

STUDENT FINANCIAL AID

Student financial aid, particularly the Ontario Student Assistance Program (OSAP), is a critical factor in the accessibility and affordability of post-secondary education in the province. The cost of education has consistently been a barrier and worry for students wishing to pursue post-secondary, and years of consecutive changes to OSAP has made the process increasingly confusing, frustrating, and inaccessible. As tuition and the cost of living continue to rise, students require and deserve a comprehensive, needs-based financial aid framework that equitably and adequately addresses their concerns. This includes developing a system that actively reduces students' present and anticipated financial burden, and one that is more transparent and clear in its calculations and processes. In doing so, the province can better support and retain students who are eager to participate in post-secondary.

THE PROBLEM

An Inequitable and Unclear Funding Distribution System

Students are worried about the changes to OSAP in January 2019, which continue to reduce total support to low-income families. A part of these changes was the elimination of the targeted free tuition program; while beneficial, it did not account for more expensive degree programs, such as professional programs, leaving students in professional programs without targeted free tuition. In addition, students from diverse/intersectional backgrounds, specifically Indigenous, racialized, and mature students, experience more systemic barriers when accessing financial aid and are already at risk of not being able to access post-secondary due to financial status.

Some dependent students may not have financial support from their families to help fund their education, and recent graduates are often responsible for paying off substantial debt when they may not have stable sources of income. Large amounts of debt and high interest loans can have a long-term impact on a graduate's ability to reach financial milestones, a concern made more problematic given the changes to OSAP in 2019 which reduced the total amount of grants and placed a heavier reliance on loans.

Students are concerned about meeting minimum student loan payments due to factors out of their control. Prior to the COVID-19 pandemic, students were unrealistically expected to begin paying their student loans with interest immedi-

ately after graduating, regardless of their career outlooks and/or income, and the provincial government is not transparent about where the interest from student loans goes. The COVID-19 pandemic has impacted, and continues to impact, recent graduates' ability to find a financially stable career in their field, resulting in more concerns regarding loan repayment. Furthermore, marginalized students often come from lower-socioeconomic backgrounds and therefore often need more financial aid support, both in attending post-secondary and in paying back any potential loans.

Depending on time of payment, OSAP's 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 well-intentioned, the net-billing process often leads to students not understanding that OSAP grants and institutional financial aid is being used to pay off tuition fees on their behalf, instead of the students receiving the aid directly. Concerningly, a lack of transparency and communication means students often don't know when and if they will be receiving the remainder of their OSAP funding. 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 and instead, students may lose this difference in funding.

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The annual Student Access Guarantee (SAG) guidelines are not readily accessible, which causes a lack of transparency and accountability. Additionally, the Ministry of Colleges and Universities (MCU) does not require reports on tuition set aside expenditures from institutions. Students are also worried that the new changes to the SAG program negatively impact undergraduate students by removing the first-entry program guarantee and creating an inadequate 30 per cent allotment minimum.

Restrictive Eligibility Criteria for Diverse Student Groups

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, and despite international and domestic students both being susceptible to unexpected financial hardships, international students currently do not have adequate access to financial support to help them complete their studies. They also have fewer scholarship and bursary opportunities, even though they pay significantly higher tuition fees which discourages and/or prevents qualified students from studying in Ontario. In addition, OSAP does not provide targeted funding for racialized students from low-socioeconomic backgrounds who may face increased financial constraints not considered by standard OSAP calculations. Two Spirit and LGBTQ+ students may also face greater financial barriers and receive minimal targeted government and institutional financial support.

OSAP's expected financial contributions assumes dependent students always receive financial assistance from their parent(s), guardians, spouses, etc., even though this may not be the case. The program also does not consider parental or spousal debt or assets as a factor in OSAP calculations for dependent students. Further, recent changes to independent student qualifications regarding years out of high school can negatively impact mature students' ability to pursue post-secondary education, and an unclear definition of a full-time working week that excludes full-time students can leave students confused as to if they qualify as an independent or dependent student. OSAP does not take into account whether or not a student is living away from home and paying rent when calculating a student's fixed contribution, and are assumed to be living at home if their post-secondary institution

is within 30 kilometers of their parent(s)/guardian(s)/spouse place of residence, regardless of whether or not they select the living away from home option. Lastly, dependent students who are living at home and paying rent, are unable to request a review of their living situation.

Part-time students have disproportionately lower levels of OSAP funding compared to full-time students, despite that studies show they are often the most in need of financial aid as a result of a disability, issues related to COVID-19, financial barriers, increased caretaking roles, or other factors that may prevent them from studying full-time. Students are also worried that OSAP only provides part-time students with a maximum allotment of \$500 in grants per year, and that at some institutions, the marginal cost per additional course decreases, resulting in part-time students paying a higher average cost per course than full time students. OSAP currently lacks a standardized definition of 'part-time' student that is used consistently across all institutions and they have different metrics used to determine what makes a student part-time versus full-time, which can be inconsistent compared to OSAP's definition.

Students are concerned that professional students in similar economic situations to those in non-professional programs are expected to contribute more to their degree. While some co-op programs do provide a paid opportunity, unpaid co-op and placements can negatively impact a student's financial situations by raising their cost of education and/or limiting their ability to work. In addition to this, students 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. Students are also worried about the tuition and ancillary fee cap for professional students, since 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 Disbursement

Concerningly, actual OSAP funding is sometimes inconsistent with estimates resulting in students being unable to appropriately fund their education, and funding changes announced in the middle of academic terms, including but not limited to changes in the proportion of loans to grants, can result in financial uncertainty for students.

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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. Students are also worried that quick changes to OSAP, particularly ones affecting student eligibility and funding, can confuse and negatively impact a student's ability to complete or begin their post-secondary education.

Limited and Confusing Data Collection Processes
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. Notably, demographic data has historically not been ethically collected and has been used to harm marginalized communities. Further, relying solely on enrollment numbers to determine the success of OSAP ignores other benefits for students, particularly those already involved in post-secondary such as being able to work less hours and focus on school, having less financial related stress, etc.

Students have expressed concern about having to look for forms and information on various websites, which can often be confusing and stressful. Additionally, institutions are responsible for submitting student documents to OSAP, resulting in possible delays or other submission issues that penalize students for something that is outside of their control. Students are often confused and overwhelmed about how to find or apply for institutional and private grants and bursaries, resulting in lost opportunities for financial aid.

Lack of Access to Information for Prospective Students

High school students and their guardians have a lack of access to information from the provincial government when deciding whether to enter post-secondary education, and no direct line of information exists between Ontario's student financial aid system and Ontario high schools, resulting in a significant lack of knowledge for high school students.

Another area of concern is students' lack of access to information about Ontario's student financial aid system; some institutions have better access to information than others, and this consequently deters students from attending post-secondary education.

Inadequate Appeals Processes

Students are unaware or have an insufficient understanding of the appeals process, which is worrisome given that COVID-19 has placed additional barriers for students financing their education that are not considered in OSAP's current funding calculations. The current appeals process does not adequately address barriers that prevent students from receiving financial support from their parent(s)/guardians. There is no publicly available and comprehensive data on the status of appeals, and the current structure does not allow students to appeal refusals of financial support from parent(s) or guardians, resulting in students having insufficient funds for their education. Students who appeal OSAP decisions may not see an increase in their financial aid as a result of the provincial government lowering their portion of funding.

Punitive Academic Probation Practices

Students are worried that removing access to financial aid through OSAP's academic probation can create barriers to academic success, and many are unaware that OSAP academic probation exists as it is not appropriately marketed on the website. Students are placed on OSAP academic probation for dropping/being unable to complete the number of courses initially indicated on their application, among a multitude of other inconsistent reasons, including interruptions in their education, taking a fifth year, multiple program/institution changes, plus more. OSAP academic probation penalizations are inconsistent and lack a standard system for all students who receive OSAP. Finally, if students are on OSAP academic probation for two consecutive years, they are penalized by then being placed on OSAP academic restriction, resulting in losing eligibility to receive OSAP for the following two years and hindering post-secondary affordability.

RECOMMENDATIONS

Reconfiguring and Clearly Articulating OSAP Distribution Structures

The provincial government should restore the targeted free tuition program implemented in 2016, doing so for all students from families in the first six income deciles, and should ensure that the program reflects the actual program-specific cost of tuition incurred by each student, with particular attention paid to students in professional programs. The provincial government should also ensure OSAP calculations include indirect costs of accessing post-secondary education, particularly accounting for diverse backgrounds and the effects of systemic oppression, when distributing funding.

The provincial government should prioritize OSAP grants, not loans, when distributing OSAP funding to students, and should ensure that, in efforts to increase student access to grants, the overall eligibility criteria for OSAP are not changed in a way that decreases individual access to overall financial aid amounts. Further, the provincial government should provide financial aid in the form of grants for low-income students, grants for medium-income students, and a combination of grants and loans for high-income students, with the majority of financial aid being grants.

The provincial government should remove interest on all student loans, including past students who still owe provincial student loans. While waiting on the removal of interest on student loans, the provincial government should set the rate of interest accrual on OSAP loans to the government's borrowing rate, the prime interest rate, or an average inflationary adjustment, whichever is lowest. Additionally, the provincial government should extend its grace period for the provincial portion of OSAP to a minimum of two years to ensure that students are in the financial position to cover the cost of repayments. Until the aforementioned recommendation on removing loan-based interest is achieved, the provincial government should establish, for the provincial portion of OSAP, that no interest accrues during the repayment grace period, and that any interest and/or profit made from OSAP repayments should be transparently re-integrated back into the OSAP fund. Regarding OSAP's

Repayment Assistance Plan (RAP), the provincial government should remove the need to re-apply for OSAP every 6 months (alternatively having applications be re-confirmed every 12 months), automatically enrol eligible recent graduates in RAP, and expand RAP in order to support more graduates.

The provincial government should ensure that information regarding net billing and when students can expect to receive OSAP payments is clearly and transparently provided. In addition, the provincial government should ensure that students who apply to OSAP prior to the start of the academic school year are provided OSAP funding by mid-September to allow for the payment of tuition, living expenses and necessities. The provincial government should also permit students to choose how to receive their OSAP disbursement, either by traditional direct deposit or by net tuition billing.

The provincial government should make the SAG guidelines easily accessible from the MCU website, and should mandate and make public reports on spending of tuition fee set-aside reports. Furthermore, the provincial government should 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. The provincial government should also return to the prior SAG program guidelines, such as maintaining a distinction between students in first- and second-entry programs and removing the 30 percent allotment.

Expanding Eligibility and Equitable Funding for Diverse Student Groups

The provincial government should establish, in its tuition protocol, an international tuition set-aside at the same 10 percent rate of the domestic set-aside, with funds raised directed specifically to needs-based financial aid for international students. Additionally, the MCU should work with the federal government, more specifically the Ministry of Immigration and Workforce Development, to develop a need-based grant program for international students, with the caveat that they stay in Canada for a minimum of the length of their degree after graduation. The provincial government should also increase allocated OSAP funding for underrepresented students to create a new targeted funding stream for self-identi-

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fied racialized students from low-socioeconomic backgrounds, and should provide grant funding to post-secondary institutions to incentivize the expansion of financial aid for Two Spirit and LGBTQ+ students. To further support this, the provincial government should provide accessible provincial-wide financial aid information sessions targeted at marginalized students from low socio-economic backgrounds, and ensure they are adequately promoted to all students and their guardians or supports.

The provincial government should ensure that students who are not receiving support from their parent(s) and/or spouse are not overly burdened when providing evidence of their lack of support. Notably, the provincial government should use actual parental and spousal contributions in OSAP calculations, as opposed to expected contributions, to provide aid to students who are not financially supported by parent(s)/guardian(s) and/or a spouse, while maintaining a need-based financial aid system. Until this can be accomplished, the provincial government should include parental and spousal debt and assets as a factor in OSAP calculations for dependent students. Additionally, the provincial government should revert the independent student status to 4 or more years out of high school, as opposed to the current 6 or more years, and should clarify the definition of “worked full-time” in OSAP definitions to constitute as an average 30-hours per week, regardless of if they were a full-time student at the same time. The provincial government should remove the student fixed contribution, and instead develop a sliding scale that accounts for a student’s debt, income, cost of living, and other potential impacts on their finances to create a reasonable and affordable contribution. The provincial government should also advertise on the OSAP application form 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. Lastly, the provincial government should allow single dependent students to apply for a review of their living allowance if they are living at home but paying room and board to parent(s)/guardian.

OSAP should remove the \$500 cap in grants for part-time students, and instead determine the amount of financial aid granted using the total

cost of tuition based on the number of credits a student is taking. Furthermore, the provincial government should modify the funding formula for part-time students to mirror the funding formula used for full-time students, and OSAP should develop categories of part-time students based on the percent of a full-time course load they are enrolled in.

The provincial government should ensure that the OSAP funding formula accounts for the cost of co-op program fees and provides adequate financial aid for co-op students, such as removing the fixed contribution for students enrolled in co-op. In addition, the provincial government should work with university registrar offices to automatically confirm when students are enrolled in co-op work terms so they do not have to manually submit an interest-free status form. The provincial government should also remove the tuition and recognized compulsory ancillary fee cap for professional students and instead use the actual tuition and recognized compulsory ancillary fees.

Increasing Predictability and Transparency

The provincial government should ensure that the OSAP aid estimator provides an accurate funding estimate at least 6 months prior to the first day of classes, and should release the breakdown of calculations for applicant’s review when they release their OSAP funding summary calculations. The provincial government should also provide the annual full-time and part-time OSAP technical manuals online to be accessible to the public, in order to allow transparency and additional understanding of OSAP calculations. Further to this, the provincial government should create an easily digestible and transparent public resource that clearly outlines the funding structure for OSAP that is marketed to all students in post-secondary. The provincial government should guarantee a consistent amount of funding between grants and loans for a student throughout the course of their degree, if their financial circumstances remain consistent, and similarly, OSAP should have a program length guaranteed minimum for eligibility for students, if their financial circumstances remain consistent.

Enhancing OSAP Data Collection and Application Accessibility

The provincial government should develop optional demographic questions in accordance with the Ontario Human Right Code to better under-

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stand the demographic make-up of students accessing OSAP, and include information about how the data will be used on both the survey and website and publish annual reports to ensure transparency to students and the public. The provincial government should also ensure that all data collected on student financial aid should be stored within Canada. Additionally, the provincial government should, through OSAP and in conjunction with the Higher Education Quality Council of Ontario, develop satisfaction surveys for all OSAP recipients during and after their post-secondary education to evaluate OSAP's success through various measures, rather than solely relying on enrollment numbers.

The provincial government should make all OSAP forms easily accessible and in relevant locations like the OSAP account home page and make associated initiatives, such as RAP, easily accessible in relevant locations within individuals' OSAP accounts, such as the funding summary page. Furthermore, the provincial government should make commitments to not penalize students if institutions miss financial aid deadlines. The provincial government in collaboration with the Council of Ontario Universities should develop a matching system and search function that allows students to easily determine their eligibility and apply for institutional and private grants and bursaries through the OSAP application process and website. The provincial government should also develop a mandatory OSAP information module for applicants to complete when they apply for OSAP to include information on how OSAP works, what information OSAP requires and why, related OSAP programs such as RAP, where to find forms, and other important information.

Easier Access to Information for Secondary School Students

The provincial government should 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. In addition, the provincial government should mandate that all Ontario high schools should incorporate financial planning, including the functionality of OSAP into the high school curriculum.

The provincial government should work in con-

junction with university student financial aid offices with resources to share with high school students regarding financial aid in an accessible and digestible manner. The provincial government should also work with institutions on developing a strategic plan to disseminate financial aid information at both the time of application and during the course of a student's degree, and create mandatory standards for information that must be shared about the Ontario student financial aid system, and within admission packages to all students.

Raising Awareness on OSAP Appeals Processes

The provincial government should ensure that OSAP publicly publish comprehensive data on the status of appeals, and specifically, the MCU should better promote the current OSAP appeals processes on the OSAP website and when communicating to students about their OSAP estimates. Further, the OSAP appeal process should be directly through the OSAP application portal instead of through individual institutions websites. The MCU should modify the OSAP appeals process to allow dependent students who are not receiving financial aid from their parent(s)/guardians to alter their parental contribution due to barriers such as estrangement, lack of contact, intra-family conflict, etc. The MCU should also effectively market all OSAP appeal processes and forms at the beginning of OSAP applications and to post-secondary financial offices, specifically highlighting appeal forms in relation to COVID-19. The provincial government should commit to, in the case of an appeal, not lowering the amount of financial aid as a result of a federal increase in financial aid. Additionally, the MCU should include and promote assessments relating to the effectiveness of OSAP appeal processes on the OSAP website when communicating to students about OSAP appeals.

Eliminating OSAP Academic Probation

The MCU should remove the OSAP academic probation program entirely as a consideration for financial aid within OSAP, and should include and promote assessments relating to the effectiveness of OSAP appeal processes on the OSAP website when communicating to students about OSAP appeals.