exercise and learn either discipline-specific skills, or core transferable skills such communication, numeracy, or problem solving.





## INSTITUTIONS

13

**Recommendation:** *The provincial government should provide new, dedicated financial resources to help universities diversify work-integrated learning opportunities.*

**Estimated Cost:** ~ \$5-10 Million

Discussions surrounding work-integrated learning are often focused on co-operative education, and rightfully so. However, it is not realistic to expect all institutions to establish robust co-op programs, which may require vast employer networks and administration capacities. Moreover, despite the growing demand for WIL opportunities, The Higher Education Quality Council of Ontario has estimated that about 61 percent of employers do not participate in work-integrated learning with a post-secondary institution.<sup>25</sup>

Given the tremendous benefits to students, employers, and the province of having increased work-integrated learning participation, it is critical that universities are given the resources to expand placements beyond their current capacity and incorporate alternative forms of WIL into students' learning. This is particularly important in areas of study with smaller concentrations of work placements, where students are experiencing difficult labour market transitions as previously demonstrated in the above graph. To this end, the government should provide institutions in Ontario with project funding—comparable in size to other project-based grants—to explore alternatives.

**"EASING THE TRANSITION OF ALL GRADUATES, IN PARTICULAR FOR THOSE IN SOCIAL SCIENCES, HUMANITIES, AND ARTS INTO THE JOB MARKET WILL YIELD POSITIVE ECONOMIC BENEFITS FOR THE PROVINCE."**

**Recommendation:** *The provincial government should provide fee-matching assistance to encourage universities to create placement opportunities for more students.*

Easing the transition of all graduates, in particular for those in social sciences, humanities, and arts into the job market will yield positive economic benefits for the province. Though WIL opportunities for these students are fewer, their programs emphasize the core, transferable skills that employers rank as the most important in new hires.<sup>26</sup> Broad problem-solving and critical-thinking skills of the type demanded by employers are central to liberal arts and social science curricula, and both students and employers stand to benefit greatly from developing these skills within the context of an educational work placement.

OUSA recommends that the government explore providing subsidies to universities for the creation of placements in the faculties of arts & humanities, social sciences, and sciences. Such a support program could involve a partial matching of the average cooperative education fee in Ontario for every student from the above faculties given a work-integrated learning placement. This payment would amount to \$290 for every eligible student given a placement, and would provide resources to expand both underserved program placements as well as an institution's broader work-integrated learning program.

## STUDENTS

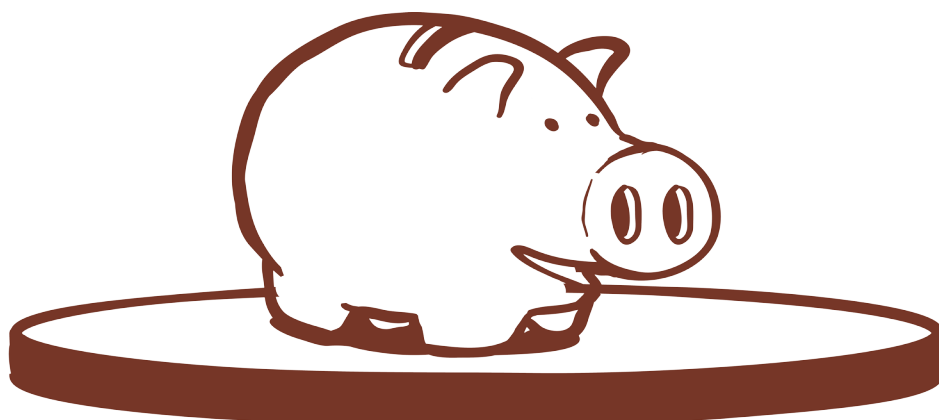
***Recommendation: The government should create a grant program to subsidize the cost of co-operative education fees for students from groups that are underrepresented in co-op participation.***

Program fees present financial and psychological barriers that discourage students in underrepresented groups from pursuing WIL opportunities. OUSA's most recent Ontario Post-Secondary Student Survey has found that Indigenous students and students with dependants are less likely to participate in work-integrated learning opportunities when compared to their peers.

Co-operative education fees can represent a barrier for populations of learners who stand to benefit greatly from enhanced transitions to the workplace as well as increased in-study learning. Therefore, grants should be made available to subsidize these fees for students who demonstrate financial need. If released prior to students engaging in WIL, these funds could help alleviate students' real and perceived financial burdens

related to the upfront costs of participating in WIL. Supporting underrepresented students in WIL will ultimately increase the number of skilled workers who are prepared to excel in the workforce while also increasing the visibility of these groups in knowledge-based occupations. To fully support these students, the province should provide new grants for students from underrepresented groups to participate in WIL.

Co-op fees, when including registration and orientation, can range from nearly \$400 to \$1500 at some institutions. While some work-integrated learning placements offer good earnings or impactful educational experiences, these outcomes are by no means guaranteed, and a student with limited ability to pay may be hesitant. Even where a student can reasonably hope for such an experience, the 'sticker shock' of a fee can cause vulnerable populations to self select out of programs with mandatory or optional co-operative education components. OUSA suggests that students who can otherwise demonstrate need should be eligible for grants that subsidize student fees associated with work-integrated learning.





The Ontario government has signaled its intention to focus on the needs of developing a highly skilled workforce to embrace a changing economy. Universities will be instrumental in ensuring that the next generation of citizens has the confidence, skills, and knowledge necessary to face the challenges of the future. Though Ontario's university participation is high, and university education leads to career success in the long term, there are still areas needing improvement: our financial aid system is comprised largely of ineffective systems that can fail to help those most in need, post-graduation income is stagnating or even decreasing, and doubts are being expressed by both employers and students whether universities provide the right kinds of skills.

To better ensure that our financial aid system is achieving its intended goal of helping those most in need, OUSA recommends the following:

***Cease issuing tuition and education tax credits, and reallocate the funds into more effective, targeted, up-front financial aid.***

***Value: \$365 Million to reallocate***

***Merge the Ontario Tuition Grant and Ontario Access Grant into a new discount program that provides more non-repayable aid to lower-income students, and which responds to personal tuition costs.***

***Update OSAP's estimated costs of living to better reflect the costs of living in Ontario, and increase the maximum aid that can be delivered through OSAP.***

***The Ontario government should match the Federal government's expectations of the amount parents are expected to contribute to their children's education.***

To improve employment outcomes for students, enhance learning, and increase the recognition of the skills students gain in university, OUSA recommends the following:

***The provincial government should increase the benefits employers receive through the Ontario Co-operative Education Tax Credit***

***Estimated cost: ~ \$7 Million***

***The provincial should reinstate and expand wage subsidy programs for employers providing valuable WIL opportunities to students.***

***Renewal: ~ \$96 Million***

***The provincial government should provide new, dedicated financial resources to help universities diversify work-integrated learning opportunities.***

***Estimated Cost: ~ \$5-10 Million***

***The provincial government should provide fee-matching assistance to encourage universities to create placement opportunities for more students.***

***The government should create a grant program to subsidize the cost of co-op fees for students from groups that are underrepresented in co-op participation.***

# ENDNOTES

1. Hicks and Linda Jonker, *Still Worth It After All These Years* (Toronto: Higher Education Quality Council of Ontario, 2015).
2. Catherine Gordon and Jerry White, *Supply Side of Aboriginal Post-Secondary Education in Canada* (Draft), Presentation (Toronto: Indigenous Issues in Post-Secondary Education Conference, 2013).
3. Ursula McCloy and Lindsay DeClou, *Disability in Ontario: Post-secondary education participation rates, student experience and labour market outcomes* (Toronto: Higher Education Quality Council of Ontario, 2013).
4. Christine Neill, *Canada's Tuition and Education Tax Credits* (Montreal: The Canadian Millennium Scholarship Foundation, 2007).
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