

# AN EDUCATED ELECTION

*Ontario's Student Platform*

**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>EXECUTIVE SUMMARY</b>	<b>6</b>
<b>INTRODUCTION</b>	<b>9</b>
<b>CHAPTER 1: THE REALLOCATION OF EDUCATION AND TUITION TAX CREDITS</b>	<b>10</b>
<i>Recommendation: The government should cease issuing new tuition and education tax credits and allocate year-to-year savings into currently existing financial assistance programs and reductions in tuition.</i>	10
<i>Recommendation: Extend eligibility for the 30-Off Ontario Tuition Grant to offer four years of the grant for students regardless of when they graduated from high school.</i>	11
<i>Recommendation: The Ontario Student Loan assessment must reduce its expected parental contribution by harmonizing with the federal contribution criteria.</i>	11
<i>Recommendation: Increase the monthly OSAP living allowance by \$250 per month in order to align it with the after-tax low-income cut-off.</i>	12
<b>CHAPTER 2: EXPANDING CO-OPERATIVE EDUCATION LEARNING OPPORTUNITIES</b>	<b>14</b>
<i>Recommendation: The Province should set a target to increase co-op placement opportunities by 10 per cent in underrepresented disciplines over the next five years.</i>	15
<i>Strategy One: Create new financial resources for employers seeking to create or expand work-integrated learning offerings to students in underrepresented disciplines.</i>	15
<i>Strategy Two: Provide new financial resources for universities seeking to expand their work-integrated learning opportunities to students in underrepresented disciplines.</i>	17
<i>Strategy Three: Provide new financial resources for students from underrepresented groups seeking to undertake work-integrated learning.</i>	17
<b>CHAPTER 3: EXPAND STUDENT FINANCIAL ASSISTANCE FOR PART-TIME STUDENTS</b>	<b>19</b>

<i>Recommendation: The Province should expand OSAP eligibility to part-time students.</i>	20
<b>CHAPTER 4: A COMMITMENT TO AFFORDABLE TUITION</b>	<b>21</b>
<i>Recommendation: Freeze tuition fees at current levels for at least one year and increase per-student funding to post-secondary institutions at the rate of 3 per cent annual increases to compensate.</i>	21
<b>CHAPTER 5: INVEST IN OPEN-ACCESS EDUCATIONAL RESOURCES</b>	<b>22</b>
<i>Recommendation: The Province should invest in open educational resources and textbooks that would be available as an option for faculty and students.</i>	22
<b>CONCLUSION</b>	<b>23</b>
<b>ENDNOTES</b>	<b>24</b>

# EXECUTIVE SUMMARY

As Ontario enters into a provincial election, students believe that it is paramount that Ontario's political leaders ensure that post-secondary education is central to their respective party's platforms. With all parties recognizing Ontario's need to address the economic prosperity of the province and a difficult labour market, students have proposed a comprehensive election platform aimed at addressing many of these challenges.

The Ontario Undergraduate Student Alliance (OUSA)'s student platform seeks to increase the affordability and accessibility of an undergraduate education in Ontario, as increased university attainment rates will pay economic dividends to the province in both the short- and long-term.

## CHAPTER 1: THE REALLOCATION OF EDUCATION AND TUITION TAX CREDITS

Given the current realities of the high costs associated with an undergraduate education in Ontario, the Government of Ontario must ensure that the Province's student financial aid program utilizes targeted, effective investments that assist those students with the highest financial need. Unfortunately, Ontario's second largest financial assistance program – \$340M in tuition and education tax credits in 2013 – is an incredibly inefficient and ineffective means of helping those students with considerable financial barriers. These tax credits disproportionately benefit students with the least financial need as few students earn sufficient income to claim these credits in-study when these funds would most meaningfully reduce costs. Further, they are disbursed months after a student has already paid the majority of tuition and education-related fees, and are poorly understood by many students when they are initially budgeting for their post-secondary costs. Therefore, students recommend the following:

**Recommendation: The government should cease issuing new tuition and education tax credits and allocate year-to-year savings into currently existing financial assistance**

**programs and reductions in tuition.**

### **Available Funds Generated Through Tax Credit Elimination: \$340M**

Students believe that targeted investments in existing student financial assistance programs that better disburse funding to students when this money would be the most useful represents a viable strategy for improving the affordability of higher education in the province. As such, students recommend that the reallocation of tuition and education tax credit funding be redirected to improve the following financial aid programs:

**Recommendation: Extend eligibility for the 30-Off Ontario Tuition Grant to offer four years of the grant for students regardless of when they graduated from high school.**

**Estimated Cost: \$70M**

**Recommendation: The Ontario Student Loan assessment must reduce its expected parental contribution by harmonizing with the federal contribution criteria.**

**Estimated Cost: \$40M**

**Recommendation: Increase the monthly OSAP living allowance by \$250 per month in order to align it with the after-tax low-income cut-off.**

**Estimated Cost: \$90M**

## CHAPTER 2: EXPANDING CO-OPERATIVE EDUCATION LEARNING OPPORTUNITIES

With much of the rhetoric that has emerged thus far during the provincial election concerned with job creation and supporting young workers, students believe that investments in work-integrated learning like co-op programs will support the priorities of all major parties, while also helping students

overcome many of the barriers to entering Ontario's challenging labour market. Multiple studies have demonstrated that students who undertake work-integrated learning opportunities post higher employment rates and earn higher wages than their peers. Unfortunately, work-integrated learning opportunities are not equally accessible across all undergraduate disciplines and steps must be taken to offer these opportunities to students in underrepresented disciplines, and to those students who have traditionally be unable to undertake work-integrated learning programs due to substantial financial barriers.

**Recommendation: The Province should set a target to increase co-op placement opportunities by 10 per cent in underrepresented disciplines over the next five years.**

*Strategy One: Create new financial resources for employers seeking to create or expand work-integrated learning offerings to students in underrepresented disciplines.*

**Estimated Cost at Full Implementation: \$70M**

*Strategy Two: Provide new financial resources for universities seeking to expand their work-integrated learning opportunities in underrepresented disciplines.*

**Estimated Cost at Full Implementation: \$8.7M**

*Strategy Three: Provide new financial resources for students from underrepresented groups seeking to undertake work-integrated learning.*

**Estimated Cost at Full Implementation: \$8.7M**

#### CHAPTER 3: EXPAND STUDENT FINANCIAL ASSISTANCE FOR PART-TIME STUDENTS

Part-time learners represent a particularly vulnerable population within Ontario's undergraduate community, with part-time learners more likely to come from underrepresented and high-need backgrounds. Unfortunately for these students, following budget cuts in the late 1990s, part-time students have been unable to access the Province's largest investment in financial aid; the Ontario Student Assistance Program (OSAP). Thus, many Aboriginal learners, students with disabilities, low-income students, and mature students are forced to choose between enrolling in a higher academic course load than their situation will allow them to successfully complete or forgo financial assistance. If steps are to be taken to ensure that students from vulnerable populations are able to receive the post-secondary education critical to Ontario's future, students recommend the following:

**Recommendation: The Province should expand OSAP eligibility to part-time students.**

**Estimated Cost: Limited to cost neutral.**

#### CHAPTER 4: A COMMITMENT TO AFFORDABLE TUITION

The 2011-2012 academic year represented a turning point for Ontario's post-secondary system as it marked the first time that students contributed more financially to their education via tuition and ancillary fees than the provincial government. Ontario's current tuition framework of 3 per cent annual tuition increases means that this trend will continue as the cost of a university education quickly rises above Ontario's rate of inflation and the median after-tax income of families in the province. Students believe that any party serious about a commitment to post-secondary education should take significant steps at curtailing these rising costs via tuition management. With Ontario's current tuition regime in place until 2016-2017, students recommend that parties adopt the following stance on tuition until a fairer tuition framework is developed:

**Recommendation: Freeze tuition fees at current levels for at least one year and increase per-student funding to post-secondary institutions at the rate of 3 per cent annual increases to compensate.**

**ESTIMATED COST: \$105M**

#### CHAPTER 5: INVEST IN OPEN-ACCESS EDUCATIONAL RESOURCES

Despite averaging upwards of \$800-\$1000 in Ontario, textbooks and other education resources represent a portion of the real cost of a university education for which no targeted financial assistance program exists. Students urge all parties to embrace the open-access educational resource model recently adopted by the Government of British Columbia. BC has invested in the creation of peer-reviewed, open-access textbooks made available to students and faculty free of charge online. Investment in open-access learning materials would place Ontario at the forefront of this innovative, online movement while simultaneously reducing costs for students.

**Recommendation: The Province should invest in open educational resources and textbooks that would be available as an option for faculty and students.**

**ESTIMATED COST: \$600,000 - \$1M**

# INTRODUCTION

Ontario faces many challenges in its road to economic recovery. Each party has identified employment, particularly youth employment, innovation and retirement savings as priorities for the future. Smart investments have to be made now in order to ensure that each of those agendas can most effectively be addressed. Few investments can contribute to those priorities as well as investments in university education.

A university degree continues to offer the best long-term employment stability and lifetime earnings in Ontario. Further, Ontario's universities are centres of innovation and productivity that provide economic benefits in their communities and beyond. Universities help produce engaged citizens and enhance social equality by offering students of all walks of life the tools to access the careers of their choice.

Students in Ontario continue to face financial, geographic and informational barriers in accessing post-secondary education. Further, despite the long-term benefits of a university education, many students face a difficult transition from post-secondary into the workforce. Best equipping all students to participate in a high-quality university education, as well as preparing them to better transition into the workforce, should be core priorities for each party during this election.

Students in Ontario want to offer the suggestions within this document for the consideration of each of the parties. OUSA is calling for adjustments to existent spending on post-secondary education that are intended to enhance access for all, and to better reduce costs for low and middle-income students, part-time students and their families. Students are also very interested in improving educational outcomes through expanded work-integrated learning and to exploring reduced costs through the development of open-access educational resources. Finally, students ask that each of the parties commit to a fair tuition framework that does not unfairly burden students, including at least a one year tuition

freeze.

Students ask all political leaders in the province to urge their parties to make post-secondary education a central pillar to their party's plan for Ontario's future economic and social prosperity. Only through increased post-secondary attainment can Ontario meet the future economic and labour demands it will face.

# CHAPTER 1: THE REALLOCATION OF TUITION AND EDUCATION TAX CREDITS

The cost and perceived costs of post-secondary education are consistently identified as barriers to post-secondary participation, which contributes to the persistent gaps in post-secondary attainment based on income. Despite Ontario's generous financial aid system, 11 per cent of students still find themselves without sufficient financial assistance to meet their needs.<sup>1</sup> Evidence also demonstrates that many potential students from underrepresented groups overestimate the cost of post-secondary education, and underestimate the resources available to meet these costs.<sup>2</sup>

It is in this context that Ontario's investments in financial assistance must be carefully evaluated. While the majority of Ontario's financial assistance investments, while not perfect, help to increase the affordability of post-secondary education for those with the highest need, one program in particular is a considerable investment that is significantly flawed: Ontario's tuition and education tax credits. Tuition and education tax credits are Ontario's second-largest expenditure on financial assistance. In 2013, the Province expected to spend \$340 million on this financial assistance program that provides the most help to those with little or no financial need, while failing to provide any benefit to Ontarians who struggle to find the resources required to meet their tuition and living costs. This is highly problematic.

## MOST STUDENTS DO NOT EARN ENOUGH INCOME TO BENEFIT FROM TAX CREDITS DURING THE COURSE OF THEIR STUDIES:

As tuition and education tax credits are non-refundable, a student must earn sufficient income to pay enough tax to be able to claim any of the credit. Unfortunately, only one in three students earn enough income to make use of the tax credit. Simply put, for the majority of students they provide no assistance when need arises.

## TUITION AND EDUCATION TAX CREDITS COME LATE, IF THEY COME AT ALL:

Even if a student is one of the fortunate one in three who earns sufficient income to be able to claim the credit, tuition and education tax credits are not disbursed at a time useful to them. As the credits are disbursed in the spring, they do little to assist students who are paying tuition in early August or September, and those who have living expenses throughout the academic year.

## TAX CREDITS ARE POORLY UNDERSTOOD AND DO NOT INCREASE THE PERCEIVED AFFORDABILITY OF POST-SECONDARY EDUCATION:

As previously noted, it is well understood that informational barriers to accessing post-secondary education, as well as debt aversion, contribute to poor post-secondary participation amongst underrepresented groups. In this context, the question arises of whether tuition and education tax credits are impacting students' perceptions of the cost and affordability of post-secondary education. OUSA's 2013 Ontario Post-Secondary Student Survey (OPSSS) found that only 45 per cent of first year students were aware of these credits,<sup>3</sup> supporting a recent report from the C.D. Howe Institute that suggests that tax credits are failing to improve the perceived affordability of post-secondary education amongst students.<sup>4</sup>

Even if students from underrepresented groups are aware of tuition and education tax credits, debt aversion amongst these students<sup>5</sup> makes credits a highly ineffective means of improving post-secondary access, as they do not reduce the amount of debt a student must take on to fund their education, in the way that a grant would.

**Recommendation: The government should cease issuing new tuition and education tax credits and allocate year-to-year savings into currently existing financial assistance programs and reductions in tuition.**

Reallocation represents an opportunity to address several aspects of aid and affordability that not only

enhance traditional access agendas but also attempt to mitigate the ‘crunch’ experienced by middle class students and their families when planning for post-secondary education.

With tuition and education tax credits representing one of the largest investments made by the government in financial aid for students, it is critical that this investment be an effective one. OUSA recommends that the government cease issuing these credits, while honouring already issued ones, and reallocate the yearly savings in the following ways:

**Recommendation: Extend eligibility for the 30-Off Ontario Tuition Grant to offer four years of the grant for students regardless of when they graduated from high school.**

**Estimated Cost: \$70M**

Student populations are changing, with more mature students than ever before choosing career and educational pathways other than direct entry to university from high school. This is especially true for traditionally underrepresented groups in universities, as low income students, students with disabilities, and Aboriginal students are more likely to be mature students or have a longer median time between high school completion and attending university. In fact, nearly 50 per cent of Aboriginal learners are considered mature students and the median time between high school completion and attending university for Aboriginal learners is 12 months longer than the general population. Coupled with increasing amounts of student transfer between

institutions, part-time learning or patterns of temporarily suspending education, it is often the case that a student might find themselves outside of some or all of the ‘time from high school’ criteria while still fitting the other measures needed for eligibility.

Students recommend removing the criteria of a student being within four years of secondary school completion and instead offer four years of eligibility for the Ontario Tuition Grant to any student who meets the other criteria for eligibility. Doing so will address the majority of access concerns that students and the broader public hold about the 30-Off program, and simplify the process in order to encourage more applications.

**Recommendation: The Ontario Student Loan assessment must reduce its expected parental contribution by harmonizing with the federal contribution criteria.**

**Estimated Cost: \$40M**

The assessment criteria for the Ontario Student Assistance Program (OSAP), which is used to decide a student’s loan and grant entitlement, assumes that the parents of a dependant student in Ontario have a “moderate” standard of living that is lower than the federal standard, while simultaneously expecting that they contribute a greater percentage of resulting discretionary income towards their dependant’s post-secondary education. To further compound this discrepancy, the federal award is then deducted from the student’s provincially assessed need, meaning the student receives less loan and grant funding

**FIGURE 1: FEDERAL VS. PROVINCIAL EXPECTED PARENTAL INCOME CONTRIBUTIONS**

<b>ANNUAL DISCRETIONARY INCOME</b>	<b>CANADA</b>	<b>ONTARIO</b>
<i>\$0 - \$7,000</i>	15%	25%
<i>\$7,001 - \$14,000</i>	20%	50%
<i>\$14,001 and over</i>	40%	75%

**FIGURE 2: FEDERAL VS. PROVINCIAL EXPECTED PARENTAL CONTRIBUTIONS BY FAMILY SIZE**

MODERATE STANDARD OF LIVING BY FAMILY SIZE					
	2	3	4	5	6
<i>Canada</i>	\$45,785	\$56,842	\$64,686	\$70,776	\$75,742
<i>Ontario</i>	\$40,392	\$46,220	\$51,232	\$55,663	\$59,510

from Ontario.

The intention of the Canada-Ontario Integrated Student Loan is for Canada to pay 60 per cent of a student's need while Ontario contributes the remaining 40 per cent. However, the difference in assessments means that 60 per cent of the more generous federal assessment is being used to reduce the amount of Ontario's already much lower assessment.

In some extreme cases, this can mean that the ratio of federal to provincial contributions can be 10:1. Further, this results in less aid overall and ineligibility for important components of the provincial student assistance program.

The end result is that middle-income students end up with insufficient financial support because their parents are unable or unwilling to provide them with the amount of funding the Province expects them to receive. Due to this, students may have to turn to private loans, which accumulate interest immediately, cost the student significantly more money, and do not have the protections of repayment assistance like an OSAP loan does.

To that end, OUSA recommends that the Ontario Student Loans parental contribution expectations be aligned with those in the Canada Student Loan Program. This will expand access to the suite of financial assistance grants, debt management programs and repayment options within the provincial portion of the loan. Finally, this will provide significant relief to students and their families

costs due to insufficient financial support from the Province.

**Recommendation: Increase the monthly OSAP living allowance by \$250 per month in order to align it with the after-tax low-income cut-off.**

**Estimated Cost: \$90M**

The OSAP assessment for single students living off-campus underestimates the actual cost of living in even small-medium size Ontario cities by 30 per cent. Under the assessment, students are asked to subsist – while paying tuition – on an amount below the low-income cut-off in Ontario: \$12,660 against a cut-off of \$15,538. In fact, the only places where the allowance realistically reflects living costs are for students living at home, or students living in residence in North Bay.

OUSA recommends that the living allowance be increased by \$250 dollars a month in order to correct the discrepancy between the allowance and the low-income cut-off for medium-sized cities. Doing so will allow students with limited financial means to maintain a minimum standard of living while attending post-secondary. It will also reduce the necessity for students with the highest financial need to seek private loans and/or work excessive hours in order to make ends meet. Increasing the monthly OSAP living allowance also has the potential to increase the quality of a student's undergraduate education as increased aid availability can result in a student having to work fewer hours while pursuing

their degree and thus having more time to devote to their academics.

## CHAPTER 2: EXPANDING CO-OPERATIVE EDUCATION LEARNING OPPORTUNITIES

14 /

It has been widely acknowledged that youth today face a difficult economic climate and a challenging labour market. In particular, new graduates still have significant concerns about whether or not they will be able to find a job suitable to their education level upon graduation, and are concerned that to gain the experience that employers now require even for entry-level jobs, might have to take on low-paid or unpaid work.

The current status of the labour market continues to suggest that expanding post-secondary participation rates is a viable strategy. In fact Ontarians with a post-secondary credential still have the best employment outcomes in the long term. They face the lowest unemployment rates (with university graduates posting the absolute lowest rate), have the most stable employment outcomes in the long-term (outcomes which remain remarkably consistent even through peaks and troughs of the economy), and earn some of the highest incomes.<sup>6</sup> Even though college graduates holding a post-secondary certificate or diploma post higher employment rates immediately after graduation, a university degree offers higher employment rates in the longer term, and greater employment stability.

The issue is not that students are mistaken in pursuing a university education, it is that some university students are not being provided with the opportunities which allow them to demonstrate the real-life value of their education while developing more practical or job-specific skills. As long as this gap isn't bridged, students will lose out and so will employers. Students' recommendations in this section, like in the last, are predominantly about fairness: students should have equal chance to access opportunities which will improve their employment prospects, in this instance, cooperative education opportunities. Further, employers should carry their fair share of the responsibility to train the province's workforce, a responsibility they are increasingly shirking.

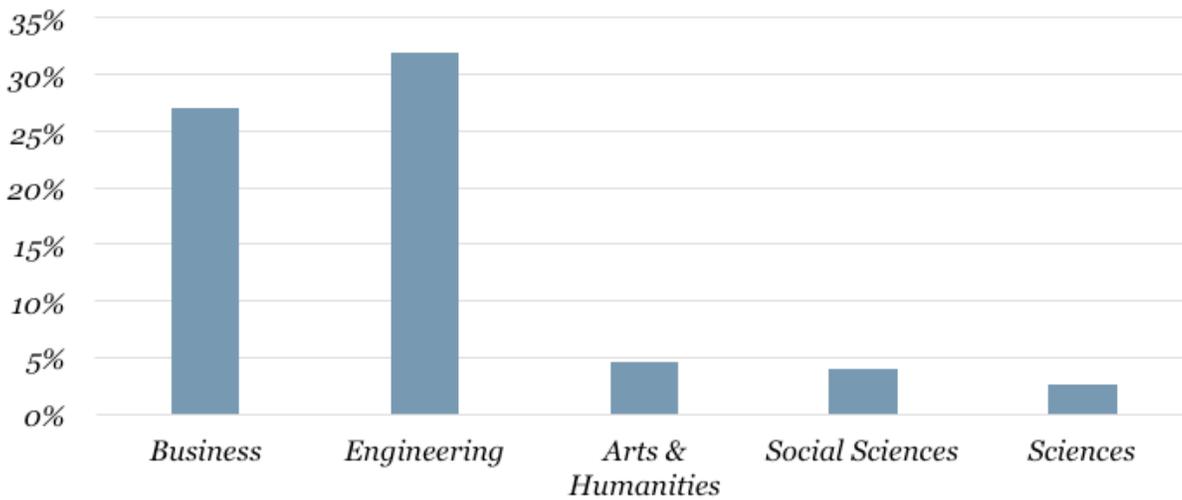
The fact that youth need skills and experience to

compete for work amongst a more experienced workforce, with less chance of receiving on-the-job training, is a problem that is exacerbated by economic conditions keeping older, more competitive workers in the market for longer than ever before. Employers' willingness to train has decreased significantly, with employer-funded training having declined by almost 40 per cent since 1990.<sup>7</sup> Almost by default, the expectation to train young workers has shifted to post-secondary institutions, including universities who have not previously considered "job training" as part of their mission.

As the provincial government grapples with both high youth unemployment and the question of how to effectively leverage students' education towards more rapid labour-market integration, co-operative education opportunities present Ontario with a potential solution. In Ontario, 82 per cent of employers who offered work-integrated learning offered post-graduate employment to a former co-op student or intern. Furthermore, students who had undertaken a work-integrated learning opportunity during their studies earned between \$2-3 more an hour than those who had not. Moreover, co-operative education has benefits for post-secondary institutions, as it allows an institution to blend theory and practice – letting them teach in a way that is consistent with their mission while creating new and exciting opportunities for students.

Unfortunately, in spite of the demonstrable benefits to students, universities and employers of co-operative placement opportunities, they are offered by comparatively few employers. A 2012 Higher Education Quality Council of Ontario (HEQCO) survey<sup>8</sup> estimated that 61 per cent of employers do not participate in a work-integrated learning program with a post-secondary institution, and of this group 58 per cent have no plans to offer any in the future. This means that 36 per cent of Ontario's employers are not offering work-integrated learning opportunities to the province's young people, and have no intention of doing so. OUSA hopes that by expanding work-integrated learning within the

**FIGURE 3: WORK-INTEGRATED LEARNING PARTICIPATION RATE (%) BY FACULTY TYPE**



■ *Work-Integrated Learning Participation Rate (%) By Faculty Type*

the Ontario labour market, employer based training opportunities will be re-normalized, leading to long term benefits for the Province.

As it offers the opportunity to strengthen both a student’s in-classroom experience and chances to successfully enter the workforce, students believe the province should be expanding work-integrated opportunities – particularly in underrepresented programs of study – and offer the following recommendations in order to do so:

**Recommendation: The Province should set a target to increase co-op placement opportunities by 10 per cent in underrepresented disciplines over the next five years.**

STRATEGY ONE: CREATE NEW FINANCIAL RESOURCES FOR EMPLOYERS SEEKING TO CREATE OR EXPAND WORK-INTEGRATED LEARNING OFFERINGS TO STUDENTS IN UNDERREPRESENTED DISCIPLINES.

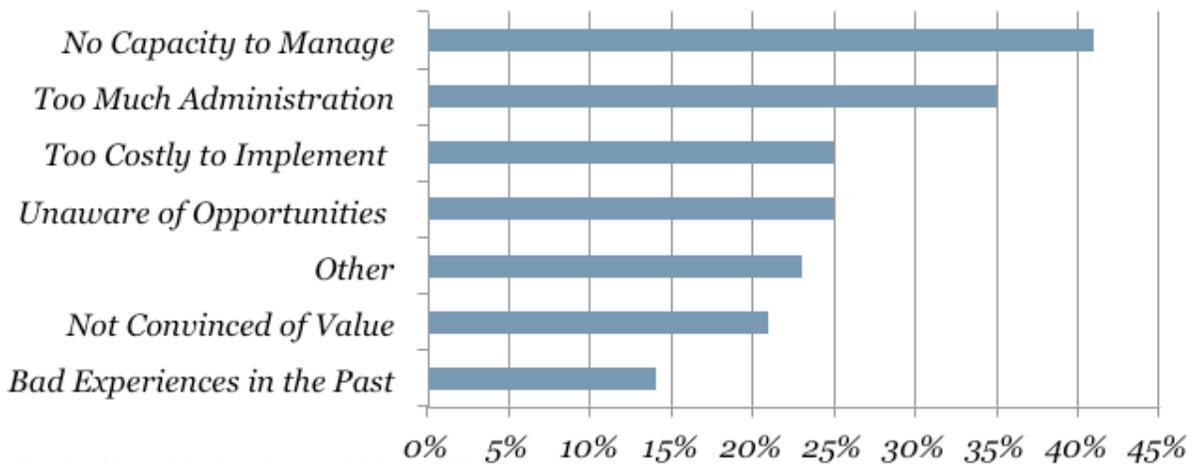
**Estimated Cost at Full Implementation: \$70M**

Any strategy to expand work-integrated learning opportunities should explore creating new placements in programs that typically lag behind business and engineering participation rates – programs that many most strongly associate with co-operative education.

Easing the transition of all graduates, including those in social sciences, arts and humanities, and sciences, into the job market will yield positive economic benefits for all. Further, employers consistently rank ‘soft’ or ‘transferrable’ skills as the most important skills sought in new hires.<sup>9</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.

Currently, most evidence points to a greater demand for work-integrated learning experiences than employers are supplying. As previously stated, HEQCO has estimated that about 61 per cent of employers do not participate in work-integrated learning with a post-secondary institution.<sup>10</sup> Of those

**FIGURE 4: REASONS CITED BY EMPLOYERS FOR NOT OFFERING CO-OPERATIVE LEARNING OPPORTUNITIES**



employers, slightly over half have no intention of providing a placement, and around 10 per cent are unsure.

If the Province hopes to encourage an expansion of work-integrated learning opportunities, it is imperative that those employers not currently offering placements are targeted. This is particularly vital as many of these employers may be in positions to offer opportunities in the sciences, humanities and arts, disciplines which are currently underrepresented.

Surveys show that engineering and business students are much more likely to participate in work-integrated learning. A third of students in each of those programs have undertaken or are currently undertaking a work-integrated learning placement, whereas less than 5 per cent of students in each of the humanities, social sciences or sciences have participated in any sort of WIL experience. In fact, the number of participants from engineering and business is three to four times higher than in these other fields, yet humanities, arts, sciences and social sciences are notably larger programs. This is not to say that there is a problem with the high participation rates and placement availability in these fields, but rather allows us to point to an area where student interest is being matched by employer

interest with positive results.

It is OUSA's hope that Ontario, through financial incentives, can encourage the growth of work-integrated learning opportunities for students in the humanities and arts, social sciences, and sciences – eventually growing participation by an additional 10 per cent of the total student populations in each of those disciplines. This would represent nearly 30,000 new co-operative education students province-wide.

In order to reach that goal, OUSA suggests providing funds to help employers subsidize the wages of students from arts and sciences in new work-integrated learning placements. The funds would function similarly to the existing Ontario Co-Operative Education Tax Credit, which essentially provides a refund on student wages by offering up to \$3,000 in return for hiring a co-op student in partnership with a post-secondary institution. OUSA would suggest offering employers who create opportunities for students from under-represented faculties the lesser of \$3,000 or 25 per cent of that student's pay over their placement.

Having these funds come prior to or during the course of a placement could better incentivize the hiring of a student than the current tax credit approach. Small-

to-medium sized business educators or potential business educators indicate that having to wait for a tax refund does little to incentivize carrying the costs of a student during their placement. Further, with less than 75 per cent of eligible employers claiming their tax credits, a lack of awareness of the program may be inhibiting growth among employers who might expand work-integrated learning in general and among under-represented disciplines in particular. Allowing post-secondary institutions to promote a timelier subsidy will increase awareness of government programs and incentivize participation.

In recognition of the Province’s current fiscal circumstances, OUSA suggests that some of the cost of implementing of this program could be offset by making employers who take advantage of the grant ineligible for the Ontario Co-operative Education Tax Credit. In a sense, this would make this particular recommendation cost-neutral, as the Province would have to pay out the co-operative education tax credit if these positions existed already, or were created through another mechanism.

STRATEGY TWO: PROVIDE NEW FINANCIAL RESOURCES FOR UNIVERSITIES SEEKING TO EXPAND THEIR WORK-INTEGRATED LEARNING OPPORTUNITIES IN UNDERREPRESENTED DISCIPLINES.

**Estimated Cost at Full Implementation: \$8.7M**

Career and co-operative education centres often cite resource limitations when asked about expanding placement partnerships and opportunities.<sup>11</sup> In particular, there are concerns among those that facilitate work-integrated learning placements that expanding outside of fields with existing high concentrations of placements is even more difficult and resource intensive.

Given the tremendous benefits to students, employers and the Province of having increased co-operative education participation among its students, it is

critical that universities are given the resources to expand placements beyond their current capacity. This is particularly important in areas of study with smaller concentrations of co-operative placements, where students are experiencing difficult labour-market transitions.

To that end, OUSA recommends that the government explore 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 co-operative education fee in Ontario for every student from the above faculties given a work-integrated learning placement. This payment would amount to \$290 dollars for every eligible student given a placement, and would provide resources to expand both under-served program placements as well as an institution’s broader work-integrated learning program.

Much like the employer subsidy that OUSA suggests above, the goal for this program would be to add an additional 10 percent to the total work-integrated participation rates in each of arts & humanities, social sciences, and sciences. Reaching that goal would add almost 30,000 new co-operative education students to the university system province-wide.

STRATEGY THREE: PROVIDE NEW FINANCIAL RESOURCES FOR STUDENTS FROM UNDERREPRESENTED GROUPS SEEKING TO UNDERTAKE WORK-INTEGRATED LEARNING.

**Estimated Cost at Full Implementation: \$8.7M**

OUSA’s OPSSS has found that Aboriginal students, students with disabilities, and low income students participate in work-integrated learning opportunities at a lower rate than the general population. 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.

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 they 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, even 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.

## CHAPTER 3: EXPAND STUDENT FINANCIAL ASSISTANCE FOR PART-TIME STUDENTS

Ontario students are not eligible for OSAP if they take less than 60 per cent of a full course load, with the exception of students with disabilities who are considered full-time at 40 per cent or higher of a full course load. Students must be enrolled in this minimum course load for both terms, so there is no averaging of course loads over an academic year to qualify. Part-time students taking between 20 per cent and 59 per cent of a full-time course load are eligible for some assistance through the Canada Student Loan Program, however the outstanding loan is capped at \$10,000 total and students must pay interest on the loans while in school. Assessed expenses only include a portion of tuition and textbooks, but not living expenses or other fees for which full-time students can be assessed. In 2011-12, only 6,500 part-time students across the country received a loan, with an average value of \$1,723.<sup>12</sup>

The part-time student loan is a very small portion of the total federal loans program; these borrowers accounted for only 1.4 per cent of all Canada Student Loan recipients. Meanwhile, part-time students in Ontario make up a significant portion of the Ontario student body. In 2011-12, over 20 per cent of university students in Ontario were studying on a part-time basis.<sup>13</sup> OUSA's OPSSS found that Aboriginal students, students with disabilities, students with dependants, low income students and mature students are all more likely than the general population to be part-time. Women are also 26 per cent more likely to enroll part-time.<sup>14</sup> Students' reasons for pursuing studies part-time vary, but include time commitments to employment and family, having a disability, financial constraints, and choosing a more manageable workload, amongst others.

By taking a lighter course load, part-time students are assumed to have more time to work and earn income, reducing their need for additional financial assistance. However, this assumes that part-time learners earn sufficient income to support themselves and any dependants, as well as pay for their tuition and other educational costs. The policy

therefore creates particular financial difficulty for students with low incomes that cannot meet their costs through employment income, as well students with dependants who cannot earn enough to meet their financial needs. Additionally, the OSAP need assessment is designed to determine if a student has sufficient resources to attend university. If part-time students are indeed working enough to meet their financial needs, then they will not be eligible to receive OSAP regardless. Assuming that they work enough to have sufficient resources implicitly assumes that students choose to study part-time, when in fact many students with family responsibilities are unable to take on full-time studies or work.<sup>15</sup> Furthermore, by not qualifying part-time learners for OSAP, the government also prevents these students from accessing numerous other forms of needs-based assistance, including work-study programs, as well as many scholarships and bursaries.

As a result, part-time learners are turning to private loans to fund their education at a higher rate than full-time students. OUSA's 2013 OPSSS found that 24 per cent of part-time students held private loans compared to 16 per cent among full-time students. These borrowers tend to face higher interest rates and faster repayment terms, and do not receive interest relief provided in the public system.

Expanding access to the Ontario Student Assistance Program portion of the Canada-Ontario Integrated Student Loan for part-time students will recognize that part-time students are often working around other time or resource intensive burdens, and that they represent a significant portion of the current and future student population. OSAP should be allowed to assess and meet need due to living costs, should contribute a provincial loan for tuition, text books and other costs, and should provide funds to help overcome the federal limit of \$10,000 dollars in lifetime aid.

Additionally, the Province should allow single students with dependants to qualify for full-time financial assistance at a threshold of 40 per cent of

a full course load – the same standard as students with disabilities.

**Recommendation: The Province should expand OSAP eligibility to part-time students.**

**Estimated Cost: Limited to cost neutral.**

If Ontario's part-time students were to be allocated financial assistance at a weighted percentage of the maximum allowance (\$360 per week for single students), loans would range from approximately \$2448 (based on a 20 per cent course load) - \$6120 (based on a 50 per cent course load). These amounts come in under the OSOG debt cap of \$7,300, meaning the vast bulk of financial assistance to part-time students would be repayable, and thus at a long-term neutral cost to the government.

Students acknowledge that, depending on how the Student Assistance Branch chose to assess cost of living for part-time students, some part-time students may exceed the debt cap. Furthermore, for students who are married, in a common-law relationship or who are sole support parents, and are therefore allocated a higher maximum loan amount, it is likely some costs to the government would be incurred. However, OUSA anticipates this representing a fraction of the costs of the Ontario Student Assistance Program, while delivering vast improvements in the support available to Ontario's part-time students.

# CHAPTER 4: A COMMITMENT TO AFFORDABLE TUITION

Beginning in the 2013-14 academic year, tuition has been regulated to an average allowable increase of 3 per cent at each institution in the province. This regulation regime will last until the 16-17 school year.

Regulated tuition is important to a student as it allows them to effectively plan their education and predict costs over their time in university. Further, regulated tuition is essential to mitigating, or even improving, the cost of education in Ontario.

Since 1988, student contributions to university operating budgets have risen dramatically from 19 to 48 per cent. With an average tuition of \$6,640, Ontario is the most expensive province in which to attend university. This trend is problematic for both the accessibility of higher education and the fairness of system-wide cost recovery. Without continued, and stronger regulation of tuition limiting student contributions, government funds injected into the system will only temporarily reverse the trend.

A tuition freeze would send a strong signal to

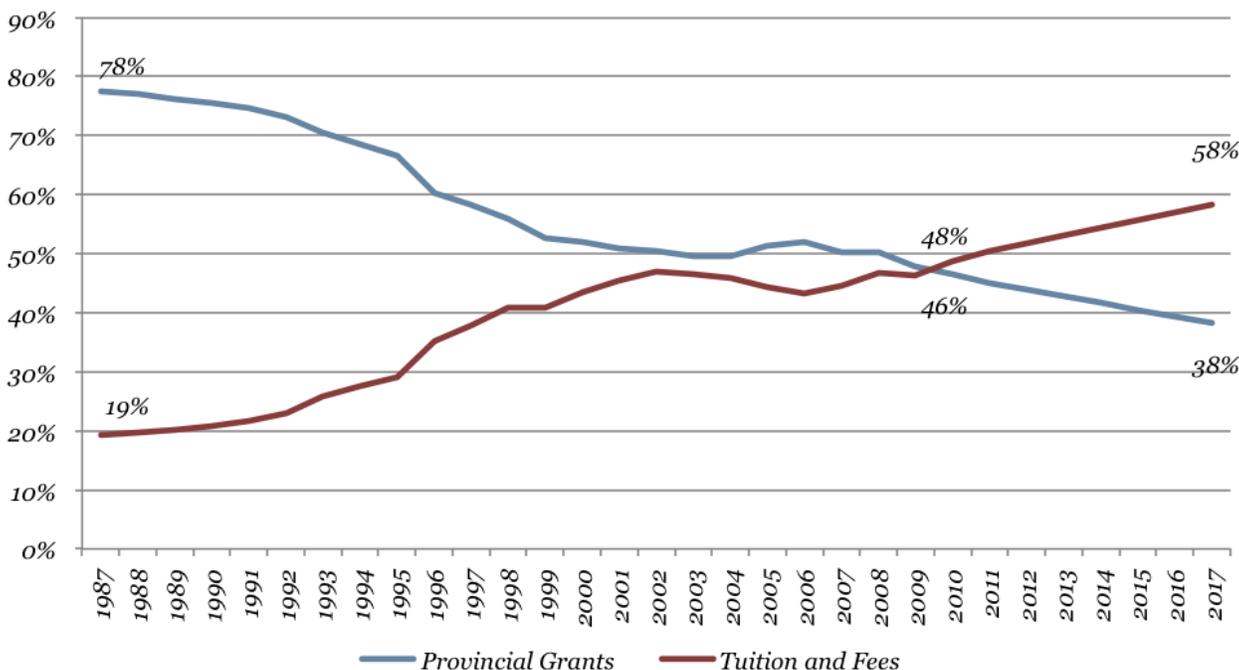
Ontario's students that the Province is changing course on the cost-sharing model for universities and that they value the principle of publicly funded higher education. Support would come not only from student, but their families. An Abacus Data poll in 2011 found that the majority of Ontario families were willing to pay increased taxes if it meant increasing investments in post-secondary education to enhance affordability, signaling a strong commitment from taxpayers to prioritize tuition management.

OUSA is very supportive of the continued regulation of tuition, and encourages all parties to commit to a regulation plan to succeed the current one. OUSA recommends the following:

**Recommendation: Freeze tuition fees at current levels for at least one year and increase per-student funding to post-secondary institutions at the rate of 3 per cent annual increases to compensate.**

ESTIMATED COST: \$105M

**FIGURE 5: PROJECTED STUDENT FEES AND GOVERNMENT GRANTS AS A PROPORTION OF OPERATING REVENUE, 1987-2017**



## CHAPTER 5: INVEST IN OPEN-ACCESS EDUCATIONAL RESOURCES

The province of British Columbia is currently engaged in the development of open-access textbook resources that are being made available to faculty and students for no fee.<sup>16</sup> Operated by BCCampus, a government agency seeking to connect all BC post-secondary institutions, the open-access educational resource is a project meant to create textbooks for the 40 highest-impact 1st and 2nd year courses in BC. These textbooks will be free online, or for low-cost in print, and the program is targeted to directly impact approximately 200,000 of BC's 266,745 students.

These textbooks are being developed by faculty from BC post-secondary institutions, and must go through a peer-review process before they become accessible through BCCampus. These books will be stored in an online repository of textbooks, which will also include current open-access textbooks from other jurisdictions. The project is overseen by faculty, teaching and learning professionals, students, and university administration.

A student in Ontario can expect to spend, on average, between \$800 and \$1000 a year on textbooks. These represent a significant, and growing cost for students in the province. Textbooks, and other educational resources, exist in something of a 'broken market' in which those selecting the resource (instructors) do so based entirely on its perceived educational value but with little knowledge of its material cost – which must be borne by students. Educational resources also tend to have their costs exacerbated by relatively limited production amounts coupled with high development costs. Open-access educational resources allow faculty to know that peer-reviewed materials can be accessed at a free or negligible cost to students. Further, their costs can be amortized over a larger audience while simultaneously benefitting from infinitely, and cheaply, scalable digital distribution.

Students believe that the Government of Ontario should follow the BC model, and establish an open-access textbook resource for Ontario universities. Such a model will allow for the development of innovative, high-impact learning experiences, at low

or no cost to students and minor cost to Ontario, especially when compared to the former \$37M Ontario Textbook and Technology Grant program:

**Recommendation: The Province should invest in open educational resources and textbooks that would be available as an option for faculty and students.**

**ESTIMATED COST: \$600,000 - \$1M**

# CONCLUSION

Students are confident that the recommendations contained in their platform are some of the best means of increasing the accessibility and affordability of a university degree in Ontario, while remaining cognizant of the Province's current fiscal situation. OUSA's platform is fundamentally about ensuring that government investments in post-secondary are effective and efficient vehicles for Ontario's economic growth and prosperity.

As a whole, OUSA's proposed student aid package will significantly improve the landscape of financial assistance in the province. It will ensure that Ontarians with the highest need have better access to higher-value, non-repayable financial assistance. It will ensure that OSAP loans come closer to meeting a student's actual need, so that students can focus on their studies, rather than having to seek additional private loans or work excessive hours. It will do all of this while also reducing student debt, and without costing the government any new money.

OUSA's recommendations for extending work-integrated learning opportunities to students in underrepresented disciplines and to those students who traditionally experiences barriers to participating in these programs will better prepare Ontario's graduates to meet the challenges of today's labour market. If adopted, students believe improvements will be made to the province's high youth unemployment rate while also producing skilled graduates better equipped to transition into the workforce.

Students believe that all political parties have a vested interest in supporting the academic pursuits of Ontario's part-time students. Current OSAP eligibility requirements unfairly burden part-time students with choosing between full-academic course loads and forgoing student aid. The extension of OSAP eligibility to part-time students will increase university attainment rates for students from some of Ontario's most vulnerable populations, while also making it easier for mature students to upgrade the skills necessary to remain competitive in the

province's labour market.

Dramatic increases in tuition rates have made Ontario the least affordable province to pursue a university education in Canada. If Ontario hopes to reach its projected target of a 70 per cent post-secondary education attainment rate, today's political leaders must take steps to address these rapidly rising costs. A one year tuition freeze, coupled with an increase in per-student funding to universities at the current rate of annual tuition increases will provide students with financial relief while not jeopardizing the quality of the education they receive.

Should the Province follow the lead of the Government of British Columbia, Ontario is poised to become a leader in online education worldwide. Students believe the development of open-access educational resources available free of charge to students and faculty will not only reduce educational costs for students, but also help proliferate innovative and high-impact learning experiences in our university classrooms.

OUSA urges all political parties to committing to our suite of recommendations in order to ensure the continued affordability and accessibility of Ontario's post-secondary education system for future generations. In so doing, they will send a clear message to the province's students and families that they understand and value the pursuit of post-secondary, not only as a personal investment but as a public good. OUSA looks forward to continuing to work with political leaders of all parties to ensure student's voices are heard as we plan together for Ontario's future economic and social prosperity.

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