

May 5th, 2021

The Honourable Ross Romano  
Minister of Colleges and Universities  
Ministry of Colleges and Universities  
5th Floor, 438 University Ave  
Toronto, ON M7A 1N3  
cc:Deputy Minister Shelly Tapp

Re: OUSA Asks Province to Stop OSAP Clawbacks

Dear Minister Romano,

On behalf of 150,000 professional and undergraduate students in Ontario, the Ontario Undergraduate Student Alliance (OUSA) is writing to express concerns regarding the \$400M clawback in provincial funding to the Ontario Student Assistance Program (OSAP) for the 2020-21 school year.

OSAP provides crucial financial aid to students who are in most need of financial assistance. In the spirit of reducing the increased financial burden brought on by COVID-19, the federal government doubled the Canada Student Grant (CSG) in 2020-2021 and has committed to doubling the CSG for the next two years. However, OUSA is increasingly concerned that students in Ontario will not feel the positive effects of this policy change if the provincial government continues to claw back provincial portions from the OSAP calculation. We are concerned that the federal government's investments in OSAP have been used as a cost-saving opportunity for the provincial government, instead of a means to ensure students are receiving additional financial aid. According to the recently announced fiscal plan and outlook, the provincial government reduced its OSAP expenditure by \$400M in 2020-2021.<sup>1</sup> We are concerned that, in the context of mass job loss and income disruptions during a global pandemic, provincial OSAP spending has decreased. Given that OSAP calculations factor in student and parental contributions, the financial impact of COVID-19 suggests that provincial spending should have increased. Students are concerned that the provincial government will continue to claw back provincial funding to OSAP and use the federal government's additional CSG funding as a cost-savings mechanism for the next two years.

**Therefore, OUSA recommends the following:**

- 1) The Ministry of Colleges and Universities should stop OSAP clawbacks as a result of increased federal funding through Canada Student Grants.
- 2) The Ministry of Colleges and Universities should invest any savings generated by the doubling of Canada Student Grants back into OSAP to provide more direct support for students who need it most.

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<sup>1</sup>Peter Bethlenfalvy, *Ontario's Action Plan: Protecting People's Health and Our Economy* (Toronto, ON: Queen's Printer for Ontario, 2021), 174, <https://budget.ontario.ca/2021/pdf/2021-ontario-budget-en.pdf>.

The COVID-19 pandemic has heightened the financial challenges faced by students across the province. Prior to COVID-19, students were increasingly concerned about the affordability of post-secondary education. According to OUSA's 2015 and 2017 Ontario Post-Secondary Student Survey, affordability was students' top concern.<sup>2</sup> Since the pandemic, this concern has only increased as students have been impacted by income disruptions and unemployment rates for young people have reached historic highs.<sup>3</sup> Students have shared the importance of financial assistance in alleviating some of their financial concerns. They have told OUSA 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."<sup>4</sup>

Students have struggled markedly this year, yet they have not received any net additional financial support through OSAP because of the provincial OSAP clawbacks. The doubling of the CSG was meant to increase financial supports to students, not be a cost-saving mechanism for the provincial government. By reinvesting the savings back into OSAP, the province would be rectifying this situation. This would be the bare minimum and it would not mean increased expenditures when compared to the previous fiscal year.

If students and graduates are to contribute to our province's COVID-19 recovery efforts, then the provincial government should be investing in student financial aid instead of using it as a cost-saving measure. Provincial support for OSAP must be improved to make post-secondary education more financially accessible and sustainable for students, especially given the massive job losses and spikes in youth unemployment that have resulted from the COVID-19 pandemic. OUSA urges the provincial government to commit to implementing the aforementioned recommendations to ensure that OSAP funding can meet its objectives to help students afford the costs of post-secondary education and promote equal opportunity for post-secondary studies. This is an opportunity for the provincial government to show its commitment to helping students by reinvesting the \$400M of savings back into OSAP for students who need it most.

Regards,  
Ontario Undergraduate Student Alliance (OUSA)

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<sup>2</sup> Ryan Tishcoff, *Affordability: Results from the 2017 Ontario Post-Secondary Student Survey* (Toronto, ON: Ontario Undergraduate Student Alliance, 2019), [https://www.ousa.ca/reports\\_opsss\\_2017\\_affordability](https://www.ousa.ca/reports_opsss_2017_affordability); Danielle Pierre, *Affordability: Results from the 2015 Ontario Post-Secondary Student Survey* (Toronto, ON: Ontario Undergraduate Student Alliance, 2017), [https://www.ousa.ca/report\\_affordability](https://www.ousa.ca/report_affordability).

<sup>3</sup> "Impacts of the COVID-19 pandemic on postsecondary students," Statistics Canada - The Daily, May 12, 2020, <https://www150.statcan.gc.ca/n1/daily-quotidien/200512/dq200512a-eng.htm>; "Study: Potential earnings losses among high school and postsecondary graduates due to the COVID-19 economic downturn," Statistics Canada - The Daily, July 28, 2020, <https://www150.statcan.gc.ca/n1/daily-quotidien/200728/dq200728a-eng.htm>.

<sup>4</sup> Data from OUSA's 2020 Ontario Undergraduate Student Survey, forthcoming.