



# **Reform of Ontario's Financial Aid System**

Ministry of Advanced Education and Skills  
Development

May 2017

# Overview

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# What is OSAP?



# OSAP is financial assistance

OSAP is an integrated program funded by both the federal and provincial governments.

OSAP provides needs-based assistance through loans and grants to help qualified students and families with the cost of postsecondary studies.



## Grants

Non-repayable aid  
(students keep)

+



## Loans

Repayable aid  
(students pay back)

=



# Who is eligible for OSAP?

To be eligible for OSAP, students must be:

- ✓ A Canadian citizen, permanent resident or protected person
- ✓ An Ontario resident
- ✓ Attending or entering an OSAP-approved program and school
- ✓ Enrolled in or entering a certificate, degree or diploma program that is a minimum of 12 weeks in length



Ontario students can still receive OSAP if they enroll in a program offered at a college or university outside of Ontario.

# Aid is based on students' unique circumstances

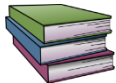
**Educational Costs**  
**\$15,000**



**Tuition**



**Living expenses**



**Books**

**Financial Contribution**  
**\$3,000\***



**Students**



**Parents**



**Scholarships and bursaries**

**=**

**Financial Need**  
**\$12,000**



\*Students are expected to make a flat rate contribution of \$3,000 toward their education.



# New OSAP calculator

**The new OSAP can help**  
Find out how much you could get for 2017-18

I left high school in

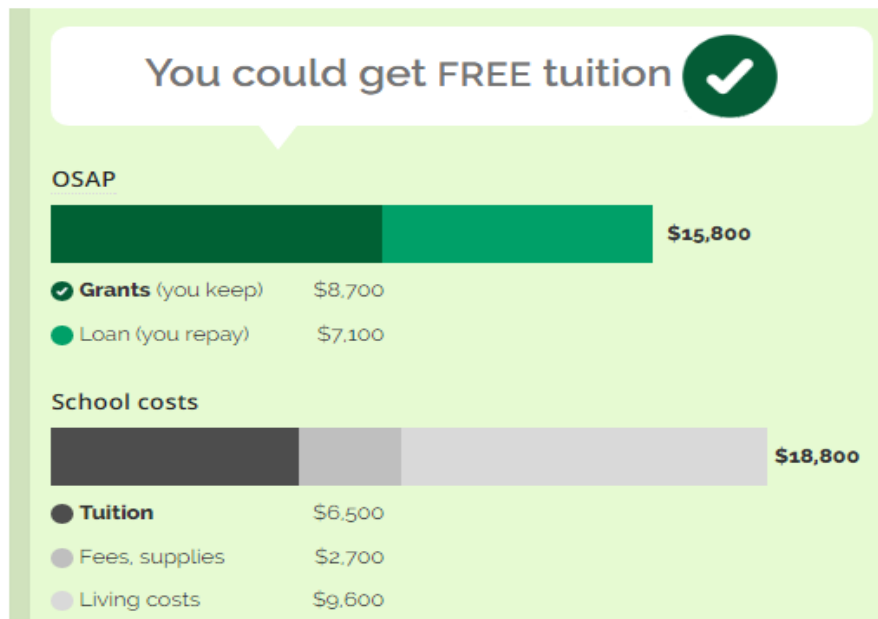
☐ I am a married/common-law student

I have  children

Parental income

I will go to \*  
☒ university  
☐ college  
☐ private career college

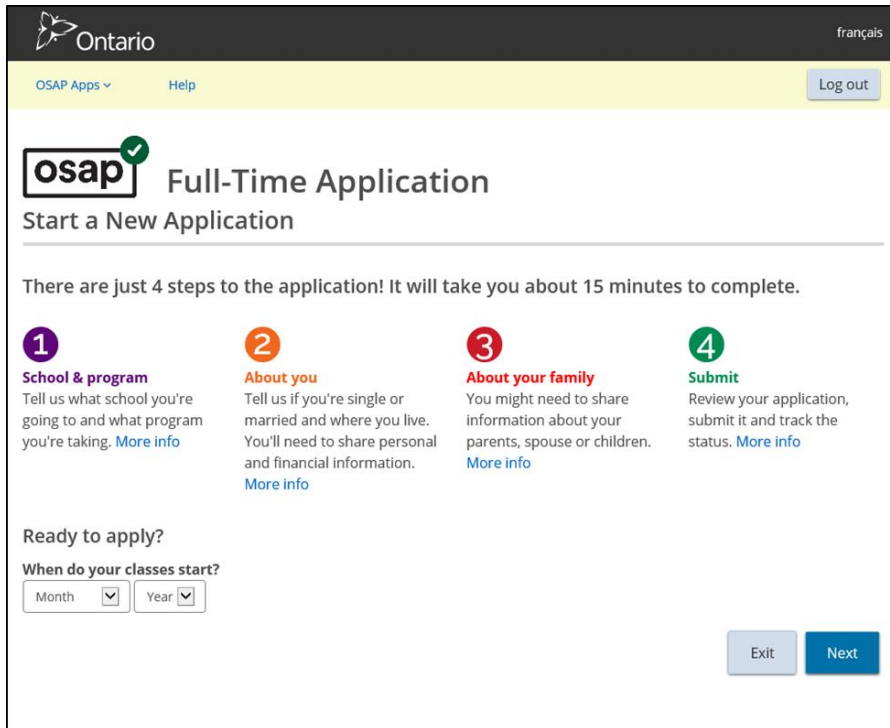
☐ I will live with parent/guardian



✓ A new tool to help students find out how much OSAP funding they may be eligible for in the 2017-18 academic year.

✓ Available online at [ontario.ca/osap](http://ontario.ca/osap)

# Applying for OSAP



The screenshot shows the OSAP (Ontario Student Assistance Program) application interface. At the top, there's a header with the Ontario logo and a language selector for 'français'. Below the header, a navigation bar includes 'OSAP Apps' and a 'Help' link. The main heading is 'osap Full-Time Application' with a green checkmark icon, followed by the subheading 'Start a New Application'. A message states: 'There are just 4 steps to the application! It will take you about 15 minutes to complete.' The four steps are listed in a row:

- 1 School & program**: Tell us what school you're going to and what program you're taking. [More info](#)
- 2 About you**: Tell us if you're single or married and where you live. You'll need to share personal and financial information. [More info](#)
- 3 About your family**: You might need to share information about your parents, spouse or children. [More info](#)
- 4 Submit**: Review your application, submit it and track the status. [More info](#)

Below the steps, there's a section titled 'Ready to apply?' with the question 'When do your classes start?'. It features two dropdown menus for 'Month' and 'Year'. At the bottom right, there are 'Exit' and 'Next' buttons.

The 2017-18 application is now available at [ontario.ca/osap](https://ontario.ca/osap).

Students are encouraged to apply as soon as they have been accepted to their school of choice.

Full-time students have until 60 days before the end of the study period to apply.

Students must apply for OSAP every year.



# Repaying an OSAP loan

In the first six months after a student graduates, or stops attending college or university:

- They don't need to make any loan payments;
- No interest is charged on the Ontario portion of the student loan; and
- Interest is charged on the federal portion of the student loan.

Students need to start paying off their student loan six months after they leave college or university.

If students are having trouble making their required payments, they could be eligible for support through the Repayment Assistance Plan (RAP).

Under RAP, an affordable payment would be calculated based on family income. Students would not have to make any monthly loan payments if their family income is less than \$25,000 a year.



# Context for action

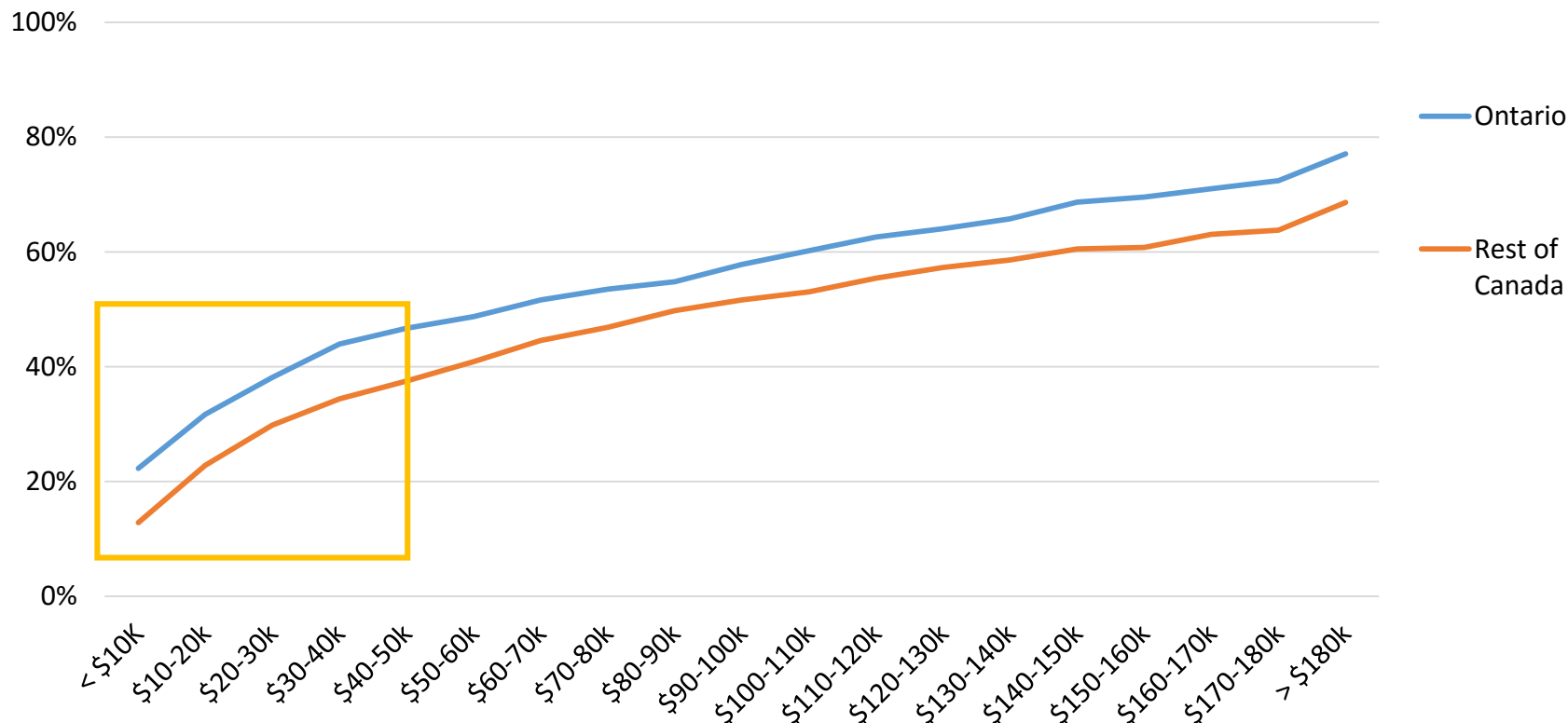


# More than 380,000 students benefit from OSAP per year



# Low income students less likely to participate in postsecondary education

2013 Postsecondary Participation Rates by Parental Income  
18 to 21 Year Olds



# Timing of transformation

Two phases with full implementation 2018-19.

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

- Introduce new OSAP
- Increase Ontario weekly assistance limits

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

- Reduce parental and spousal contributions
- Net tuition system in place



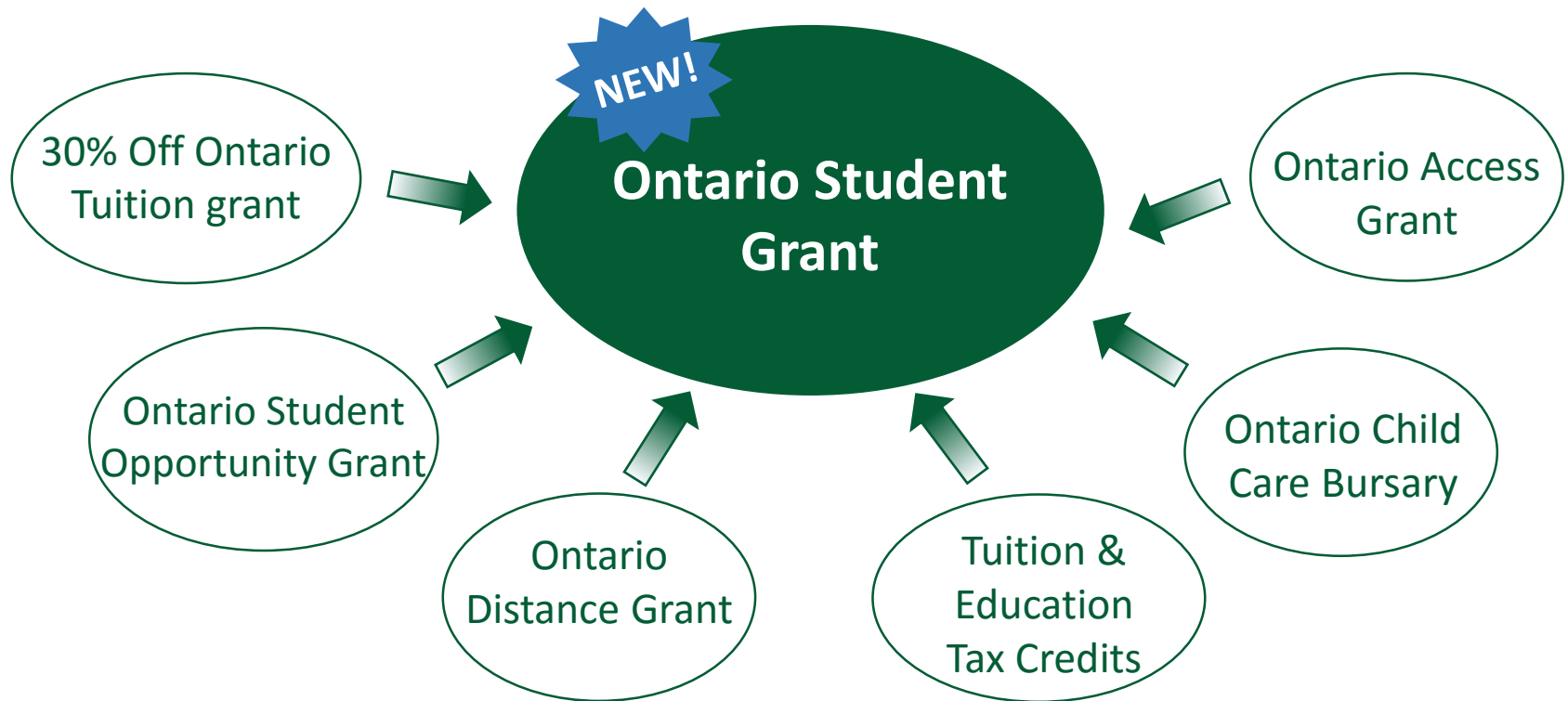
# **OSAP transformation phase I**

## **2017-18 academic year**



# Phase I: The new OSAP

Ontario is combining many provincial grants with a single new grant starting in the 2017-18 academic year.



# Phase I: More support for students

A student's family size and income are taken into consideration for OSAP grants, because the same amount of income goes further when there are fewer people in a family to support.

For a family of 4,  
grant funding is  
available if the  
family's income is  
up to \$175,000 per  
year

Family size	Maximum family income per year
1 person	\$160,000
2 people	\$165,000
3 people	\$170,000
4 people	\$175,000
5 people	\$180,000
6 people	\$185,000
7 or more people	\$190,000



# **OSAP transformation phase II**

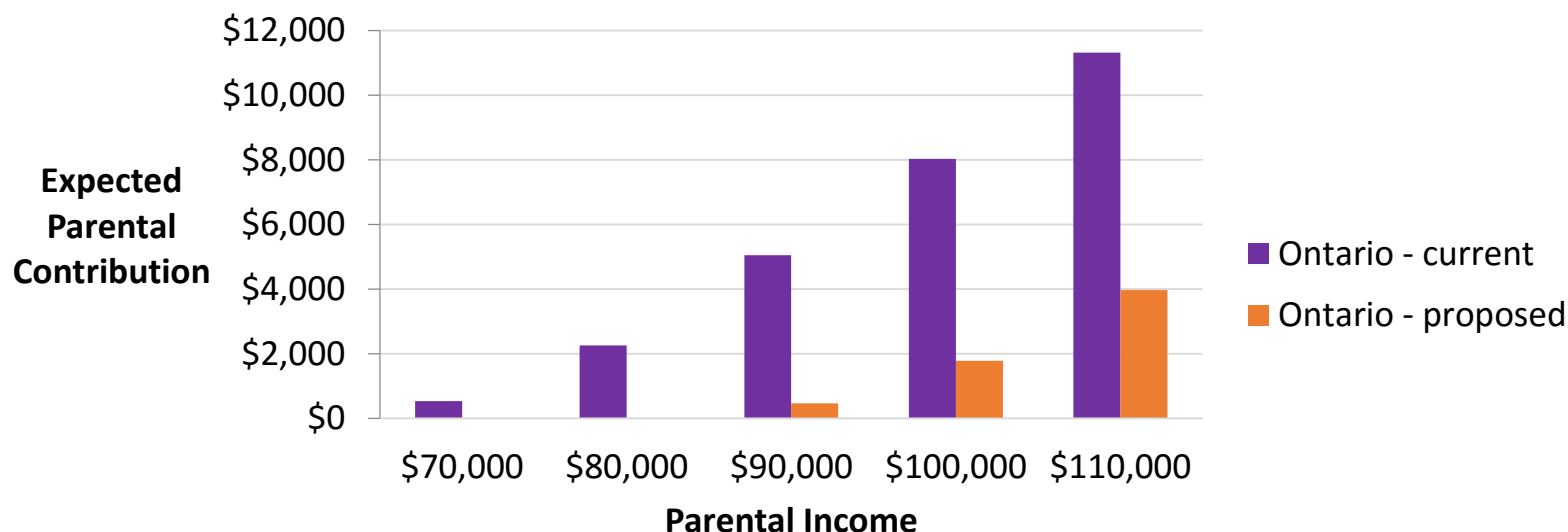
## **2018-19 academic year**



# Reduce parental and spousal contributions

Ontario will reduce the contribution it expects from parents of dependent students and align more closely with Canada.

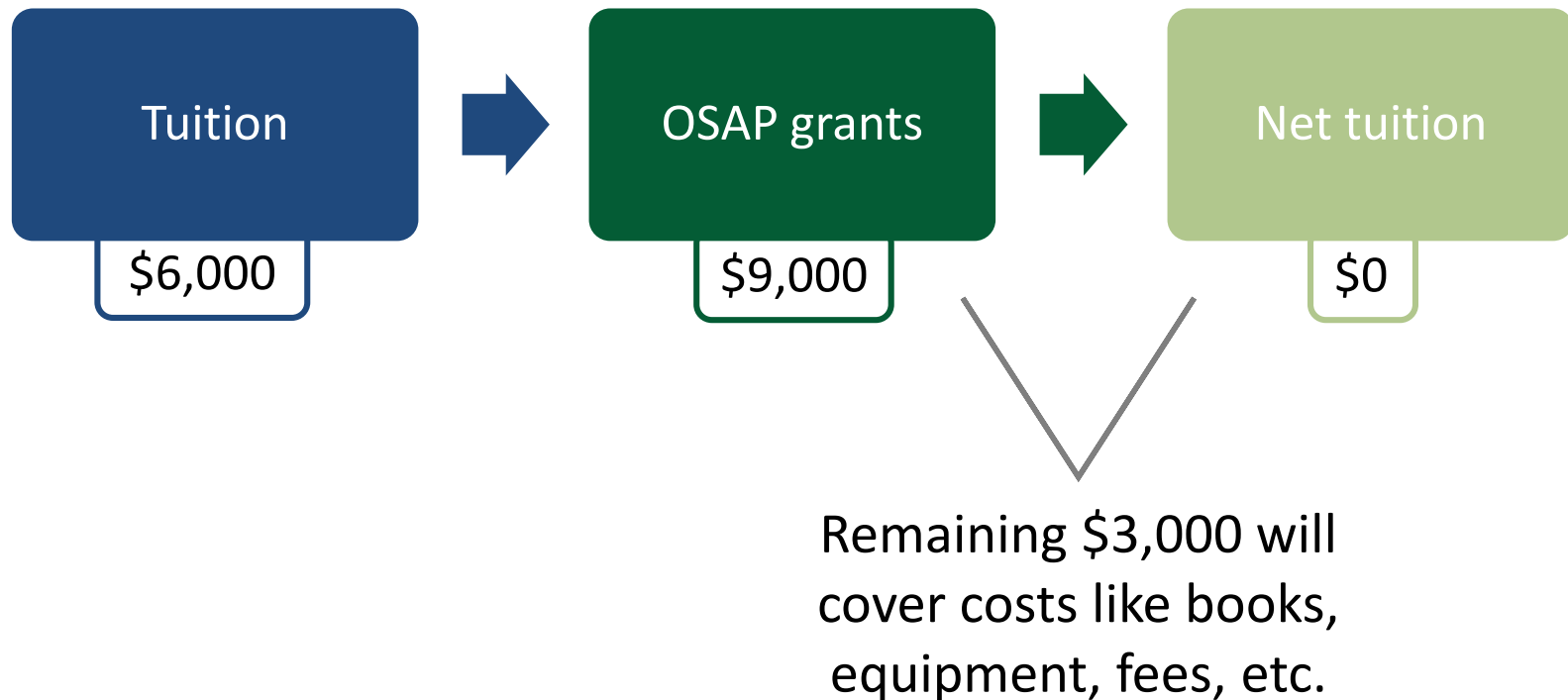
For example, Ontario would not expect a family of four to contribute until an income of \$86,000/year is reached, up from \$68,000/year today.



Ontario will also reduce required spousal contributions.

# Net tuition

“Net tuition” is applying students OSAP aid and institutional aid, if applicable, against their tuition fees.



# The new OSAP

**NEW!**

The changes to OSAP will make tuition free for thousands of students and reduce the cost for many more.

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

If these changes were in place today:



More than  
210,000  
students will  
receive free  
average tuition



4 out of 5 OSAP  
students with  
family incomes  
below \$90,000  
will receive free  
average tuition



Nearly 85% of  
OSAP students  
will receive  
more grants

# OSAP & transfer students



# OSAP-approved programs

A student must be enrolled in a postsecondary program that leads to a diploma, degree, or certificate at a postsecondary institution approved for OSAP-purposes.

Most programs offered by Ontario publicly assisted universities and colleges of applied arts and technology are approved for OSAP-purposes. To be approved, programs offered must:

- Have an entrance requirement of either an Ontario Secondary School Diploma (OSSD) or equivalent, or mature student status; and
- Be approved for General Purpose Operating Grants.



## Does transferring from one institution to another affect a student's OSAP eligibility?



Switching programs does not affect a student's OSAP eligibility.

Students who transfer programs can expect to receive different amounts of grants and loans depending on their program of study.

## Will a student have to start repaying their loans after they transfer?

As long as a student is enrolled full-time at an OSAP-approved institution, their OSAP loans will be interest- and payment-free during their studies.





## Multiple program switches, drops, withdrawals and/or multiple repeats



Students who make multiple switches, take multiple programs at the same level, take multiple one-year programs, or are not progressing through their program are flagged in the OSAP system.



A hold may be placed on the student's application until it is reviewed by the Financial Aid Office. In some cases, students will be required to provide supporting documentation if the Financial Aid Office is unable to determine cause of program/school changes.

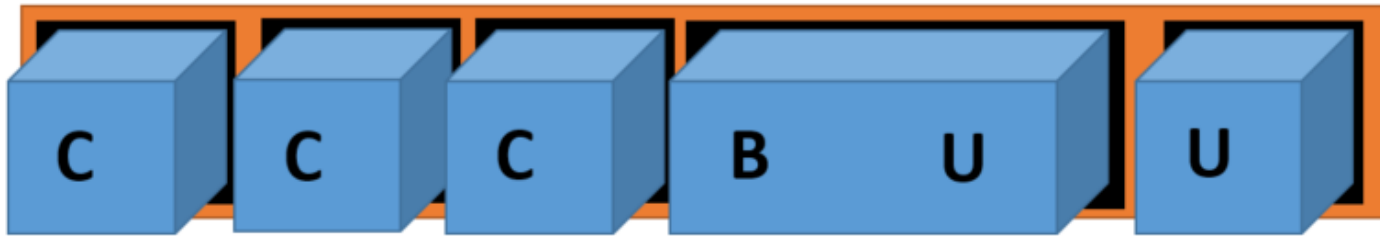
# Bridging programs

In some cases, a bridging program or course may be developed to help address gaps in knowledge or skills before articulating students can begin their program at the receiving institution.

Currently, bridging programs are not OSAP-eligible because they are not part of a certificate, diploma or degree program, an essential criteria for program eligibility under OSAP.

# Discussion

- While there may be a future opportunity to grant OSAP eligibility to these programs, can we rethink the delivery of these programs? For example, should they be part of the programming offered by the receiving or sending institution?



- Are there other financial barriers for transfer students?
- Are there any OSAP processes that disadvantage transfer students?
- Are there any opportunities to improve student financial assistance for transfer students?

# Questions?