



# EDUCATED INVESTMENTS

SUPPORTING STUDENTS FOR  
A STRONGER RECOVERY

FEB 2021

**OUS**A  
Ontario Undergraduate Student Alliance



# ABOUT OUSA

OUSA represents the interests of 150,000 professional and undergraduate, full-time and part-time university students at eight student associations 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.

# SUMMARY OF RECOMMENDATIONS

## ENHANCING OSAP TO ENSURE STUDENTS ARE ABLE TO AFFORD POST-SECONDARY EDUCATION IN ONTARIO

The provincial government should increase non-repayable OSAP grants and eliminate parental, spousal, and student expected contributions in the OSAP calculation

The provincial government should immediately reinstate the moratorium on OSAP payments and interest accrual until September 2022, following the lead of the federal House of Commons who recently adopted a motion to extend the moratorium on the federal portion of student loans

Following the reinstatement of the OSAP moratorium, the provincial government should introduce 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 increase the funding for the Indigenous Student Bursary program from \$1.5 million to \$37 million in order to address the lack of funding available specifically for Indigenous students

## EXPANDING WORK-INTEGRATED LEARNING OPPORTUNITIES TO EMPLOY STUDENTS AND SUPPORT BUSINESSES

The provincial government should re-invest \$68 million over 3 years in employer incentivization programs like the Career Ready Fund

The provincial government should offer wage subsidies to businesses to employ students and recent graduates as part of their COVID-19 recovery strategy

## INCREASING MENTAL HEALTH SUPPORTS FOR STUDENTS DURING THIS TIME OF INCREASED STRESS AND UNCERTAINTY

The provincial government should increase funding for culturally relevant and diverse campus mental health care services and annualize its recent \$3.25 million and \$7 million investments in student mental health funding

The provincial government should provide long-term funding to the Centre for Innovation in Campus Mental Health (CICMH), an organization that provides students and post-secondary institutions with important resources for improving mental health care on campuses and in our communities

February 12, 2021

The Honourable Peter Bethlenfalvy  
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

## **RE: OUSA Written Submission to Spring 2021 Budget Consultations**

Dear Minister Bethlenfalvy:

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, accountable, 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 and recent graduates are an integral part of our province's long-term recovery, and as such, must also be prioritized in the next phase of Ontario's Action Plan. Over the last year, thousands of students in Ontario have attended university completely online. They have had to write exams in their living rooms, navigate new teaching styles, and tackle mental health challenges with limited support. These are ongoing challenges that students face every single day, and they need support to complete their education, find good jobs, and contribute to rebuilding our economy. They need targeted investments in financial aid, work-integrated learning, and mental health supports.



# RECOMMENDATION 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.<sup>1</sup> This concern has been exacerbated by COVID-19, as students and their families continue to face job loss and uncertain financial futures. When properly funded, the Ontario Student Assistance Program (OSAP) can increase the affordability of post-secondary education by providing effective, needs-based financial aid to students, without undermining post-secondary institutions' ability to provide high-quality education.

Students have told us that, "at times like this, we struggle to afford tuition and housing, and OSAP funding has decreased so much this year."<sup>2</sup> They "are literally drowning" and "can barely afford school." They are concerned that "a majority of students require financial assistance and will be graduating with a substantial amount of debt" and that "many students go into extreme debt."

Students are telling us that cost is their "#1 concern" and that "almost all students are struggling financially, so improving OSAP is a huge deal" and "a lot of people suffer from financial issues so financial assistance would help a lot."

Even students who do not directly rely on OSAP understand the impacts of inadequate student financial aid for their peers:

***"Despite I myself not needing financial assistance, no potential student should ever have to give up on university because of fear of debt, so work towards a system where such an occurrence will never happen;"***

***"Although I am unable to apply for financial assistance programs, I know a lot of people that are suffering due to cuts in OSAP."***

Source: OUSA 2020 Ontario Undergraduate Student Survey

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 CESB ended on September 30, 2020, leaving many Ontario students primarily reliant on OSAP to afford university. The provincial government has an opportunity 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 step in supporting students who have been negatively affected by the pandemic. COVID-19 has led to income disruptions that have forced students and families to use their education savings to pay for other necessities.<sup>3</sup> This is further exacerbated by the fact that, in the summer of 2020, many students either lost job opportunities, had a delayed start, or had reduced hours.<sup>4</sup> These 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.”<sup>5</sup>

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.<sup>6</sup> Eliminating expected financial contributions would ensure that OSAP awards accurately reflect students’ increased financial need, and that students have the support they need to access and continue their post-secondary education.

This would be a welcome step for many students and families, given that:

***“there are many students who can’t afford school because their parents don’t pay for them. It would be beneficial to have more financial aid and jobs available for those kinds of students.”***

Source: OUSA 2020 Ontario Undergraduate Student Survey

Recent graduates also require support to be active contributors to our province’s long-term recovery. Over the last year, the unemployment rate for young people hit a historic high,<sup>7</sup> 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.<sup>8</sup> 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 during the pandemic 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. The province should immediately reinstate the moratorium on OSAP payments and interest accrual until September 2022, following the lead of the federal House of Commons, who recently adopted a motion to extend the moratorium on the federal portion of student loans. This moratorium should be followed by the 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 financial impact of COVID-19 has been felt most acutely by Indigenous people across the country. According to Statistics Canada, “Indigenous participants more often reported that COVID-19 had a strong or moderate impact on their ability to meet financial obligations or essential needs than non-Indigenous participants.”<sup>9</sup> There is an opportunity for the province to alleviate some of this financial pressure for Indigenous students by increasing the amount of funding allocated to the Indigenous Student Bursary program from \$1.5 million to \$37 million in order to address the lack of funding available specifically for Indigenous students. This is one step the provincial government can take to create more equitable opportunities for Indigenous students and to demonstrate a commitment to supporting Indigenous people in Ontario.

**67%**

of young people surveyed by Statistics Canada reported being very or extremely concerned about having no job prospects in the near future

## RECOMMENDATION 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 opportunity was either cancelled or postponed as a result of the pandemic.<sup>10</sup>

Not only does this hurt students' educational outcomes, it also affects their ability to pay for school and impacts their future employment prospects, both perceived and real. Of the 35 percent of students who had their work-integrated learning opportunity cancelled or postponed, 52 percent were "very or extremely concerned that their credential would be considered less 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."<sup>11</sup>

**35%**  
of students surveyed reported that their work-integrated learning opportunity was either cancelled or postponed as a result of the pandemic

**THERE IS A DIRECT CORRELATION BETWEEN BEGINNING A CAREER DURING A RECESSION AND LIFETIME EARNING LOSS, AND WITHOUT STRONG EMPLOYMENT SUPPORTS AND OPPORTUNITIES TO GAIN EXPERIENCE NOW, STUDENTS GRADUATING DURING THE CURRENT RECESSION WILL BE ILL-PREPARED TO SUCCEED IN THE LONG-TERM.**

To promote work-integrated learning opportunities, the provincial government should offer wage subsidies to help businesses cover the cost of hiring students. This would help support businesses during the pandemic by allowing them to hire additional staff, and it would help ensure that recent graduates have the skills they need to enter the workforce as soon as they finish school. This is particularly important as we consider the role that new graduates will play in the province's economic recovery. There is a direct correlation between beginning a career during a recession and lifetime earning loss,<sup>12</sup> and without strong employment supports and opportunities to gain experience now, students graduating during the current recession will be ill-prepared to succeed in the long-term.

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 in the Career Ready Fund over three years to support business and students. The provincial government should also offer wage subsidies to businesses to employ students and recent graduates. These investments would support job creation and training, provide financial support to businesses in the form of wage subsidies, and ensure students and new graduates are able to contribute to Ontario's long-term recovery.





## RECOMMENDATION 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.<sup>13</sup> In a recent OUSA survey, Ontario students identified mental health as a top initiative in need of improvement, and a large majority told us that the mental health issues they have experienced while studying have affected their academic performance and/or career prospects.<sup>14</sup>

This data highlights how important it is that the provincial government commit to increasing student mental health services. 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 and \$7 million increases in student mental health funding were positive steps, students will need additional support beyond this year in order to manage their mental health effectively.

Students have told us that "mental health and wellness affects all students and there needs to be opportunities available for everyone to get help if they need it" yet "mental health supports are scarce at times for students that need it." They have told us that they are concerned about "too many student suicides, too much pressure, not enough available support" and that they require more "empathetic, trauma-informed, culturally-sensitive, and competent mental health support staff."<sup>15</sup>



**"MENTAL HEALTH AND WELLNESS AFFECTS ALL STUDENTS AND THERE NEEDS TO BE OPPORTUNITIES AVAILABLE FOR EVERYONE TO GET HELP IF THEY NEED IT."**

Source: OUSA 2020 Ontario Undergraduate Student Survey



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 and \$7 million investments in student mental health funding. These investments would ensure that students are able to access frontline support workers, remote platforms like Good2Talk, and other mental health services. Lastly, we ask that the provincial government support the long-term funding of the Centre for Innovation in Campus Mental Health (CICMH), an organization that provides students and post-secondary institutions with important resources for improving mental health care on campuses and in our communities.

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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 building a future where all Ontarians are protected and supported.

**Sincerely,  
The Ontario Undergraduate Student Alliance**

# NOTES

- 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 Data from OUSA's 2020 Ontario Undergraduate Student Survey, forthcoming.
- 3 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>.
- 4 Ibid.
- 5 "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>.
- 6 "OSAP Definitions," Government of Ontario, accessed September 30, 2020, online: <https://www.ontario.ca/page/osap-definitions#section-15>
- 7 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>.
- 8 "Impacts of the COVID-19 Pandemic on postsecondary students," supra.
- 9 Paula Arriagada, Kristyn Frank, Tara Hahmann, and Feng Hou, "Economic impact of COVID-19 among Indigenous people," Statistics Canada, July 14, 2020, online: <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00052-eng.htm>.
- 10 "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>.
- 11 Ibid.
- 12 Philip Oreopoulos, Till von Wachter, and Andrew Heisz, "The Short- and Long-Term Career Effects of Graduating in a Recession," American Economic Journal: Applied Economics 4, no. 1 (2012): 1-29, online: [https://www.aeaweb.org/articles?id=10.1257 app.4.1.1](https://www.aeaweb.org/articles?id=10.1257/app.4.1.1), as cited in Danny Chang, "Graduating into the COVID-19 Labour Market," Delphic Research, February 5, 2021, online:
- 13 "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](https://www.casa-acae.com/students_are_still_worried_covid19).
- 14 Data from OUSA's 2020 Ontario Undergraduate Student Survey, forthcoming.
- 15 Ibid.