

OSAP 2.0

SUBMISSION TO THE TRANSFORMATION CONSULTATIONS

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 eight 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.

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SUMMARY OF RECOMMENDATIONS

1. Students should know as much about their financial aid as possible, as early as possible.
2. Communication to students on all matters about their financial aid must be clearly explained, clearly displayed, and easily accessible.
3. When uncertainty is unavoidable, students must be made explicitly aware of the cause of the uncertainty, what might change because of the uncertainty, when the uncertainty will be resolved, and how.
4. Students should never be forced to pay back what was previously described to them as non-repayable aid.
5. Appeals and applications for special consideration under OSAP must be flexible and not overly reliant on documentation from accredited officials.
6. Decreased contribution expectations in the OSAP assessment necessitate raising the cap on allowable costs.
7. The Student Access Guarantee program should continue to fulfill all unmet OSAP need of all first-entry students.
8. Students with disabilities should be eligible to receive OSG funding at any course load, even what would normally be considered part-time status.
9. Students with disabilities should be eligible to receive OSG funding for as long as they are pursuing their studies.
10. Students with temporary disabilities should receive the same consideration in OSG eligibility as students with permanent disabilities.

INTRODUCTION

The Ontario Undergraduate Student Alliance has long advocated for thorough and widespread reform of Ontario’s student financial assistance system. Earlier this year, the government laid out ambitious plans to redesign several components of this system with a focus on serving prospective students with the greatest financial need, providing more aid, with higher grant proportions, earlier than before.

Following this announcement, OUSA was invited to several consultation sessions hosted by the Ministry of Advanced Education and Skills Development to discuss issues in the implementation of these changes. As they continue to contend with the challenges of adjusting the Ontario Student Assistance Program (OSAP) needs assessment and developing a new granting structure—the Ontario Student Grant (OSG)—we would like to ensure that students’ voices are heard and that their needs are met.

Several of the issues the Ministry is managing touch on matters that OUSA discusses in its standing policy. Herein, we will elaborate on the feedback that we gave at the sessions as well as discuss other key points that arose after additional consultation with our members. As such, this document serves as a detailed summary of our members’ perspective on these matters.

This document discusses aid disbursement when delays occur in the verification of family income, reviews of students with special circumstances, how OSAP’s allowable costs cap and the Student Access Guarantee (SAG) should behave in light of the OSG, and how the OSG should apply to students with disabilities.

Overall, this submission serves to highlight the core principles that students believe should be kept at the forefront when creating solutions to the challenges arising from the implementation of the OSG.

DELAYS IN VERIFICATION OF FAMILY INCOME

6/ Providing students with complete, up-front information about their grants (and loans, if applicable) is one of the changes that students will find most valuable. Naturally, as the details of financial assistance are based on family income, implementing these features will require early verification of the income reported on OSAP applications using income tax documentation. However, in certain cases, there may be delays in the verification process, such that reported family income is not confirmed by the time students ought to be receiving their aid.

This, of course, is still not ideal: the uncertainty may force students to make less optimal, more conservative choices for themselves out of fear that they may not get as much non-repayable aid as they had initially believed. However, of the two options this seems, to our students, to have the least potential for harm.

Additionally, this option provides students with the most agency: they can choose to be cautious and avoid overspending money that they may have to repay, or if they are certain that the information they have reported is correct, they can proceed with the knowledge that their loans

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In these cases, it is critical that the financial assistance program avoid situations where it claws back money that it determines to have been disbursed in an overpayment. It is unfair for students to be put in a position where they have received a certain amount of grant money, spent it or entered into a situation based on spending it, and then learn that it will have to be paid back. Knowing whether or not funds are repayable has great impact on their choices about where they study, live, and work.

Instead, in cases where income cannot be verified prior to the disbursement of aid, it is far better to err on the side of caution. If uncertainty exists, nothing should be promised that cannot be guaranteed; aid should be presented as loan with a clear explanation that, based on the veracity of information in the OSAP claim, it may become non-repayable grant money.

will be converted to grants, and make decisions accordingly.

Overall, when dealing with these cases, the ministry must adhere to the following principle: while uncertainty should be minimized as much as possible, when it cannot be avoided, it is far better for students to be pleasantly surprised than unpleasantly surprised.

This solution relies on the quality of communication and explanation between students and the government. When income cannot be verified and aid is disbursed with any contingencies, students must be told, in clear and simple language, what the contingency is, why it exists, when it is likely to be addressed, and what the possible consequences will be. As much as is

feasible, it is important that the information be personalized to the individual and detailed. For example, merely stating that the disbursement of loan is conditional upon further review is insufficient. Students should be informed specifically of what information is unconfirmed, and how the information with which they have been presented can change, and when it is likely to do so.

This stands true for notice of aid, as well as aid disbursement itself. With the implementation of net tuition billing, where students will know their costs, grants, loans, and total net costs by the time they accept enrolment at an institution, much of the information will be dependent on external factors, such as the availability of institutional aid or the verification of family income. In these cases as well, the extent to which the offers of aid might change, when they might change, and for what reasons, must be made clear beyond the point of any confusion.

REVIEWS AND APPEALS FOR SPECIAL CIRCUMSTANCES

Currently, there are avenues for appeal when students believe that OSAP's evaluations of their financial situations are incorrect given special circumstances, such as family breakdown where parents will be assumed to be supporting their child, but are not.

At present, winning an appeal based on family breakdown typically requires third party, professional documentation such as a letter from a social worker or a police report to verify students' claims. However, this requirement has the potential of excluding many students in precarious circumstances who are not receiving supports from parents, but do not have professional confirmation of that fact.

In cases of abuse in a family, authorities and professionals are not always involved. Families may splinter in these cases without ever notifying police or seeking professional help. Research shows that certain kinds of abuse, such as family violence or sexual assault against women and girls, are particularly unlikely to be reported in any formal manner.

Moreover, students may face situations where, for example, they have come out as LGBTQ+ to their family and subsequently have had their parents cut them off. Once again, in such a case there may not be police, doctors, or social workers involved who can verify the situation.

There are large numbers of students unaware that appeals and reviews exist at all. In conversations with students, OUSA has uncovered instances of those who believed that once their OSAP evaluation was complete, there was no recourse to apply for special considerations.

As the new systems are put into place, the availability of review for special circumstance must be more clearly communicated. Moreover, documentation requirements must be reevaluated. Students applying for special consideration will not always have the benefit of police reports or certified professionals to attest to their situations. More flexibility and the capacity for greater, individualized dialogue with students must be built into the system.

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ALLOWABLE OSAP COSTS AND THE STUDENT ACCESS GUARANTEE

The Student Access Guarantee (SAG) is intended to provide students with unmet OSAP need enough institutional aid to cover their costs for tuition, compulsory fees, books, supplies, and equipment. For the program to continue with integrity, it must be redesigned with this foundational principle at the forefront of decision-making. The SAG must ensure that students in need receive fair and sufficient amounts of financial aid. However, in order to do this the OSAP cost assessment needs to reflect true educational costs.

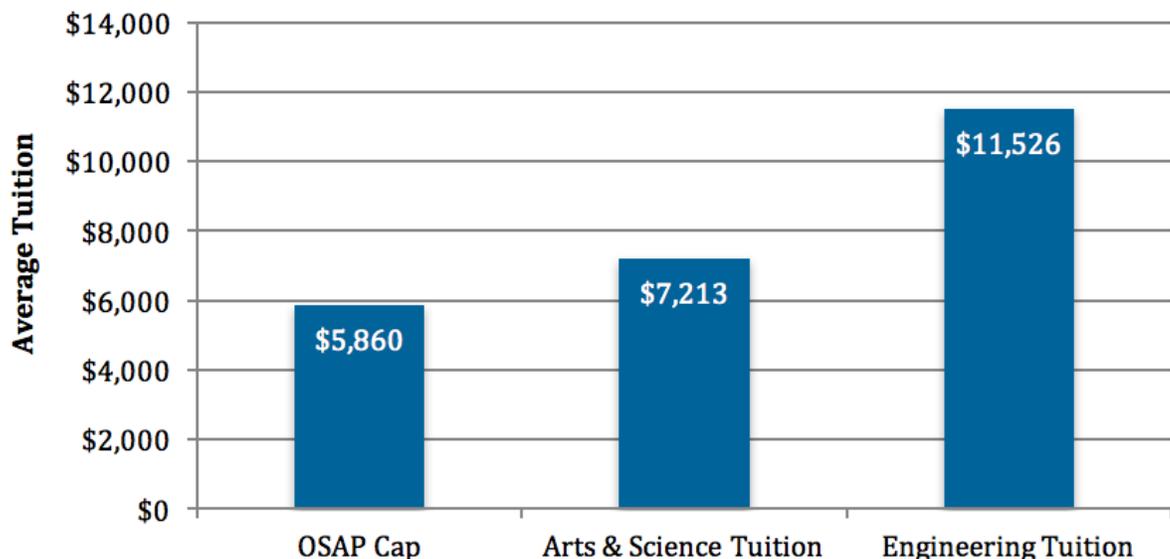
While expectations for SAG have changed since its inception, its interaction with the OSAP need assessment has remained stable. Increases in educational costs have outpaced allowable cost limits within the assessment requiring SAG to reach beyond its initial intentions of filling the gap in financial aid for only high-tuition programs. SAG is now required to cover additional situations involving unmet need: here we will focus on increased tuition and ancillary fee costs across all university programs.

Currently, OSAP's expected contributions from students, their families, and their spouses are decreasing, but their allowable costs are not increasing. This creates additional unmet need, the burden for which falls on institutions through the SAG. Logically speaking, changes must occur in both components of the unmet need equation to maintain sustainable increases in overall program costs. Therefore, in order to maintain programmatic integrity and long term sustainability, system reforms must be mindful of the linkages between OSAP's core and peripheral parts; changes to any one component must coincide with changes to its dependent component(s).

At present the lack of harmonization between the federal and provincial need assessments do not adequately account for educational costs. To be transparent and predictable, the same criteria must be used at both levels.

At the same time that it differs from the federal government's use of actual tuition fees, the provincial cap on professional-program tuition and ancillary fees is significantly lower than actual fees in both general Arts and Science programs as

FIGURE 1: COMPARISON OF OSAP ALLOWABLE TUITION AND ANCILLARY FEE CAP TO AVERAGE TUITION IN SELECT DISCIPLINES.



well as high-demand programs, like Engineering. As is illustrated in Figure 1, the current cap of \$5,860 is \$1,353 lower than the average Arts and Science tuition and \$5,666 lower than average tuition for Engineering programs.

This substantial underestimation of educational costs on the part of the provincial government artificially restrains students' financial need. While we welcome changes that recognize the limits of students' and their families' personal contributions, the provincial government must meet these changes with equal commitment and responsibility.

will actually maintain, or reduce, the number of students with unmet need. Institutions should be required to provide no less than the unmet need calculated by OSAP provided the institutional resources are available. Also, spending from the tuition set-aside should prioritize students with unmet OSAP need. We are confident that enough money exists within the system to cover 100% of first-entry undergraduate students' unmet need, with minimal government spending.

Using the differences between allowable tuition and average Arts and Science, and Engineering tuitions (as discussed above) multiplied by the

INSTITUTIONS SHOULD BE REQUIRED TO PROVIDE NO LESS THAN THE UNMET NEED CALCULATED BY OSAP.

If left unchecked, changes to expected contributions will deepen institutions' responsibilities, through SAG, to make up the differences between actual educational costs and allowable educational costs. Changes to SAG will only be successful if the province increases allowable costs in students' OSAP need assessments. The province must harmonize its assessment criteria with the federal government's and use actual tuition costs and fees for all academic programs.

OUSA is not concerned that adopting these proposed changes to the pre-study income assessment and expected parental contributions will significantly increase the number of students with unmet need. Our assumption is that providing more of the resources in the system up-front to the students with the lowest family incomes

amount of students who had unmet need due to tuition and book shortfalls in 2014-15, we can produce a factor of unmet need that can be used to anticipate the cost of requiring SAG to provide full coverage of unmet need when allowable costs in the OSAP assessment have also increased.

A simplistic estimate, using the difference between the cap and Arts and Science tuition, produces a low cost of \$74.5 million. Increasing the estimate by calculating a portion of the cost according to the difference between the cap and average Engineering tuition produces a high estimate of \$134.8 million. Suppose institutions reallocated tuition set-aside expenditures away from discretionary aid and towards unmet OSAP need, this leaves the government with an \$8.1 million to \$68.4 million expense.

OSG FUNDING FOR STUDENTS WITH DISABILITIES

The Ontario Tuition Grant (OTG) offers financial support to students for four years. Currently, students with permanent disabilities receive an additional two years of grant eligibility, in recognition of the fact that they may take reduced course loads and take longer to complete their degrees. Provided that they take at least 40% of a full course load (usually considered part-time), students with disabilities are able to maintain their funding as if they were enrolled full-time. Still, OUSA members believe that these eligibility criteria are too restrictive and should not be used for OSG.

The 40% threshold may still be too high for some students with disabilities. OSG funding should be available to students with disabilities for as many years as they remain in school, at whatever course load they choose. Even students with disabilities who are considered “part-time,” should still be eligible.

Though there might be some concerns that this would lead to students deliberately reducing their course load more than what is required by their disabilities, which would in turn strain the sustainability of the program, OUSA is confident that this will not be the case. Students with disabilities take as many courses as they feel they are able, and it is highly unlikely that many of these students would choose to reduce their load any further. A reduced course load consequently delays graduation and may increase educational costs. These consequences alone are enough to deter students from overly reducing their course load.

Further, students with disabilities should not be unduly influenced, through financial assistance mechanisms, to take on higher course loads than they feel they are able to manage. Rather, they

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should be empowered through as many avenues as possible to participate in post-secondary education on their own terms, independently and with dignity.

OUSA is confident that expanding eligibility for OSG to students with disabilities at any course load will not strain the sustainability of the program and instead will only improve the accessibility and affordability of post-secondary education for these students.

Limiting eligibility to students with permanent disabilities also proves problematic for OUSA’s members. Students with temporary disabilities—or those whose disabilities are episodic in nature—still have elevated educational costs, compared to students without disabilities, and should be provided assistance accordingly. Students with temporary disabilities are already excluded from important forms of assistance, such as those provided through federal grants.

It is important that systemic reforms to student financial assistance are fair for all students. Ensuring OSG eligibility for students with both permanent and temporary disabilities, and those taking reduced course loads will certainly achieve this goal.

CONCLUSION

It is clear that much of the success of the OSG and net tuition billing processes will depend on the presence of clear, well-executed communication strategies. As the ministry itself has noted, one of the primary advantages of an amalgamated, up-front grant is its simplicity, and how it promotes the perception that higher education is for anyone, regardless of socioeconomic status. Keeping the principles of clarity and ease of understanding as the forefront in all of the new systems will be a valuable barometer for the ministry in ensuring the program lives up to its intention once implemented.

To the same end, fairness and ease of use must be prioritized. The ministry can ensure these things by designing a system that does not renege on what it sets out, and that does not create, or allow for the creation of, additional barriers for students. The onus must not be on students with unmet need to argue for institutional aid, nor should it be overly onerous for students to have their cases reviewed if OSAP's assumptions about their level of support are not accurate.

OUSA students firmly support the vision for financial aid set out in Ontario's 2016 budget: a system that focuses resources on those who most need them, that provides aid up front, and that sends a clear, encouraging message about access to university. Though there will be some challenges transforming this vision into a reality, we are confident that by adhering to the principles herein described, we can be successful.

ENDNOTES

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