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## **OUSA's Recommendations to Improve the Student Access Guarantee (SAG) Program**

The Ontario Undergraduate Student Alliance (OUSA) represents the interests of over 150,000 professional and undergraduate, full-time and part-time university students at eight institutions across Ontario. We believe in a well-funded, high-quality, and accessible post-secondary system for students in our province.

The COVID-19 pandemic has increased student concerns about the affordability of post-secondary education, and OUSA has continued to advocate for increased financial aid through improvements to the Ontario Student Assistance Program (OSAP) and the Student Access Guarantee (SAG). We believe in a philosophy of fair cost-sharing, in which the provincial government and individual institutions work together to ensure that post-secondary education is affordable for all willing and qualified students.

We also believe that financial support programs are best able to address student affordability concerns when those programs are transparent, direct, and easy to access. Currently, the relationship between OSAP and SAG is unclear, with many students unaware that SAG exists and is automatically allocated to them. This prevents students from planning their finances effectively and making informed decisions about whether they can afford to pursue post-secondary education. Ultimately, this lack of transparency and understanding makes the SAG program less effective at addressing students' affordability concerns and prevents students from appealing discrepancies in SAG allocation. The provincial government has an opportunity, in the short term, to improve the transparency of SAG by providing students with more information about the program; in the long term, the government can make SAG more accessible to students by reconfiguring the relationship between OSAP and SAG.

Finally, we believe that financial support is effective only when it is adequate and predictable. A potential decline in enrolment for the 2020-21 academic year could mean

a decline in institutions' tuition set-aside amounts, which could also result in less institutional financial aid than what was offered in 2019-20. The provincial government has an important opportunity to respond to this by increasing the amount of support that students receive through OSAP. Doing so would make students less financially dependent on institutional financial aid like SAG.

While we continue to advocate for improvements to OSAP as the primary tool the provincial government should use to increase affordability for students, we also recognize the importance of enhancing the SAG program so that it can address gaps that make post-secondary education unaffordable for many.

***To this end, OUSA offers the following recommendations to increase the effectiveness, transparency, and awareness of Ontario's Student Access Guarantee (SAG) Program:***

**1. The OSAP estimator should be updated to provide students with an estimation of how much funding they will receive through SAG, as well as a thorough explanation of the program and timelines for receipt of funding.**

To plan their finances effectively, students need timely, accurate, and reliable information about what financial aid is available to them. Most importantly, students need a complete and accurate estimate of available financial support when making financial decisions about their academic term. Currently, students can access information about expected OSAP funding through the OSAP estimator. However, the OSAP estimator does not include SAG funding amounts and therefore offers students incomplete and inaccurate information about the financial aid available to them.

The Ministry of Colleges and Universities currently "provides university and college Financial Aid Offices (FAOs) with student level calculations of OSAP recipients' tuition/book shortfalls" as well as "a calculation of each student's 'adjusted unmet need'." However, this information is not provided to the students themselves. For ease and timeliness of access, OSAP estimates and calculations should include any SAG funding that a student can expect to receive, along with an estimate of when each student can expect to receive that funding. This would allow students to easily and accurately access information about the financial aid available to them and plan their finances effectively.

Students should also be given information about where their funding is coming from, whether they need to apply, and what the payment deadlines are. To this end, we recommend that the following information be added to the OSAP estimator:

- (1) A brief summary of the SAG program that explains that SAG funding is provided by individual institutions and comes from the tuition set-aside program;
- (2) An explanation of when funding is provided automatically and when students are expected to apply through their institution's financial aid office;
- (3) The deadline for submitting an OSAP application in order to be eligible for SAG; and
- (4) The payment deadlines that each institution is expected to adhere to.

This information should also include a link for students to access a copy of the most up-to-date Student Access Guarantee Policy Manual (see recommendation #2).

Further, while these changes are necessary to enhance student awareness and experience with SAG, they will be most effective when coupled with more general improvements to the reliability and timeliness of the OSAP estimator. For example, this Summer the OSAP estimator was not available until July 14, 2020, which left students with only 1.5 months to make informed decisions about how to finance their education.

## **2. The Student Access Guarantee Policy Manual should be amended to ensure that institutional SAG processes are streamlined, consistent, and transparent.**

Students' experiences with the SAG program can be improved by streamlining the implementation and delivery of SAG funding across institutions. One issue that requires particular attention is the discrepancy between OSAP deadlines, SAG payment deadlines, and Ministry reporting deadlines. Currently, students are able to apply for OSAP up to 60 days prior to the end of their study period. However, institutions are required to make SAG payments no later than midway through the second month of the second academic term, and to report their expenditures to the Ministry one month after that. This means that, in order to receive SAG funding, students need to submit their OSAP application no less than 30 days before the SAG payment deadline for their program, which is significantly earlier than the OSAP deadline mentioned above. This can result in students who would otherwise be eligible for SAG funding missing out on this support. The following is an example of a student who would miss out on SAG funding because of the inconsistency in deadlines:

*Eddy decided to apply for OSAP on February 27th, 2021, the last possible date to do so for his full-year program. However, Eddy was not informed that in order to be eligible for SAG funding, he would have needed to apply for OSAP by January 15th, 2021. Further, the prescribed payment deadlines for institutions to provide SAG funding is February 15th, 2021. As a result, Eddy is ineligible for SAG funding.*

This is particularly concerning at a time when COVID-19 and necessary public health restrictions may prevent students from making fully informed assessments about their financial needs in advance of existing deadlines.

To increase consistency and improve student experience, OUSA recommends that the Ministry harmonize all OSAP applications, SAG payments, and Ministry reporting deadlines. Specifically, all institutional SAG deadlines should be extended to align with OSAP application deadlines. Further, the Ministry should implement a restriction on internal deadlines for institutions, to protect against the possibility that institutions set their own SAG payment deadlines earlier than the Ministry-imposed deadline. These amendments will ensure that students who apply for OSAP before the OSAP deadline has passed are eligible for SAG funding as well and not disqualified because of deadline discrepancies. This will make it easier for qualified students to access the financial support they need.

Institutional SAG processes must also be transparent so that students are aware of their options and requirements for eligibility. To this end, OUSA recommends that the Ministry make the Student Access Guarantee Policy Manual and a supplementary plain-language resource tool available on the OSAP and Ministry websites. To improve student experience, this information should include all relevant information about processes and remedies available to students if they have a SAG-related dispute, including a discrepancy in their funding amount. Making this information easily accessible will allow students to become stronger self-advocates and strengthen their financial acumen.

### **3. The SAG assessment tool should be amended to include indirect costs of accessing post-secondary education.**

The principles behind SAG are two-fold: (1) “Qualified Ontario students should not be prevented from attending Ontario’s public colleges and universities due to lack of financial support programs, and;” (2) “Students with financial need should have access to financial aid to cover the costs of tuition, books, compulsory fees, equipment and

supplies.” However, these principles contradict one another: the narrow, exhaustive list of costs included in the second principle means that qualified Ontario students may, in fact, be prevented from attending post-secondary education due to a lack of financial support. While institutions may choose to provide SAG funding to cover indirect costs, there is no requirement to do so; as a result, indirect costs may prevent some Ontario students from attending public colleges and universities.

This concern is exacerbated at a time when many students and their families have reduced employment income as a result of COVID-19 restrictions. According to Statistics Canada, “[t]he COVID-19 pandemic has impacted young people particularly hard, as the unemployment rate for youth (15 to 24 year-olds) rose from 10.3% in February [2020] to a historical high of 29.4% in May.”<sup>1</sup> More recently, Statistics Canada released data from the 2020 Impacts of the COVID-19 Pandemic on Post-Secondary Students survey and found that 75% of the post-secondary student respondents said the pandemic had a financial impact on them, citing concerns around the affordability of tuition, accommodations, bills, and other payments.<sup>2</sup>

Students are also facing additional indirect costs as a result of the shift to primarily distance and blended learning. With the majority of classes now being delivered online, students require access to high-speed, reliable Internet connections, as well as laptops, webcams, and other technological devices to support their learning. This is a barrier for many students, specifically those from rural and northern communities, low-income students, and students with disabilities, who may require additional assistive devices to access course materials and complete assessments. Students may have fewer resources to cover potentially higher costs that, while indirect, are necessary to access and succeed in post-secondary education.

Ideally, OSAP would be able to contribute more financial aid to support students during these uncertain times. However, improvements to the SAG program can also help ensure that students receive enough financial support to afford the direct and indirect costs of post-secondary education. Expanding SAG eligibility to cover indirect costs would align with the spirit of institutional financial aid and the SAG program. We know that institutions have the ability to tailor financial assistance to the needs of their students and the conditions of the local economy, in some cases going above and beyond SAG requirements. The Ministry has recognized this and includes an “adjusted unmet

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<sup>1</sup> Marc Frenette, Derek Messacar, and Tomasz Handler, *To what extent might COVID-19 affect the earnings of the class of 2020?* (Statistics Canada, catalogue no. 45280001, released July 28, 2020).

<sup>2</sup> Statistics Canada, *Impacts of the COVID-19 Pandemic on Post-Secondary Students survey: Public Use Microdata File, 2020-04-19 to 2020-05-01.*

need” calculation that allows institutions to report these expenses as part of their SAG expenditures. Given the current challenges facing students and their families, and the spirit of the SAG program, OUSA recommends that institutions be required to include indirect costs in the SAG assessment tool.

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Affordability continues to be a pressing concern for post-secondary students across the province. The impacts of the COVID-19 pandemic have only exacerbated this concern, with students and their families facing continued employment insecurity. Students have been asking for improvements to existing financial aid programs so that they can access, continue, and complete their post-secondary education. The recommendations in this submission will increase transparency and awareness for students and achieve greater consistency in the delivery of the SAG program. Paired with improvements to OSAP, OUSA believes that these amendments to the SAG program would help ensure that all willing and qualified students are able to access post-secondary education in Ontario.