

# STUDENT FINANCIAL AID

Students deserve equitable access to robust financial aid. The Ontario Student Assistance Program aims to provide students with adequate financial support for post-secondary education. However, since the 2019 changes, students have faced difficulties in financing their education. The changes to income requirements for grants and loans reduced the number of students eligible for robust funding partway through their degrees, and the increased parental contribution further deepened the financial strain on families. The improvements to financial aid policies have been stagnant for the past six years, and OSAP funding levels have yet to recover from the \$400 million clawbacks in 2020. As the cost of living continues to rise, it is integral that students have access to equitably distributed, needs-based financial aid. Through this paper, OUSA aims to advocate for a more comprehensive student financial aid system that provides more students with greater financial assistance, more transparent policies, and keeps pace with the realities of post-secondary education.

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# OUSA

Ontario Undergraduate Student Alliance

The Ontario Undergraduate Student Alliance is a non-partisan advocacy organization that represents the interests of over 160,000 undergraduate and professional, full-time and part-time university students at nine student associations across Ontario.

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## AN INEQUITABLE AND UNCLEAR FUNDING DISTRIBUTION SYSTEM

Students are concerned that the changes to OSAP in January 2019 continue to reduce total support to low-income families, and the re-introduction of loans for low- and middle-income students leads to higher debt levels. Students are also concerned that the previous targeted free tuition program did not account for more expensive degree programs, such as professional programs. As such, students in professional programs did not have access to targeted free tuition. Students are worried about students from diverse backgrounds, specifically Indigenous students, Black students, racialized students, first-generation students, and mature students, who experience more systemic barriers when accessing financial aid and are already at risk of forgoing post-secondary education due to financial strain.

Students are worried that many students are unable to afford tuition, living expenses and other costs associated with post-secondary education. This could result in exclusion from educational, extra-curricular and experiential opportunities, perpetuating economic inequality and limited upward social mobility. Students are also worried about the long-term impact that debt and high-interest loans can have on a graduate's ability to reach financial milestones. Students are concerned with

OSAP's assumption that all dependent students receive financial support from their families. This poses an issue because many dependent students may not have financial support from their families to help fund their education.

Additionally, changes to OSAP in 2019 have led to a consistent reduction in the total amount of grants, with a heavier reliance on loans. Students are further concerned that due to lower than projected need, provincial budgets for student financial assistance are not always spent to their fullest extent, reducing the amount of aid that recipients could benefit from. This was worsened in 2021 when students saw no benefit after the Canada Student Grant was increased, and as a result, the Ontario government reduced OSAP funding by a commensurate amount.

Students are concerned that many of their peers do not expect to be able to meet minimum student loan payments due to factors beyond their control. Students are worried about equity-deserving students who come from lower socioeconomic backgrounds, who often need more financial aid support, both in attending post-secondary and in paying back any potential loans. Students are also worried that their educational plans are disrupted by their immediate ineligibility for additional loans until they pay off existing loans when utilizing the Repayment Assistance Program. Additionally, students are concerned that recent graduates are often responsible for paying off substantial debt when they may not have stable sources of income.

Students are also concerned that by removing the first-entry program guarantee and reducing institutional contributions, the changes to the Student Access Guarantee program negatively impact undergraduate students.

## RESTRICTIVE ELIGIBILITY CRITERIA FOR DIVERSE STUDENT GROUPS

Students are concerned that while many students from equity-deserving groups often face increased financial barriers, they do not receive adequate nor equitable government funding to address these barriers. Students are also concerned about OSAP not providing targeted funding for equity-deserving students from low-socioeconomic backgrounds who may face increased financial constraints not considered by standard OSAP calculations. Students are worried that financial aid policies in Ontario ignore the systemic challenges that Two Spirit and LGBTQIA+ students may face and fail to provide additional funding to account for financial barriers. Students are also worried that Indigenous Students who receive direct band sponsorship are unable to access institutional financial aid due to the reliance on OSAP assessments to determine need. Further, students are concerned that due to insufficient provincial aid for Indigenous students, they often resort to additional funding from private/external organizations.

Students are concerned that depending on the time of payment, the OSAP net billing program may leave students without the financial ability to pay rent or adequately finance other living expenses at the beginning of their academic term. Although students understand that it is well-intentioned, they are worried that the net-billing process often leads to some students not realizing their OSAP grants and institutional financial aid are being applied directly to tuition fees rather than being disbursed to their personal accounts. Students are also concerned that they may miss tuition and other financial deadlines due to a lack of transparent communication regarding when and if they will receive the remainder of their OSAP funding. Additionally, students are concerned that due to late OSAP funds being received by students, some post-secondary institutions penalize students through reduced OSAP funding through net billing. Students are worried that students at some institutions do not have the option to choose between net billing and direct deposit for receiving their OSAP disbursement. Furthermore, when OSAP funding is deposited directly to the institution, and students do not use the entire sum for tuition, some financial aid offices do not reimburse students directly; instead, students may lose this difference in funding.

Students worry that the lack of transparency surrounding the annual Student Access Guarantee guidelines creates barriers to students holding institutions accountable for the program administration practices.

# THE PROBLEM

Students are concerned that international students currently do not have adequate access to financial support in the event of unexpected financial hardships. Students are also worried that international students have fewer scholarship and bursary opportunities compared to domestic students. Further, students are concerned that due to the lack of provincial financial aid options, international students must look to external/private organizations for financial aid.

Students are worried that expected financial contributions assume dependent students always receive financial assistance from their parent(s), guardian(s), spouses, etc. Students are concerned that OSAP does not consider parental or spousal debt or assets as a factor in OSAP calculations for dependent students. Students are also concerned that restrictive requirements to be considered an independent student for OSAP can negatively impact independent students' ability to access appropriate funding for their living situations. Additionally, students raised concerns that an unclear provincial and federal definition of a full-time working week that excludes full-time students can leave students confused as to whether they qualify as an independent or dependent student. Moreover, students are concerned that OSAP takes a limited account of where a student is living and whether they are paying rent when calculating a student's fixed contribution. Furthermore, students are worried that OSAP's assumption that all students at institutions within 30 kilometres live at home, regardless of whether or not they select the living away from home option, limits their access to additional OSAP funding.

Students are concerned that part-time students have disproportionately lower levels of OSAP funding than full-time students. Students are worried that part-time students are often in the most need of financial aid as a result of a disability, chronic illness, financial barriers, increased caretaking roles, or other additional barriers that may prevent them from studying full-time. Additionally, students are worried that OSAP only provides part-time students with a maximum allotment of \$500 in grants per year. Further, students are worried that at some institutions, when the marginal cost per additional course decreases, part-time students pay a higher average cost per course than full-time students.

Students are worried that professional students in similar economic situations to those in non-professional programs are expected to contribute more to their degrees. Students are concerned that while some co-op programs do provide a paid opportunity, unpaid co-op and placements can negatively impact a student's financial situation by raising their cost of education and/or limiting their ability to work, making post-secondary more unaffordable. Moreover, students are concerned that those who are enrolled in a co-op work term have to take on additional administrative work to apply for interest-free status even though they are still students. Further, students are worried that by having a tuition and ancillary fee cap for professional students, the actual tuition and ancillary fee costs are not taken into consideration, which can negatively impact a student's OSAP funding.

## MINIMAL PREDICTABILITY AND TRANSPARENCY REGARDING OSAP

Students are concerned that post-secondary students lack guarantees that their funding will not be negatively impacted without having adequate time to adjust to the changes. Students are also concerned that actual OSAP funding is sometimes inconsistent with estimates, resulting in students being unable to adequately fund their education. Students are worried that abrupt or mid-term changes to OSAP policies, such as adjustments to the proportion of loans and grants, can negatively impact students who rely on these funds. Additionally, students are worried that general or basic information, while helpful as a guide, can be confusing when trying to understand various aspects of OSAP, such as expected contributions, and how each aspect impacts a student's funding. Further, students are worried that there is a lack of transparency regarding the rationale and breakdown behind Student OSAP calculations.

Students are concerned that a lack of information detailing the demographic make-up of students accessing OSAP can negatively impact students and other stakeholders' ability to advocate for necessary changes to OSAP. Students are also concerned that demographic data historically has been unethically collected and used to harm equity-deserving communities.

Further, students are concerned that OSAP's sole reliance on enrollment numbers to determine program success ignores the qualitative benefits that are offered.

Students are concerned that the current OSAP submission process places an onus on students to ensure that institutions submit necessary documentation in a timely manner. Students are also concerned that students often lack a comprehensive understanding of information regarding OSAP, and how to locate said information. Additionally, students are worried that students often have difficulty finding or applying for private grants and institutional bursaries, resulting in lost financial aid opportunities.

## LACK OF ACCESS TO INFORMATION FOR PROSPECTIVE STUDENTS

Students are concerned that high school students and their parent(s)/guardian(s) lack access to information regarding various assistance programs when deciding whether to pursue post-secondary education and various post-secondary pathways. Students are also concerned that there is no direct line of information exists between Ontario's post-secondary student financial aid system and Ontario high schools, resulting in a significant gap in knowledge for high school students.

Students are concerned that a lack of access to information about student financial aid deters students from attending post-secondary education.

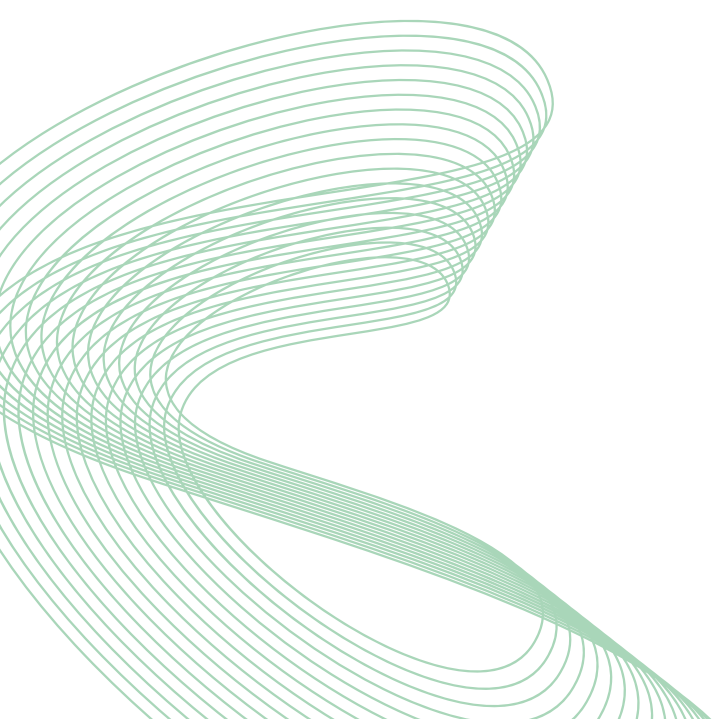
Students are also concerned that a lack of promotion of financial aid information can lead to missed opportunities for students, potentially resulting in insufficient funds to pay for their education.

## INADEQUATE APPEALS PROCESSES

Students are worried that students are generally unaware or have an insufficient understanding of the appeals process. Students are also worried that the current appeals process does not adequately address barriers that prevent students from receiving financial support from their parent(s)/guardian(s). Students are concerned that no publicly available and comprehensive data exists on the status and process of appeals, and the process is not outlined transparently. Additionally, students are concerned that the current appeal structure does not allow students to appeal refusals of financial support from parent(s)/ guardian(s), resulting in students having insufficient funds for their education.

## PUNITIVE ACADEMIC PROBATION PRACTICES

Students are worried that students placed on academic restriction do not have access to financial support from OSAP, leading to negative financial consequences and a possible end to their post-secondary education. Students are also worried that a comprehensive list of extenuating circumstances that OSAP allows appeals for is not available to students. Further, students are concerned that many students are unaware that OSAP academic probation exists due to a lack of clear communication and accessibility of information as well as extended response times from financial aid.



## RECONFIGURING AND CLEARLY ARTICULATING OSAP DISTRIBUTION STRUCTURES

To improve access to funding for low-income students, students recommend that the provincial government restore the targeted free tuition program implemented in 2016 for all students from families in the first six income deciles. Students also recommend that the provincial government ensure that the targeted free tuition program reflects the actual program-specific cost of tuition incurred by each student, with particular attention paid to students in professional programs. Students suggest that the provincial government introduce targeted financial aid enhancements, such as increased grants and bursaries, to address systemic barriers faced by equity-deserving groups.

To improve the grants-to-loan ratio, OUSA recommends that the provincial government should ensure that changes made to the qualifying requirements for OSAP grants do not reduce students' ability to access the total amount of financial aid available to them. OUSA also recommends that the provincial government should focus on delivering the majority of financial aid through grants, prioritizing the allocation of grants to lower-income students. Students recommend that the provincial government expand the criteria and allow more flexible documentation in the extenuating circumstance(s) form in which dependent students can indicate a lack of financial support.

Additionally, students recommend that the provincial government issue a directive to universities that ensure they waive any late payments, and delay deadlines, in the case that a student is in the process of disputing their dependent status. Further, students recommend that the provincial government guarantee that OSAP funding is not reduced due to an increase in federal financial aid, and revert reductions from the 2020-2021 year.

To improve loan payback, students recommend that the provincial government implement a no-interest student loan program modelled after the federal initiative to remove interest on all student loans, including past students who still owe provincial student loans. Students also recommend that the provincial government extend the OSAP loan repayment grace period from six months to at least two years. Additionally, students recommend that the provincial government remove the need to re-apply for OSAP Repayment Assistance Plan every 6 months and instead have applications be re-confirmed every 12 months. Further, the provincial government should automatically inform eligible recent graduates of the Repayment Assistance Plan.

Students recommend that the provincial government create a centralized platform for students to trace OSAP payments and disbursements in real-time, ensuring clear communication regarding net billing, funding release, and reimbursement of unused funding. Students also urge the provincial government to ensure that OSAP funds are released in a timely manner, with a priority on making funds available to students before their respective institution's tuition due date so they can cover tuition, living expenses, and other necessities to avoid unnecessary late payments. In addition, students recommend that the provincial government permit students to choose how to receive their OSAP disbursement, either by traditional direct deposit or net tuition billing.

OUSA recommends that the provincial government make the Student Access Guarantee guidelines up to date and easily accessible from the Ministry of Colleges and Universities website. OUSA also recommends that the provincial government mandate in its Tuition Fee Framework and Ancillary Fee Guidelines that any excess funds from the tuition set-aside program at each university should be directed to roll over to the following year. Additionally, OUSA recommends that the provincial government return to the Student Access Guarantee program guidelines prior to the changes from 2021.

## EXPANDING ELIGIBILITY AND EQUITABLE FUNDING FOR DIVERSE STUDENT GROUPS

To expand targeted funding eligibility, students recommend that the provincial government create a new targeted funding stream for equity-deserving students from lower socioeconomic backgrounds. Students also recommend that the provincial government provide grant funding to post-secondary institutions to incentivize the expansion of financial aid for Two Spirit and LGBTQIA+ students. Students urge the provincial government to provide accessible provincial-wide financial aid information sessions targeted at equity-deserving students from low socio-economic backgrounds, and ensure they are adequately promoted to all students and their guardian(s) or supports. Additionally, students suggest the provincial government work with university registrar offices to ensure that Indigenous students are eligible for post-secondary institution grants, in addition to having received First Nations band sponsorship. Further, students recommend that the Ministry of Indigenous Affairs and First Nations Economic Reconciliation develop a provincial framework for post-secondary institutions to ensure financial aid is accessible and transparent for Indigenous students.

To improve international student access to financial aid, students recommend that the provincial government should require the Ministry of Colleges and Universities (MCU) to mandate that all post-secondary institutions include a 10 percent international tuition set-aside for needs-based financial aid. Students also recommend that the Ministry of Colleges and Universities should work with the Ministry of Immigration, Refugees, and Citizenship, to develop a need-based grant program for international students. Additionally, students urge the Ministry of Colleges and Universities (MCU) to commission the Council of Ontario Universities (COU) and the Ontario Universities' Application Centre (OUAC) to develop a centralized portal specifically for international student scholarships and grants. Further, students recommend that the provincial government should create an emergency relief fund specifically for international students facing sudden financial hardships.

To improve the financial aid application process, OUSA recommends that the Ministry of Colleges and Universities modify the OSAP portal to include an accessible appeals platform to contest inaccurate assumptions made through the OSAP process. OUSA also recommends that the provincial government remove the student fixed contribution and instead develop a sliding scale that accounts for extraneous factors that could have an effect on their finances to create a reasonable and affordable contribution.

The provincial government should promote how to apply to change the automatic "at home" living allowance for students whose parent(s)/guardian(s) live within 30 kilometres of the institution/campus they are attending but who are not living at home within the OSAP application form. Further, OUSA recommends that the provincial government allow single dependent students to apply for a review of their living allowance if they are living at home but paying rent to parent(s)/guardian(s).

To improve access for independent students, OUSA also recommends that the provincial government modify the independent student status to four or more years out of high school, as opposed to the current six or more years, to align with the federal definition. In addition, OUSA recommends that the OSAP independent student requirement for working should be reduced from 24 consecutive months to 18 consecutive months. OUSA recommends that the provincial government clarify the definition of "worked full-time" in OSAP definitions to constitute an average 30 hours per week, regardless of whether they were a full-time student at the same time.

To improve funding for part-time students, OUSA recommends that the Ministry of Colleges and Universities adjust OSAP to base the amount of financial aid for part-time students on the total cost of tuition according to the number of credits they are taking, instead of allotting a \$500 cap on grants. OUSA also recommends that the provincial government modify the funding formula for part-time students to mirror the funding formula used for full-time students.

To improve access for co-op and professional students, students recommend that the provincial government remove the professional tuition funding cap from OSAP. Students also recommend that the provincial government adjust the funding formula to account for the actual cost of co-op program fees and professional programs. Additionally, students recommend that the provincial government should work with university registrar offices to confirm when students are enrolled in co-op work terms automatically, so they do not have to submit an interest-free status form manually.

## INCREASING PREDICTABILITY AND TRANSPARENCY

To expand the predictability and transparency of OSAP funding, students recommend that the provincial government release a breakdown of calculations for applicants to review once the OSAP funding summary calculations are released. This way, students can better understand where their funding is coming from and how it is broken up. Students also recommend that the provincial government provide the annual full-time and part-time OSAP technical manuals online to be accessible to the public, to allow transparency and additional understanding of OSAP calculations. Additionally, students urge the provincial government to create an easily digestible and transparent public resource that clearly outlines the funding structure for OSAP and is marketed to all students in post-secondary.

Further, students recommend that the provincial government maintain the ratio of grants to loans that a student receives after a student's official funding amount has been calculated and communicated, assuming no changes have been made to the student's file.

## ENHANCING OSAP DATA COLLECTION AND APPLICATION ACCESSIBILITY

To improve the post-secondary sector's data collection practices, OUSA recommends that the provincial government develop optional demographic questions in accordance with the Ontario Human Rights Code and any applicable regulations, to better understand the demographic make-up of students accessing OSAP. OUSA also recommends that the provincial government include information about how the data will be used on both the OSAP survey and website, and publish accessible annual reports on the OSAP website to ensure transparency to students and the public. As well, OUSA suggests that the provincial government should ensure that all data collected on student financial aid will be stored securely and privately within Canada. Further, OUSA urges the provincial government, through OSAP and in conjunction with the Higher Education Quality Council of Ontario, to develop satisfaction surveys for all OSAP recipients during and after their post-secondary education to evaluate OSAP's success through various qualitative measures, rather than solely relying on enrollment numbers.

To boost students' understanding of additional forms, students recommend that the provincial government further promote and provide more educational resources to inform students of the exceptional circumstances. Students also recommend that the provincial government make information regarding OSAP, such as OSAP's Repayment Assistance Plan program or forms, easily accessible in relevant locations within individuals' OSAP accounts, such as the funding summary page. Additionally, students suggest that the provincial government, in collaboration with the Council of Ontario Universities, upgrade student financial aid systems to improve the search function, which allows students to easily determine their eligibility and apply for institutional and private grants and bursaries. Students also urge the Ministry of Colleges & Universities to establish best practices for the accessible promotion and equitable access of grants and bursaries across post-secondary institutions. Further, students suggest that the Ministry of Colleges & Universities expand the mandatory OSAP information module to include accessible information on processes, programs, and forms related to the program. These modules and information should also be accessible even after students have completed the modules.

## EASIER ACCESS TO INFORMATION FOR SECONDARY SCHOOL STUDENTS

To improve secondary students' understanding of OSAP, OUSA recommends that the provincial government create a direct line of information between provincial high schools and Ontario's student financial aid system in order to create workshops and information sessions to equip students with all information pertaining to financial aid. OUSA also recommends that the provincial government mandate all Ontario high schools incorporate a module on OSAP and other financial aid programs in the grade 10 financial planning curriculum. Additionally, OUSA suggests that the provincial government work in cooperation with university financial aid offices with resources to share with high school students regarding financial aid in an accessible and comprehensible manner.

To improve the promotion of OSAP to secondary students, students recommend that the provincial government work with institutions to develop a strategic plan to disseminate financial aid information prior to application and during the course of a student's duration of study. Further, students recommend that the provincial government create mandatory provincial standards for information that must be shared about the Ontario student financial aid system that must be included within admission packages.

## RAISING AWARENESS OF OSAP APPEALS PROCESSES

To enhance the appeals process, OUSA recommends that the provincial government ensure that OSAP publicly publishes comprehensive data on the status and success rates of appeals. Students also recommend that the Ministry of Colleges and Universities should educate students and increase the promotion of the OSAP appeals process on the OSAP website and when communicating to students about their OSAP estimates. In addition, students urge the Ministry of Colleges and Universities to modify the OSAP application portal to include the OSAP appeals process instead of through individual institutions' websites. Furthermore, students urge the Ministry of Colleges and Universities to include and promote assessments relating to the effectiveness of OSAP appeal processes on the OSAP website when communicating to students about OSAP appeals.

## RAISING AWARENESS OF OSAP ACADEMIC PROBATION

To streamline and bring greater awareness to the OSAP academic probation process, students recommend that the Ministry of Colleges and Universities ensure that students placed on academic probation are aware of the various pathways to appeal their status, such as the exceptional circumstances review form.

Students also recommend that the provincial government should educate students on the existence of academic probation, how they may end up on probation, and how they can get out of it, as well as create a comprehensive list of exceptional circumstances available/accessible through the OSAP website. Moreover, students suggest that if a student is placed on academic restriction, the Ministry of Colleges and Universities should provide resources for other financial aid options they can pursue.