

October 16, 2020

Mr. Stan Cho
Parliamentary Assistant to the Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd floor
95 Grosvenor Street
Toronto ON, M7A 1Z1

CC:
Deputy Minister Shelley Tapp
Minister Ross Romano
Minister Rod Phillips

RE: OUSA Written Submission to Fall 2020 Budget Consultations

Dear PA Cho:

Please accept this submission on behalf of the Ontario Undergraduate Student Alliance (OUSA). 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 Ontario Government is prioritizing the protection of families and workers during these uncertain times. OUSA believes that students must also be protected and should be prioritized in the next phase of Ontario's Action Plan as they are an integral part of our province's long-term recovery. This year, thousands of students in Ontario are navigating new challenges as they continue their university education during a global pandemic. They are adapting to remote learning; writing exams in their bedrooms, living rooms, and kitchens; struggling to access adequate broadband connections; balancing caregiver responsibilities with course work; managing their mental health; and in some cases, feeling unsafe in the place they call home. Students need support to complete their education, find good jobs, and contribute to rebuilding our economy. Students need targeted investments in financial aid, work-integrated learning, and mental health supports.

OUSA offers the following recommendations for providing students with the support they need as they navigate COVID-19:

1. Enhance OSAP to ensure students are able to afford post-secondary education in Ontario

The affordability of post-secondary education continues to be one of the issues we hear about most often from students.¹ This concern has been exacerbated by COVID-19, as students and their families continue to face job loss and uncertain financial futures.

Early in this pandemic, the federal government introduced the Canada Emergency Student Benefit (CESB) to provide financial relief to eligible students across Canada. However, students' ability to receive financial support through the CESB ended on September 30, 2020, leaving many Ontario students primarily reliant on OSAP to afford university. The provincial government has an opportunity to enhance OSAP to provide immediate financial assistance to students who need it most by increasing non-repayable OSAP grants and eliminating parental, spousal, and student expected contributions in the OSAP calculation.

Increasing non-repayable OSAP grants is a necessary investment for students who have been negatively affected by the pandemic. Income disruptions as a result of COVID-19 can mean that money saved for post-secondary education may have been needed for necessities other than education.² This is further exacerbated by the fact that many students either lost job opportunities, had a delayed start, or had reduced hours over the summer of 2020.³ These pandemic-related disruptions have "heightened students' concerns about their debt load with nearly half (47%) being very or extremely concerned about having to take on more student debt as a result of COVID."⁴

Despite the fact that many individuals, including students and their support systems, have experienced income disruptions, OSAP calculations continue to factor in expected parental, spousal and individual contributions, starting at \$3,600 for the 2020-2021 academic year.⁵ Expected financial contributions that do not account for changing financial need can prevent students from accessing the financial support they need. Eliminating expected financial contributions would ensure students have the financial support to access and continue their post-secondary education.

¹ Ryan Tishcoff, *Affordability: Results from the 2017 Ontario Post-Secondary Student Survey* (Toronto, ON: Ontario Undergraduate Student Alliance, 2019); Danielle Pierre, *Affordability: Results from the 2015 Ontario Post-Secondary Student Survey* (Toronto, ON: Ontario Undergraduate Student Alliance, 2017).

² This is a real concern for students, as 73 percent had "indicated that they were very or extremely concerned about using up their savings" prior to the announcement of the Canada Emergency Student Benefit (CESB), and 61 percent were concerned following the announcement - this does not account for how students are feeling following the end of CESB funding in September 2020: "Impacts of the COVID-19 pandemic on postsecondary students," *Statistics Canada - The Daily*, May 12, 2020, online: <https://www150.statcan.gc.ca/n1/daily-quotidien/200512/dq200512a-eng.htm?utm>.

³ Ibid.

⁴ "COVID-19 Pandemic: Financial impacts on postsecondary students in Canada," *Statistics Canada - COVID-19: A data perspective*, May 15, 2020, online: <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00016-eng.htm>.

⁵ "OSAP Definitions," *Government of Ontario*, accessed September 30, 2020, online: <https://www.ontario.ca/page/osap-definitions#section-15>.

Recent graduates also require support to be active contributors to our province's long-term recovery. The unemployment rate for young people has hit a historic high,⁶ and 67 percent of young people surveyed by Statistics Canada reported being very or extremely concerned about having no job prospects in the near future.⁷ The temporary suspension of OSAP loan repayments and interest accrual from March 30 to September 30, 2020 demonstrated the government's recognition of the challenges faced by recent graduates at this time and was a welcome relief for many.

However, as of October 1st, the OSAP moratorium has ended for recent graduates despite the reality that financial concerns and lack of employment opportunities persist as we continue to navigate COVID-19. Therefore, OUSA recommends the provincial government extend the moratorium on OSAP payments and interest accrual until September 2022. This moratorium should be followed by an introduction of a permanent, two-year grace period after graduation to ensure recent graduates are in the financial position to cover payments of interest. The provincial government should also ensure that interest rates remain low, setting 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.

2. Expand work-integrated learning opportunities like paid internships and co-ops to employ students and support businesses

Keeping Ontarians safe and limiting the spread of COVID-19 has necessitated closures or adaptations of major sectors to avoid in-person contact. This has meant that businesses that normally hire students for experiential learning opportunities, including paid internships, work-integrated learning, and co-op positions, have not been able to do so. In a recent survey regarding the impact of the pandemic, Statistics Canada found that 35 percent of students surveyed reported that their work-integrated learning was either cancelled or postponed as a result of the pandemic.⁸

This not only has a detrimental impact on students' educational outcomes, but it also impacts their future employment prospects, both perceived and real. Of the 35 percent of students who had their work-integrated learning cancelled or postponed, 52 percent were "very or extremely concerned that their credential would be considered less

⁶ Unemployment increased from 10.3 percent in February 2020, to 29.4 percent following the first-wave of the pandemic in Ontario in May 2020: "Study: Potential earnings losses among high school and postsecondary graduates due to the COVID-19 economic downturn," *Statistics Canada - The Daily*, July 28, 2020, online: <https://www150.statcan.gc.ca/n1/daily-quotidien/200728/dq200728a-eng.htm>.

⁷ "Impacts of the COVID-19 Pandemic on postsecondary students".

⁸ "Study: Work-integrated learning in the context of the COVID-19 pandemic," *Statistics Canada - The Daily*, May 25, 2020, online: <https://www150.statcan.gc.ca/n1/daily-quotidien/200525/dq200525a-eng.htm?utm>.

valuable than the credentials of graduates unaffected by COVID-19”; this concern is not unfounded, as “among those who had a job related to their field of study during their postsecondary education, 75% were employed full time three months after graduation. This compared with 48% among those who did not have any work experience during their postsecondary education, and 61% among those who did work, but not in their field of study.”⁹

Concerns around barriers to work-integrated learning opportunities are particularly pressing for students who rely on paid opportunities to afford their education. With COVID-19 continuing to spread, students are also faced with fewer part-time job opportunities; campus restaurants and cafes are closed; downtown establishments and retail stores have limited staff. Paid work-integrated learning opportunities can provide the dual benefit of ensuring that students can afford to continue their education, while also preparing them for the workforce and increasing their employability following graduation.

To support students financially and academically, and to enhance labour market outcomes for new graduates, OUSA recommends that the provincial government invest in employer incentivization programs like the Career Ready Fund. Specifically, we ask that the provincial government re-invest \$68 million over 3 years in the Career Ready Fund to support and encourage businesses to employ students and recent graduates. This investment would support job training and creation, provide relief for those impacted by the economic downturn, and ensure students and new graduates are able to contribute to Ontario’s long-term recovery.

3. Increase mental health supports for students during this time of increased stress and uncertainty

As Ontario responds to COVID-19, students continue to face uncertainty around their ability to pay for school, excel in their courses, and complete their education. Students have also missed out on important on-campus support services, as well as the social aspects of university that can help alleviate the pressures of achieving academic success and securing post-graduation employment. This has had a negative effect on students’ mental health: in a recent Canada-wide survey by the Canadian Alliance of Student Associations (CASA), 70% of students said they had felt stressed, anxious, or isolated due to the pandemic, and 82% said they were worried about their future beyond the pandemic.¹⁰

⁹ Ibid.

¹⁰ “Students Are Still Worried: COVID-19 and Post-Secondary Education,” *Canadian Alliance of Student Associations*, June 15, 2020, online: https://www.casa-acae.com/students_are_still_worried_covid19.

We know that students and graduates will be essential to Ontario's long-term recovery, and so we need to invest in their mental health and well-being now to ensure that they are able to make meaningful contributions in the years to come. While the recent one-time \$3.25 million increase in student mental health funding was a positive step, students will need additional support beyond this year in order to manage their mental health effectively. The provincial government has an opportunity to increase funding for culturally relevant and diverse campus mental health care services, and to annualize its recent \$3.25 million increase in student mental health funding. These investments would ensure that the Centre for Innovation in Campus Mental Health is able to continue offering important resources to students and post-secondary institutions, and that all students are able to access frontline support workers, remote platforms like Good2Talk, and other mental health services.

—

Since the pandemic began, students have become increasingly concerned about their ability to afford post-secondary education, access work-integrated learning opportunities, and manage their mental health. The recommendations in this submission will help ensure that students have the support they need to complete their education, gain practical experience, and maintain their well-being—ultimately preparing them to contribute to Ontario's long-term recovery and build a future where all Ontarians are protected and supported.

Sincerely,

The Ontario Undergraduate Student Alliance