



# Reform of Ontario's Financial Aid System

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# A few reminders about **ONTARIO**

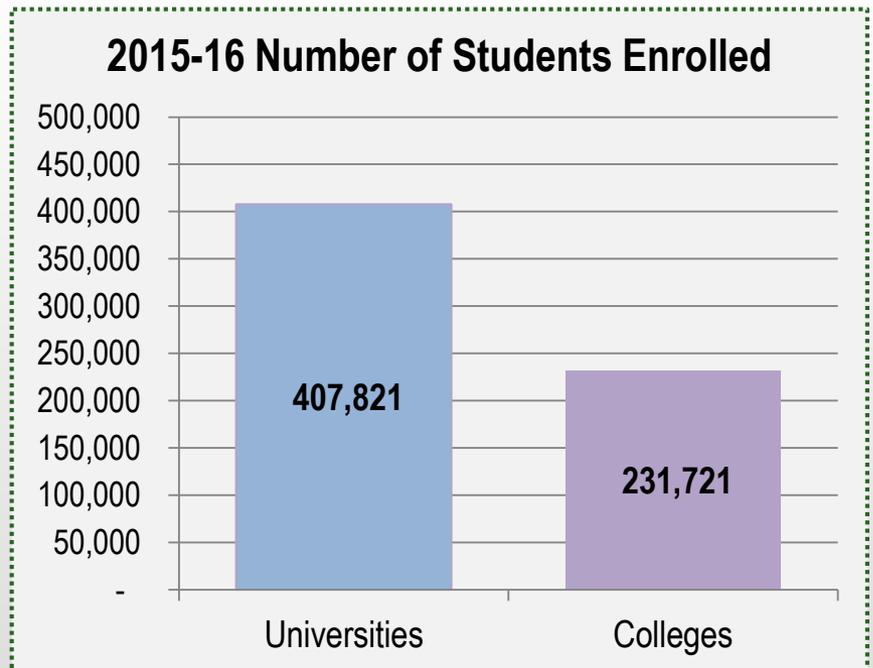


- Ontario is Canada's largest province by population and second largest by size
- Ontario is home to about 2 in 5 Canadians:  
Population >14 million
- About 66% of Ontario residents between 25 and 64 have completed postsecondary education

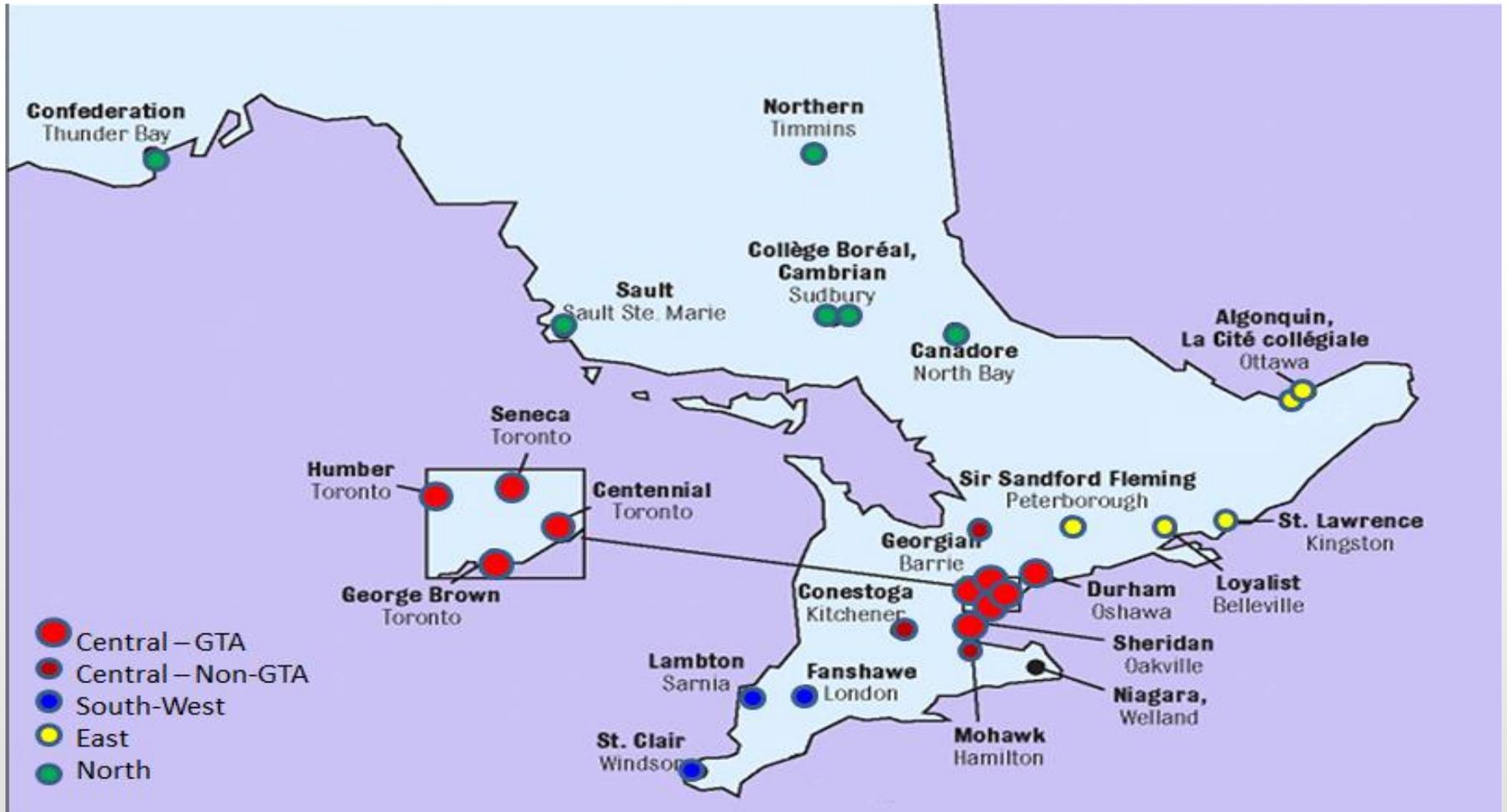


# College vs. University

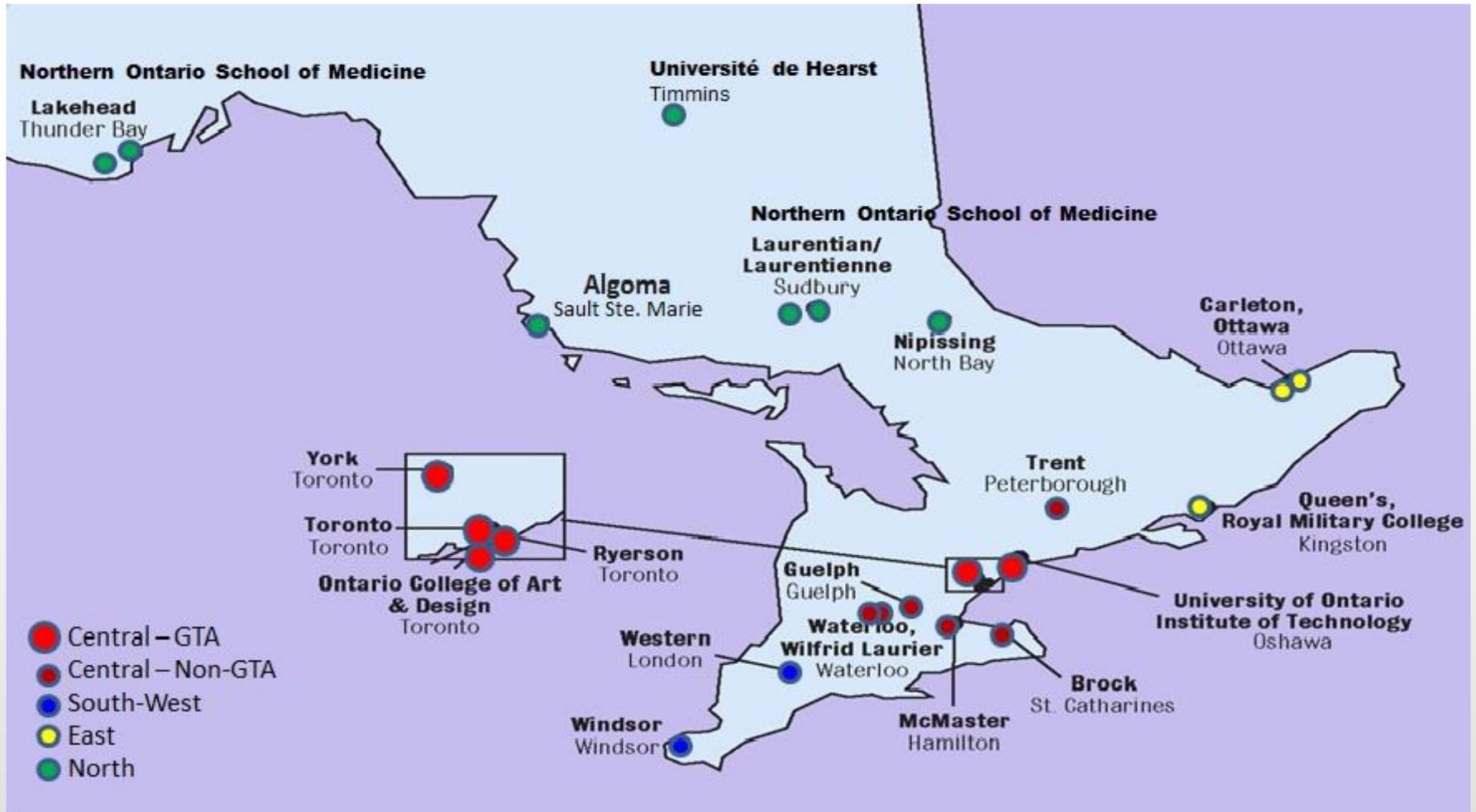
- In general, college refers to 2-year community colleges and university refers to degree-level programs.
  - Ontario colleges provide over 3,000 programs across a range of credentials, including certificates, diplomas, graduate certificates, advanced diplomas and degrees.
  - Most universities offer a variety of undergraduate and graduate programs, while some have a specific focus (e.g., medicine, arts and design, etc.).
- Public institutions (those receiving most of their funding from government) serve most of the students in the university and college sectors. There are many private providers, especially in the career-focused and vocational sectors.



# Ontario Colleges



# Ontario Universities



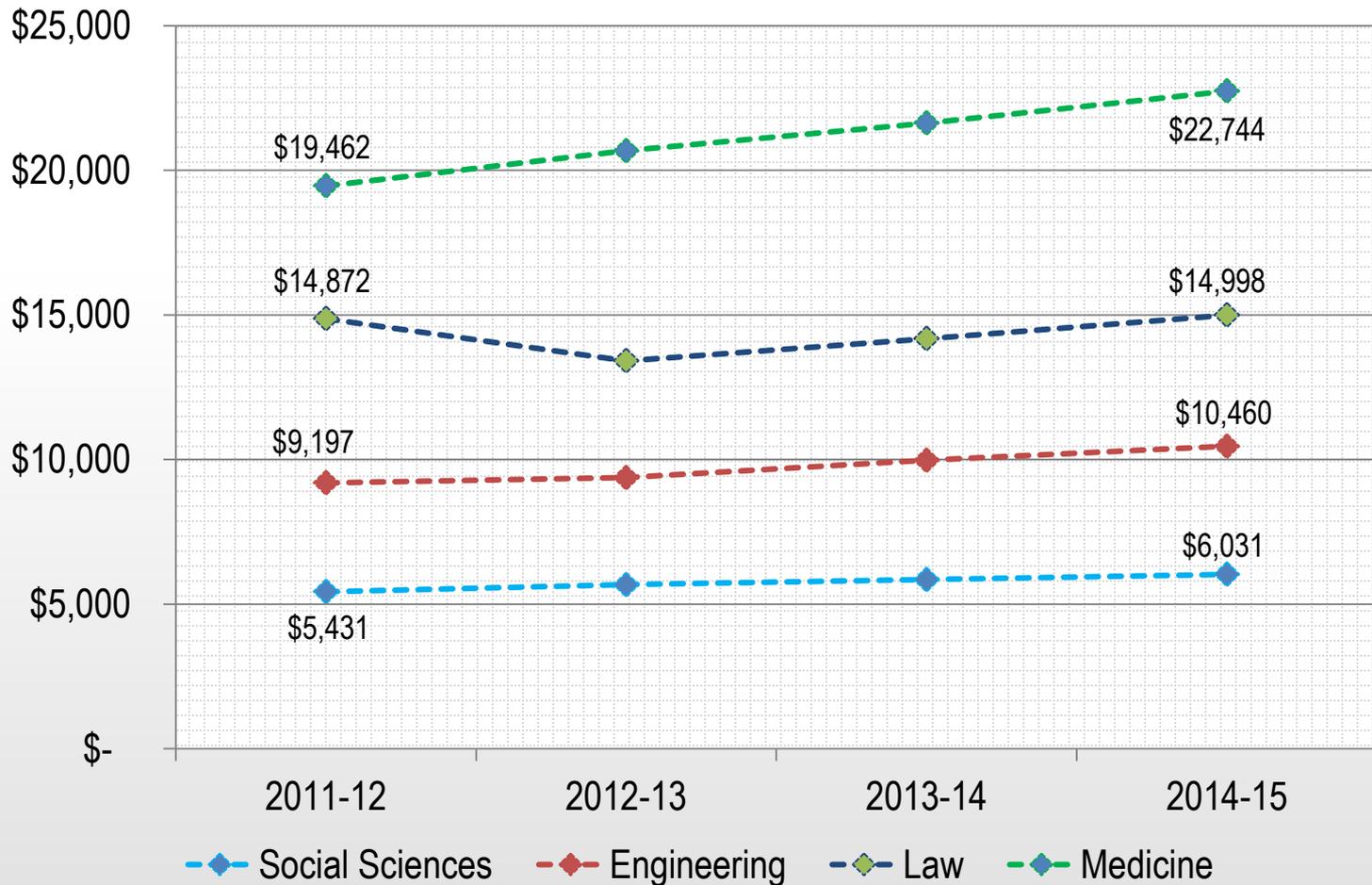
# Applying for College and University in Ontario

- Students can apply to any of Ontario's 24 public colleges through one website: [www.ontariocolleges.ca](http://www.ontariocolleges.ca).
- Students can apply to any of Ontario's 20 public universities through one website: [www.ouac.on.ca](http://www.ouac.on.ca).
- Students need to apply directly through their school if they're:
  - Planning to study part time;
  - A mature student;
  - An international student;
  - Applying for graduate studies (e.g., a Masters or Doctoral degree); or
  - Planning to attend a private college or university.



Ontario Universities' Application Centre

# Average Tuition in Ontario



\*Source: Statistics Canada, Centre for Education Statistics

\*\*All figures are in Canadian dollars and \$1 CDN = ~\$0.76 USD

# Low Tuition, High Quality Education

- Ontario is home to high quality, internationally respected colleges and universities.
- Three of Ontario's public universities rank in the top 200 of the 2016-17 Times Higher Education World University Rankings. Another five fall within 201-400.
  - University of Toronto – 22
  - McMaster University – 113
  - University of Waterloo – 173
  - University of Ottawa, Western University, Queen's University, York University and University of Guelph rank between 201 and 400 internationally.



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# WHAT IS OSAP?

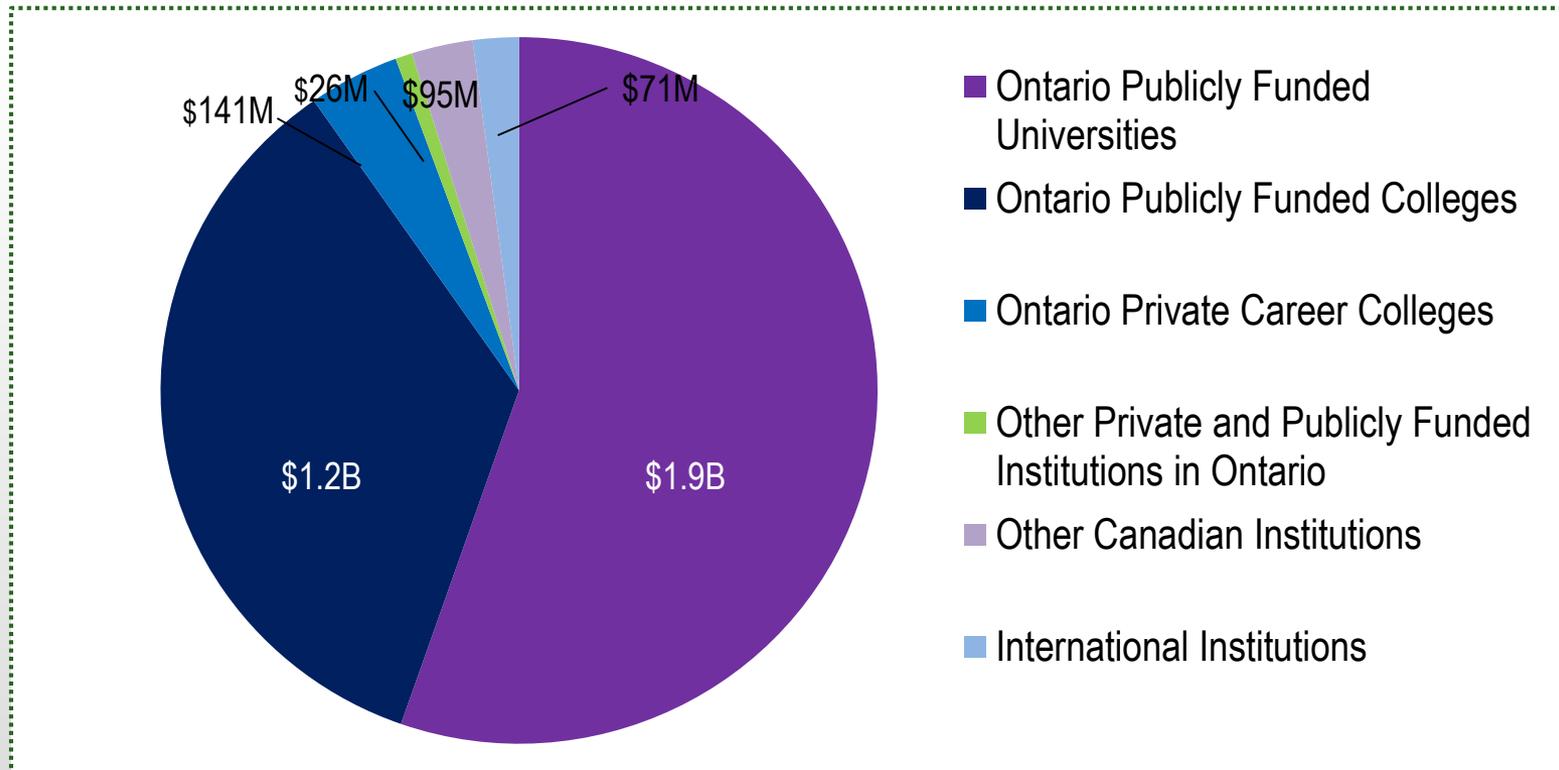
# Ontario Student Assistance Program (OSAP)

- The Ontario Student Assistance Program (OSAP) is an integrated program funded by both the federal and provincial government.
- OSAP provides needs-based assistance through loans and grants to help qualified students and families with the cost of postsecondary studies.
- More than 380,000 students per year benefit from OSAP grants/loans, representing almost 60% of full-time Ontario university students and almost 70% of full-time Ontario college students.
- OSAP is an entitlement program; No cap is set on the number of students who can qualify for funding; eligibility is determined based on student need assessments.

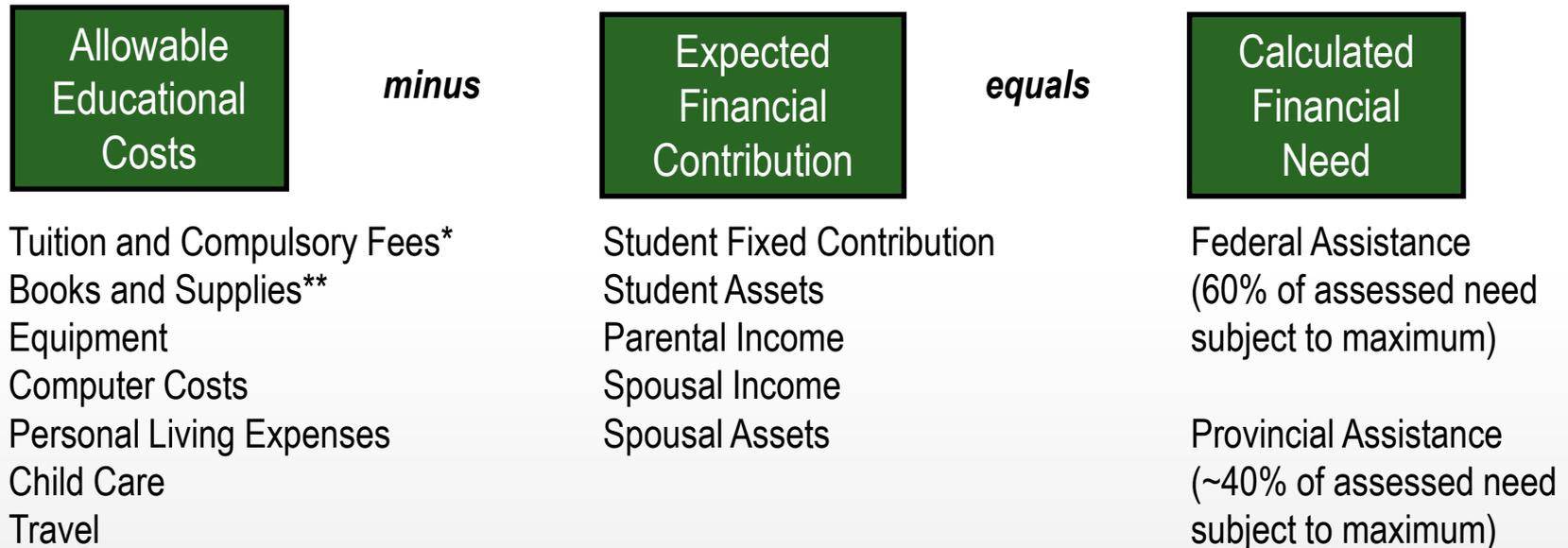
# OSAP by Institution Type

In 2014-15, ~\$4.0B in OSAP assistance was issued to Ontario students.

- Canada (federal): \$1.7B in loans; \$500M in grants.
- Ontario (provincial): \$360M in net loans; about \$1.0B in grants.



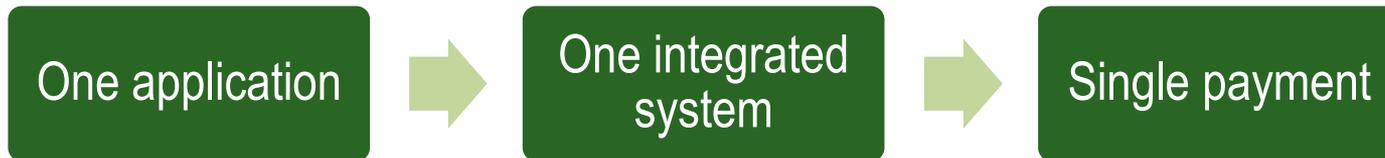
# Determination of OSAP Entitlements



\* For some programs (graduate, professional and high demand college programs), Ontario caps how much tuition and fees it will recognize in the OSAP assessment. Canada recognizes full tuition.

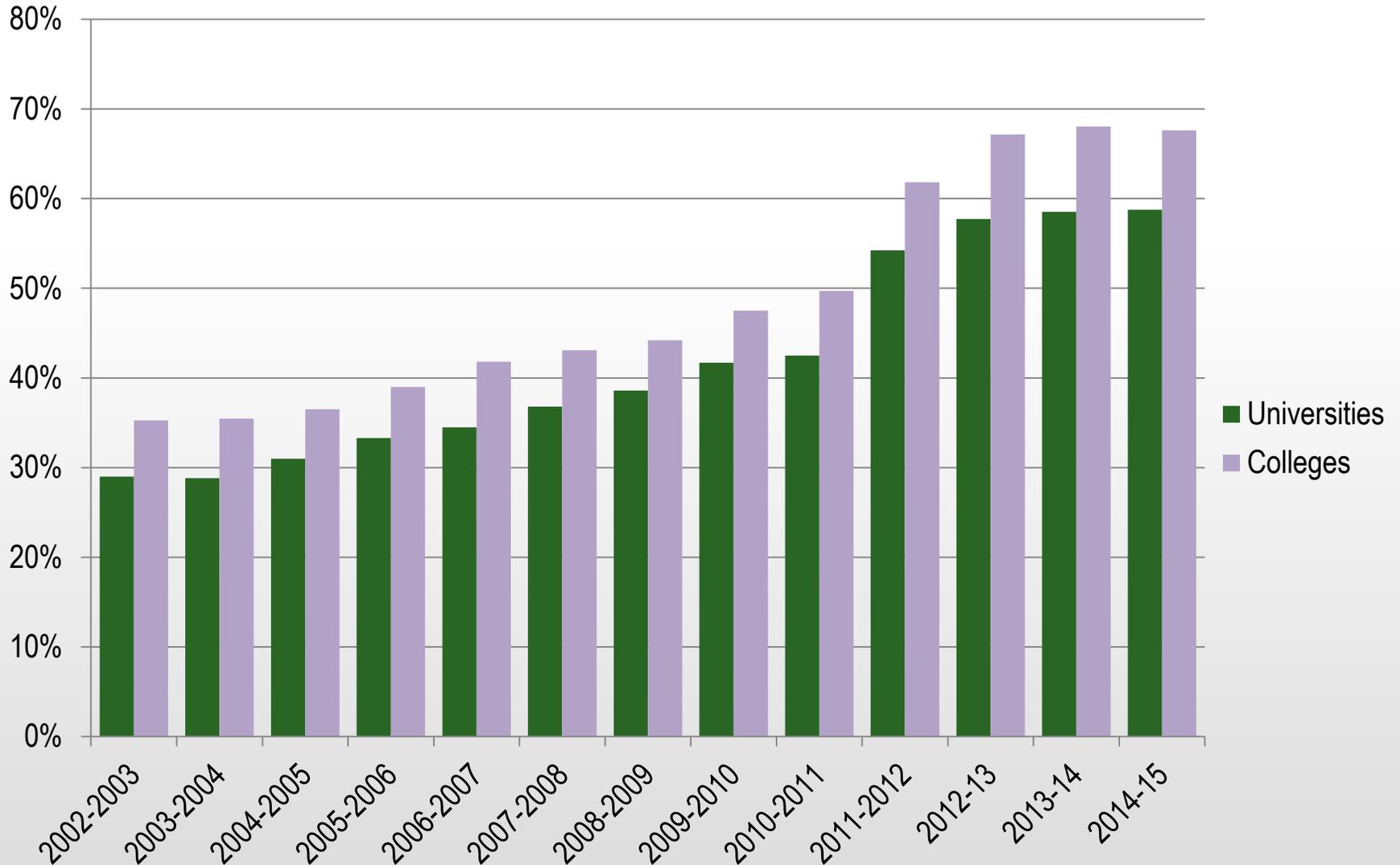
\*\* Includes such costs as uniforms, minor laboratory equipment, professional association and examination fees, field trips, and graduate thesis costs.

# Canada-Ontario Relationship



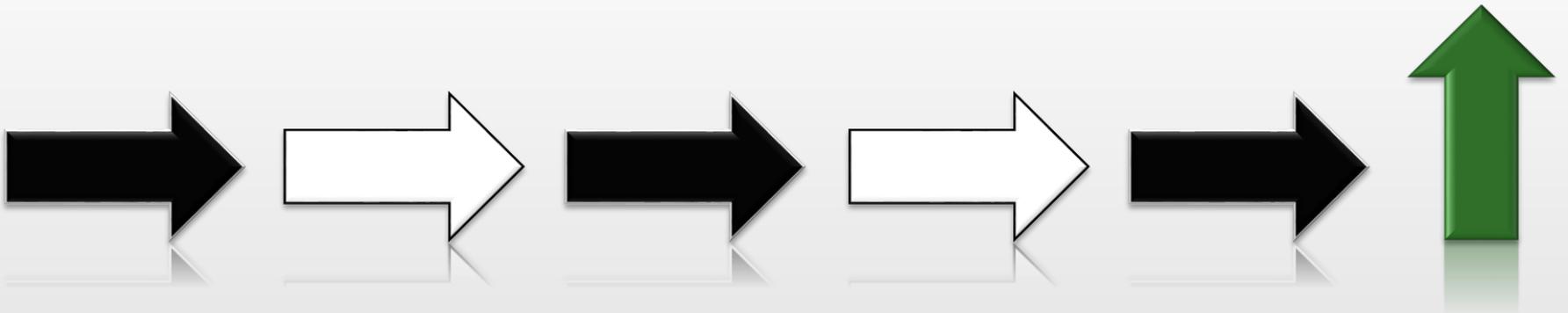
- The Government of Canada and Ontario integrated the administration of student financial assistance in 2001.
- Students complete ONE OSAP application to be considered for a Canada-Ontario Integrated Student Loan (COISL), as well as nonrepayable grants and bursaries.
- Each Canadian province has their own provincially-branded systems (e.g., Ontario is OSAP, Alberta is Alberta Student Aid) and the federal government pays the provinces to administer the federal program on their behalf.
- In Ontario the provincial and federal assessments are completed simultaneously and any change a student makes to their application will automatically affect both the federal and provincial assessment.
- When a student's loan goes into repayment, the student makes a single payment, which is applied against both the Ontario and Canada portions of the Integrated Loan.

# OSAP Participation Rates



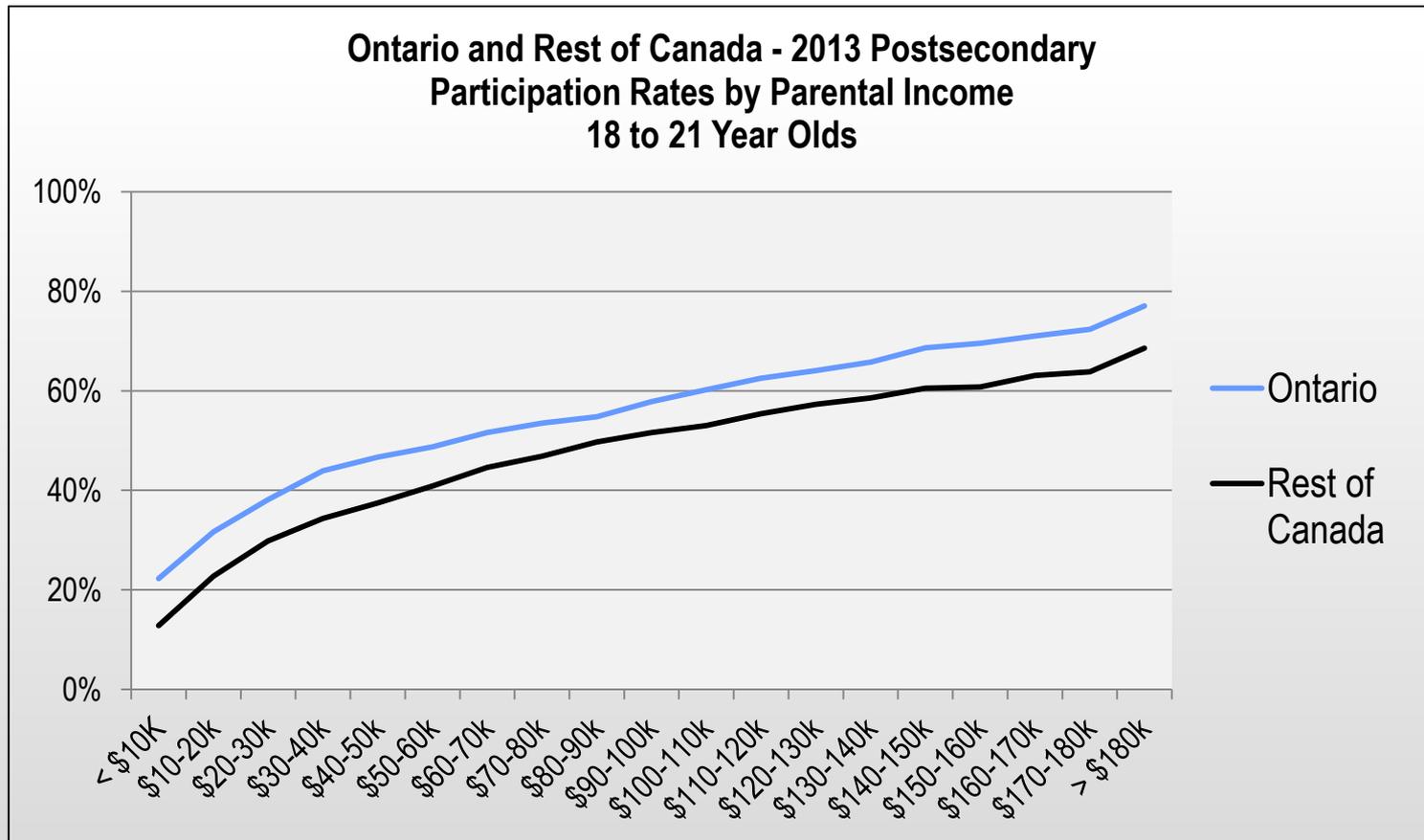
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# CONTEXT FOR ACTION



# Context for action

- Over the years, the government has introduced changes to make OSAP simpler and fairer for students which has resulted in more than double the number of students accessing OSAP over the past 12 years.
- However, there remains a concern that **students from lower income families continue to participate in PSE at much lower rates than those from higher income families.**



# Problems with the Current System

**MATURE LEARNERS**, and those with children, are not sufficiently supported with non-repayable grants and help with tuition costs.

**BACK-END SUPPORT**, like debt relief through the Ontario Student Opportunity Grant (OSOG) and the Tuition and Education Tax Credits, is not well-understood by students.

**MANY LOW-INCOME STUDENTS ARE DISADVANTAGED** because they go to low-cost programs (e.g., college), and incur a larger proportion of their costs as loans.

**NUMBER AND COMPLEXITY OF GRANTS** under OSAP are not well-understood, and can be confusing to students. There are over 20 different OSAP grants.

**PARENTAL CONTRIBUTION** requirements toward the costs of a student's education are high for middle-income families in Ontario, much higher than Canada/other provinces.

**'NET' TUITION**, or the price of tuition/education after non-repayable government assistance, is largely unknown to students in Canada.

# Student and Parent Attitudes about OSAP

Ontario recently undertook a research project using focus groups and surveys to assist in understanding student and parent attitudes and understandings of OSAP.



## What we learned:

- Parents are concerned about where the money to pay for postsecondary studies will come from, and how much debt their children will be left with.
- One-third of students surveyed have considered not attending or dropping out of school because of financial worries.
- Parents and students would like to see information become easier to access, and the eligibility factors be made easier.
- While most parents have some awareness of grants, many are not sure how the grants work or even if their children have applied.
  - They also do not consider the grants offered through OSAP to make up a large part of the funding and expect that most will have to be paid back.



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# OSAP TRANSFORMATION

# Objectives of Reform

NO PROVINCIAL STUDENT DEBT for students from families with annual income of \$50k or less.

CLEARER AND MORE TRANSPARENT NET TUITION COSTS of postsecondary education, by applying up-front grants directly to reduce tuition/educational costs.

WORK WITH COLLEGES/UNIVERSITIES to implement by Sept 2018, an offer and billing system that takes into account government and institutional grants for students, reflecting net tuition.

INCREASED GRANTS FOR MATURE STUDENTS, making tuition support available to all students.

REDUCED NUMBER AND COMPLEXITY OF GRANTS delivered through OSAP (i.e., eliminate the 30% Off Ontario Tuition, Ontario Access Grants, Childcare Bursary and OSOG).

IMPROVED ABILITY TO CONTAIN STUDENT DEBT by redirecting increased tax revenue to up-front grants.

IMPROVED ACCESS TO SUBSIDIZED LOANS for middle-income families, by reducing parental contributions.

# Timing of Transformation

Two phases with full implementation 2018-19.

## **Phase I (2017-18):**

- Introduce NEW Ontario Student Grant.
- Increase Ontario weekly assistance limits.

## **Phase II (2018-19):**

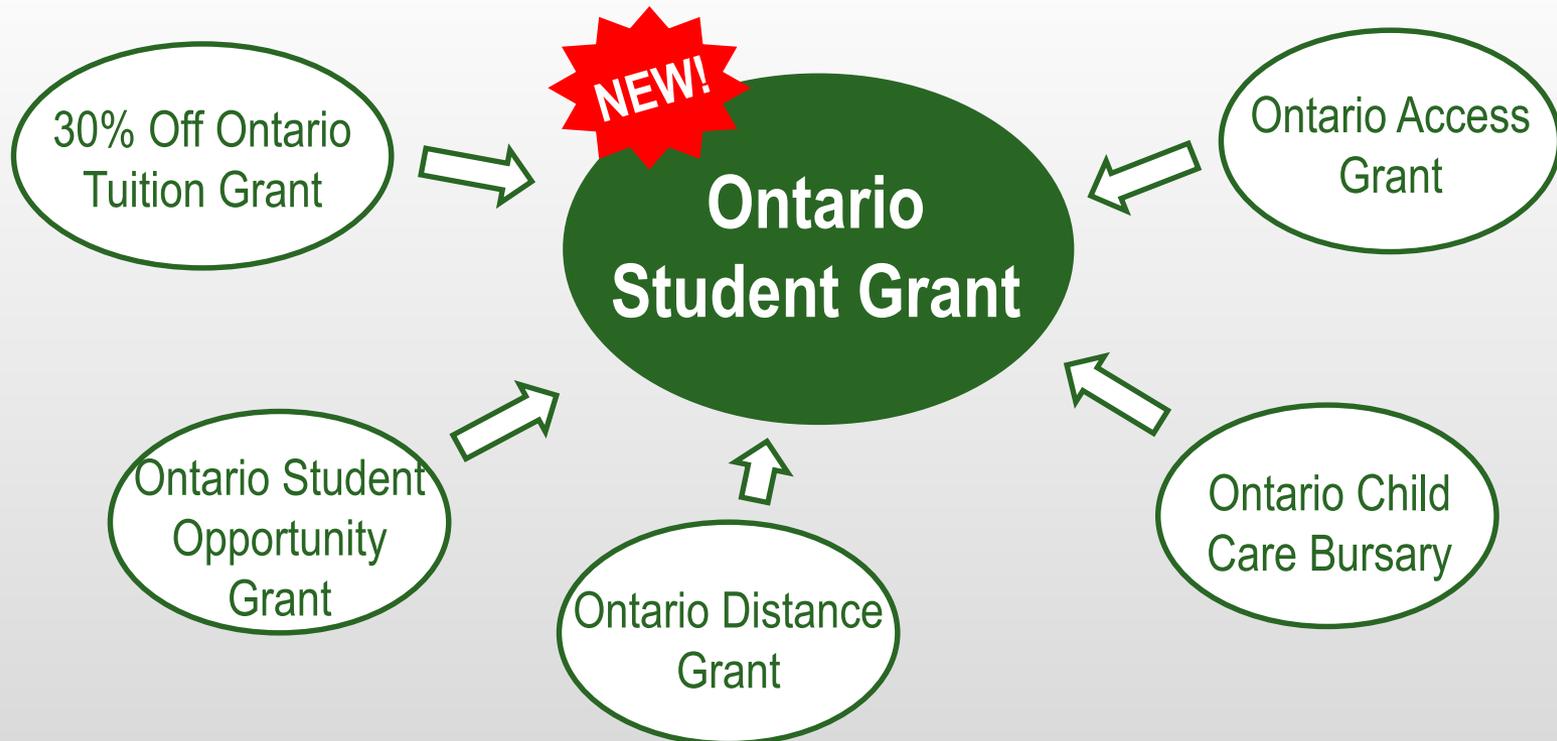
- Reduce parental and spousal contributions.
- Net (or Free) tuition system in place.



# PHASE I: 2017-18 ACADEMIC YEAR

# Phase I: Ontario Student Grant

- Ontario is replacing many provincial grants with a single new Ontario Student Grant starting in the 2017-18 school year.
- Financial support previously provided at various times (e.g., start of studies, end of studies, or years later) will now be provided to students upfront to help with education costs as they are incurred.



# Phase I: Ontario Student Grant

Calculation for the new Ontario Student Grant (OSG) will include two main components:

## 1. **Base grant component for tuition**

- Calculation similar to current “30% Off” Ontario Tuition Grant.
- Amounts: ~\$2,000 for University; ~\$1,000 for College.
- Consider tuition and family income (up to \$175,000 annual income, for family of four); income threshold increases with family size.

## 2. **Needs-based component**

- Calculation will look at student’s ‘financial need’ (costs minus resources) and calculate whether any additional Ontario aid is required.
- If financial need remains, a mix of grant and loan is provided.

# Phase I: Ontario Student Grant

The introduction of the OSG will result in Free Tuition and NO Ontario debt:

- Dependent students with annual family incomes less than \$50,000.
- Independent students with annual income less than \$30,000.

Students with incomes above these amounts will receive a mix of grant and loan from the Ontario government. As income increases, the share of aid that is non-repayable grant scales downwards.

Note: While many students will incur no provincial debt, part of a students' federal support is likely to include loan.

# Phase I: Increase OSAP Assistance Levels

Ontario's maximum OSAP assistance levels will be increased from \$160/week to \$180/week for single students and from \$360/week to \$450/week for married and sole support students. Canada provides \$210/week for all student types.

<b>Maximum OSAP Assistance Levels</b>				
	<b>2016-17</b>		<b>2017-18</b>	
	<b>Weekly</b>	<b>34-week program</b>	<b>Weekly</b>	<b>34-week program</b>
<b>Single students</b>	\$370	\$12,580	\$390	\$13,260
<b>Married / sole support students</b>	\$570	\$19,380	\$660	\$22,440

\*Amounts based on both federal and provincial aid.

**New!  
Free tuition  
for eligible  
students**

# Communicating the Changes

**OSAP Facts  
for the 2017-18  
Academic Year**



The changes to OSAP, including the introduction of the Ontario Student Grant, will make tuition free for thousands of students and reduce the cost for many more.

**Free tuition = grants from OSAP that exceed the average cost of tuition.**

OSAP grants will be focused on offsetting the cost of tuition first. Students, and their families, should have a clear understanding how much tuition actually costs when aid is taken into account.

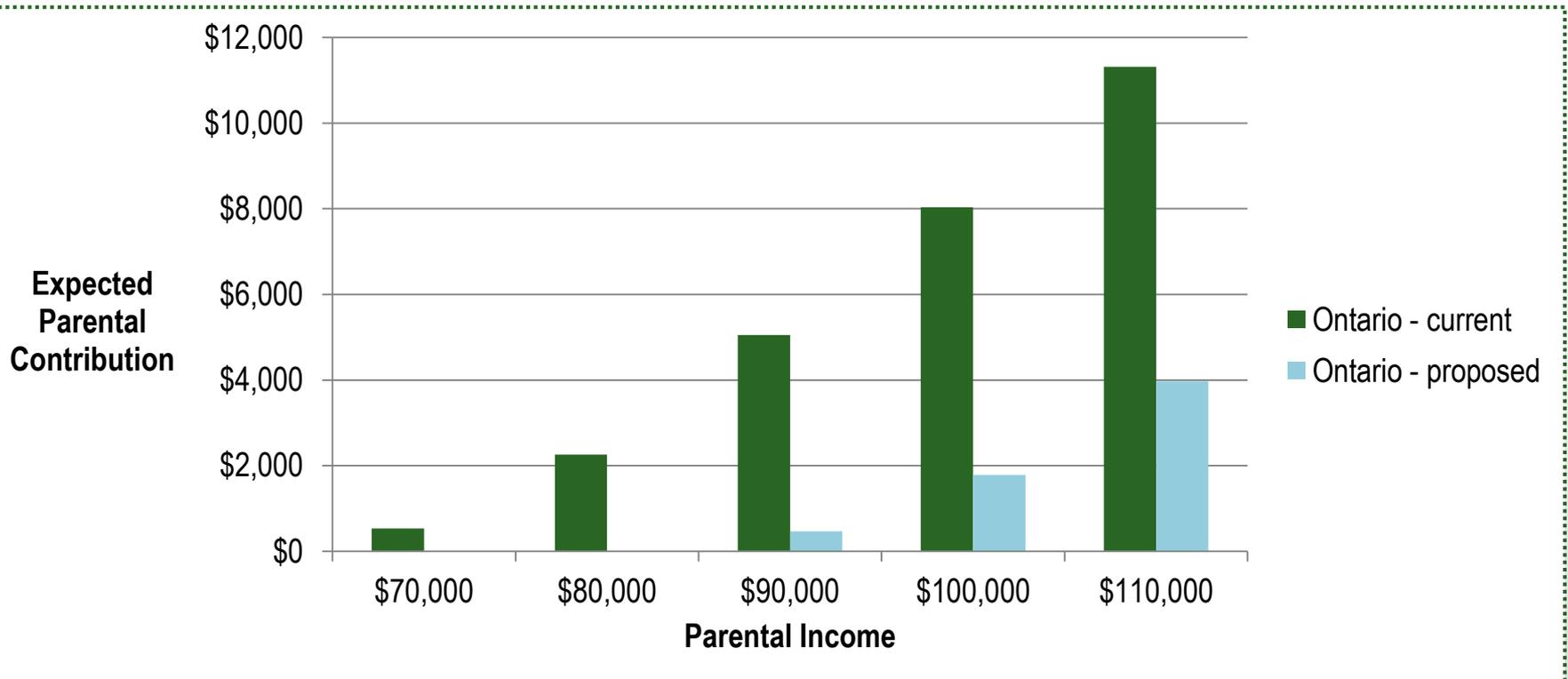


**Most students whose parents earn \$83,300 or less in annual income will receive enough in grants to more than cover the costs of tuition.**

# PHASE II: 2018-19 ACADEMIC YEAR

# Phase II: Reduce Parental Contributions

Ontario will reduce the contribution it expects from parents of dependent students and align more closely with Canada. For example, Ontario would not expect a family of four to contribute until an income of \$86,000/year, up from \$68,000/year today.



# Phase II: Reduce Spousal Contributions

Ontario will also reduce required spousal contributions.

- Currently, Ontario expects spouses to contribute 70 per cent of actual income net of taxes and deductions for the study period weeks.
- Starting in 2018-19, contribution rates will be graduated, starting at 25 per cent for students with little discretionary income and then gradually increasing for students with more income.

<b>Ontario Expected Spousal Contribution Rates in 2018-19</b>		
<b>Annual Income Net of Taxes and Deductions</b>	<b>Ontario Contribution Rate</b>	
	<b>Current</b>	<b>New</b>
<b>0 - \$7,000</b>	<b>70%</b>	<b>25%</b>
<b>\$7,001 to \$14,000</b>		<b>50%</b>
<b>&gt; \$14,000</b>		<b>70%</b>

# Phase II: Net Tuition

“Net tuition” is applying students OSAP aid and institutional aid, if applicable, against their tuition fees and billing them only for the remaining amount.

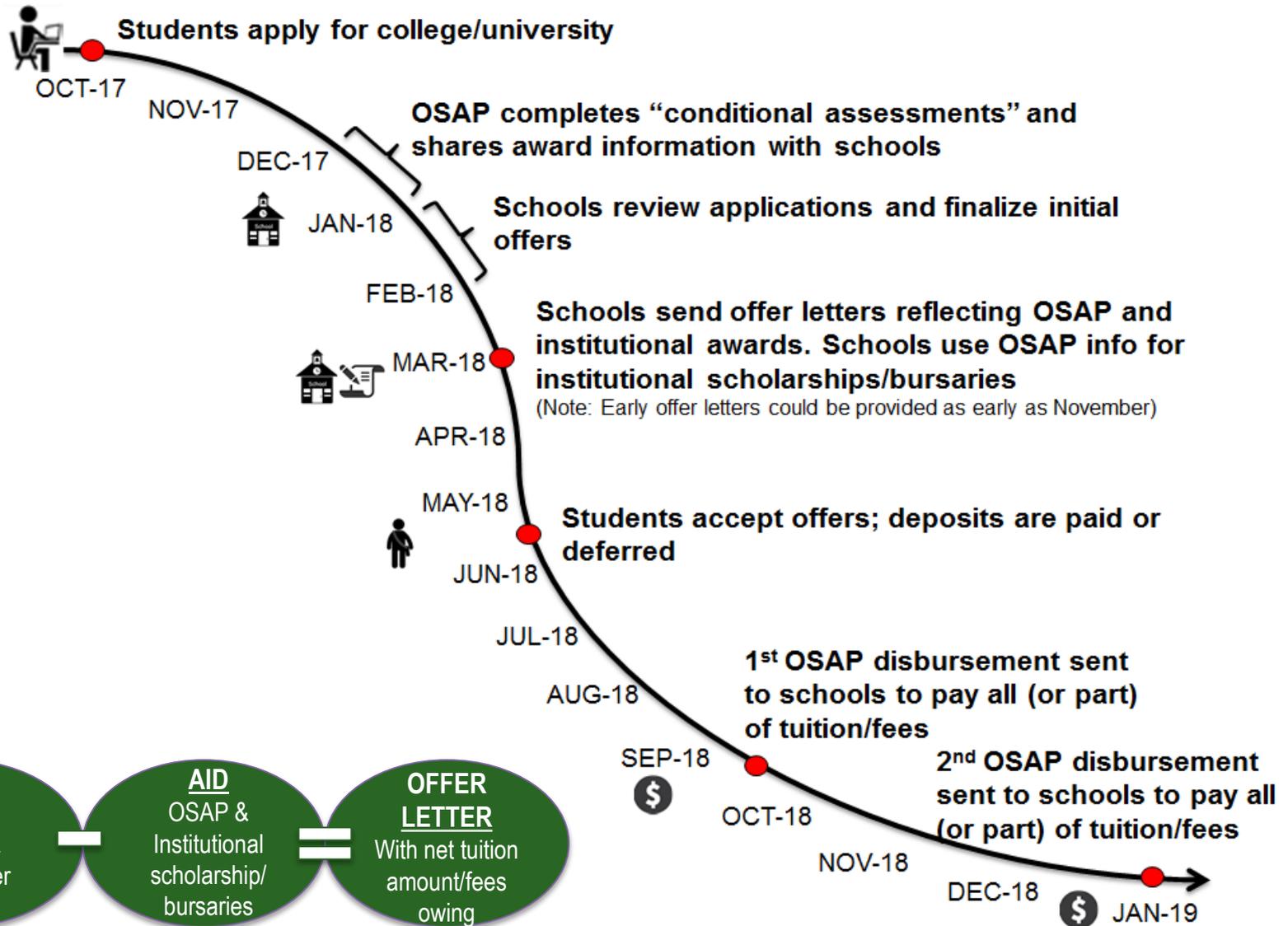


- This is common practice in U.S., but not in Canada.
- This will result in reduced out-of-pocket expenses for all eligible students, and for many, costs will be reduced to zero.

Students' tuition statements will include:

- ✓ total tuition and ancillary fees;
- ✓ the amount of OSAP aid the student is eligible for;
- ✓ institutional aid, if applicable; and
- ✓ the final 'out-of-pocket' tuition actually owed – after all non-repayable aid is applied.

# Proposed Net Tuition System



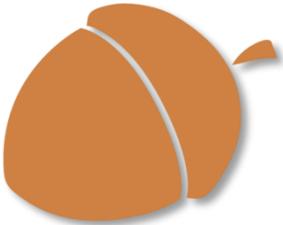
# Benefit of Net Tuition

Net tuition will benefit students in a number of ways, including:

- ✓ Increased clarity and transparency about the out-of-pocket cost of tuition.
- ✓ Simplified payment process – payments will be made directly to institutions by OSAP on students behalf.
- ✓ Improved financial planning for students and their families.
- ✓ More informed postsecondary education decision making.



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OSAP   
TODAY

OSAP  
TOMORROW



# Timing of aid – Current and Future

## 2015-16 Distribution of Financial Support

\$7,140 (loans)  
\$1,311 (grants)

\$2,982 (loans)  
\$1,311 (grants)

\$2,722 in  
loans are  
forgiven

\$2,030  
(\$530 from Ontario)

1<sup>ST</sup> OSAP  
instalment

2<sup>nd</sup> OSAP  
instalment

OSOG

TETCs

Sept. 2015

Jan. 2016

Aug. 2016

Future tax credits

## Future Distribution of Financial Support

\$7,140 (loans)  
\$1,923 (grants)

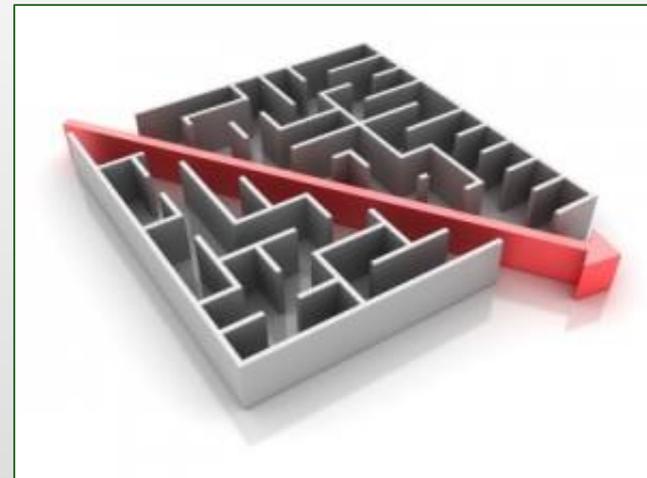
\$1,818 (loans)  
\$4,119 (grants)

1<sup>ST</sup> OSAP  
instalment

2<sup>nd</sup> OSAP  
instalment

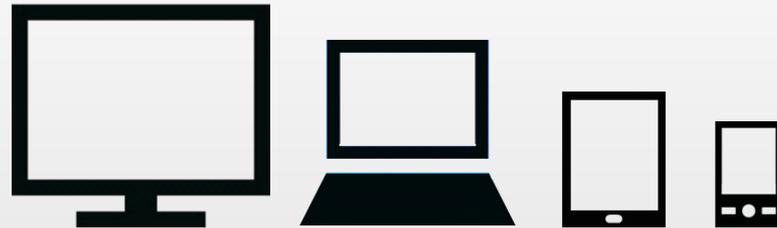
Sept. 2015

Jan. 2016



\*Example is based on university costs.

# OSAP IN THE DIGITAL AGE



# Modernization so far

M-OSAP (OSAP modernization project), a major systems transformation, was completed in 2016.

Key features:

- > 99.9% of the students access services online
- Transformation from administration process centric to student centric design (22 years of data converted)
- First Ontario government Mobile App – to check on status, to calculate loan amount, to be notified on when the loan will be available and remaining balance
- Message center allows students to receive real time information on their application via email alerts

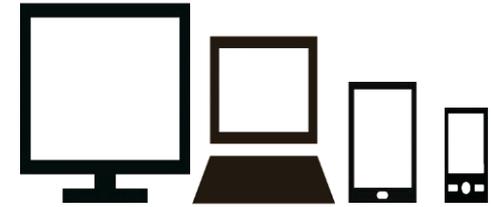
Statistics:

- 3 million visits per day to OSAP websites
- 12 million hits per month on the Mobile App
- 40 million pages of paper saved and converted to digital equivalent, part of digital ever-greening!



# OSAP in the Digital Age

Ontario is redesigning OSAP for the digital age, making it faster, and easier to use, so that students can apply, check their status and manage their financial assistance anywhere, anytime, on any device.



Ontario is also partnering with the college and university application centres to seamlessly direct people, and their information, to the OSAP application. This partnership will also enable students to apply for financial aid much earlier in the school year cycle.

A screenshot of the ontariocolleges.ca website banner. The banner features a teal background with a wooden texture. On the left, there is a sign that says "Come In WE'RE OPEN". In the center, the text "Apply Now!" is written in a large, black, cursive font. Below this, it says "PROGRAMS STARTING AUG 2017 - JUL 2018". At the bottom, there are icons for Google Play and the App Store. The website's navigation bar is visible at the top, with links for APPLYING, COLLEGES, PROGRAMS, FAQ, APPLY, LOG IN, and FRANÇAIS.

A screenshot of the Ontario Universities' Application Centre website. The header includes the logo and name "Ontario Universities' Application Centre" and a link for "ACCESSIBILITY FRANÇAIS". Below the header is a navigation bar with links for APPLICATIONS, DEADLINES, FEES, FAQS, EXTERNAL RESOURCES, NEWS, and SEARCH. A prominent teal banner reads "APPLY TO AN ONTARIO UNIVERSITY". Below this banner are three colored boxes: a dark blue box for "UNDERGRAD (101) Current Ontario high school students", a red box for "UNDERGRAD (105) Canadian residents not attending an Ontario high school or international applicants", and a purple box for "LAW Ontario Law School Application Service (OLSAS)".

# OSAP in the Digital Age

## Today

The current OSAP web application interface is shown on a desktop browser. It features a top navigation bar with the Ontario logo and the text 'MINISTRY OF ADVANCED EDUCATION AND SKILLS DEVELOPMENT'. A 'LOG OUT' button is visible. A 'Message Centre' icon is on the left. A 'My Profile' dropdown menu is open, showing options like 'Consents and Agreements', 'Basic Personal Information', 'Email & Correspondence Options', 'Addresses', 'Release of Information to Others', 'Additional Information', 'Password & Challenge Questions', and 'Validate E-mail'. The main content area is titled 'My Applications' and includes a 'Help' icon. It is divided into sections for 'Full Time' (with a note: 'If taking 60% or more of a full course load or 40% if you have a permanent disability.') and 'Part Time' (with a note: 'If taking 20% to 59% of a full course load.'). Under 'Full Time', there are two application options: 'ALL OSAP Full-Time Programs' and '30% Off Ontario Tuition ONLY'. Under 'Part Time', there is one option: 'ALL OSAP Part-Time Programs'. At the bottom, there is a section for 'Ontario Student Opportunity Grant' with a note: 'You don't fill out a separate application because you're automatically considered when you apply for all OSAP full-time programs.'

## Future - Tablet

The future OSAP web application interface on a tablet is shown. It features a top navigation bar with the Ontario logo, 'FR', and a 'MENU' icon. The main content area is titled 'OSAP: Applications' and includes a 'Help' icon. It is divided into three columns for 'Full-Time Application', '30% Off Application', and 'Part-Time Application'. Each column has a 'Start New App' button and a 'My Apps' button. Below these columns is a 'More Information' section with links to 'Ontario Student Opportunity Grant (OSOG)' and 'Total OSAP Funding'. At the bottom, there is a footer with the text 'OSAP: Ontario Student Assistance Program'.

## Future - Mobile

The future OSAP web application interface on a mobile phone is shown. It features a top navigation bar with the Ontario logo, 'FR', and a 'MENU' icon. The main content area is titled 'OSAP: Applications' and includes a 'Help' icon. It is divided into three sections for 'Full-Time Application', '30% Off Application', and 'Part-Time Application'. Each section has a 'Start New App' button and a 'My Apps' button. Below these sections is a 'More Information' section with links to 'Ontario Student Opportunity Grant (OSOG)' and 'Total OSAP Funding'. At the bottom, there is a footer with the text 'OSAP: Ontario Student Assistance Program'.

## Future - Desktop

The future OSAP web application interface on a desktop browser is shown. It features a top navigation bar with the Ontario logo, 'My Apps', 'Message Centre', 'My Profile', 'Help', and 'Log Out'. The main content area is titled 'OSAP: Applications' and includes a 'Help' icon. It is divided into three columns for 'Full-Time Application', '30% Off Application', and 'Part-Time Application'. Each column has a 'Start New App' button and a 'My Apps' button. Below these columns is a 'More Information' section with links to 'Ontario Student Opportunity Grant (OSOG)' and 'Total OSAP Funding'. At the bottom, there is a footer with the text 'OSAP: Ontario Student Assistance Program' and 'Ministry of Advanced Education and Skills Development'. Below the footer is a small image of a stack of books and a laptop.

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WHAT WE CAN LEARN FROM

**YOU**



# What we can learn from YOU

- Timing of the applications – What were the effects of moving up the application release date?
  - The OSAP application is released in Spring each year (Mar/Apr). However, beginning in the 2018-19 academic year, the OSAP application will be released in the Fall, a full year before the student starts their study period.
- Automatic retrieval of tax information and tax year used in assessment.
  - Currently Ontario uses prior year income to determine financial need.
- Net tuition calculation / Communicating net bill to students
- Outreach / Access, particularly for underrepresented groups

**QUESTIONS?**