

OSAP in 2019-2020

Presented by your present and future Ontario Regional Directors

CASFAA Conference June 19, 2019

Who are we and Why are we here?

We are:

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- ▶ We are **not** here to represent the Ontario Ministry of Training, Colleges and Universities
- ▶ We are here to share information on the policy changes to the OSAP program for the 2019-2020 year
- ▶ We can listen to your feedback, comments and concerns
- ▶ We can take them to OASFAA to take forward to the Ministry
- ▶ We **cannot** guarantee they will be addressed.

Agenda

Changes to the Ontario Student Loans Program, including:

- ▶ Ontario Student Grant Eligibility
- ▶ Ontario Student Loan
- ▶ Ontario Needs Assessment
- ▶ Repayment

Effect on Student Reviews

Impacts of the Changes, operational considerations

1. Changes to Ontario Student Grant Eligibility

Ontario Student Grant Eligibility: Components

- ▶ Ontario Student Grant eligibility will change in the following ways:
 1. Elimination of the non-needs-based components of the Ontario Student Grant
 2. Changes to income thresholds and support for students studying in first-entry programs within Ontario
 3. Changes to income thresholds and support for students studying in second-entry programs within Ontario AND/OR those studying outside of Ontario in any program

- ▶ **Changes to Ontario Student Grant Components**

| Grant Component | 2018-19 | 2019-20 |
|-----------------|---------|---------|
| Base | ✓ | X |
| Needs-based | ✓ | ✓ |
| Distance | ✓ | ✓ |
| Top-up | ✓ | X |

Income Thresholds: First-Entry Programs (Ontario)

- The income threshold cut-off for grant support for students who are enrolled in first-entry programs at an Ontario public postsecondary institution (e.g., college diploma or bachelor's degree) is as follows:
 - **Single (independent) students** who earn income up to **\$120,000/year**
 - **All other student types** (dependent, married, sole support) whose families earn income up to **\$140,000/year**
- **Low-income students** (students from families earning \$50,000/year or less, and single independent students earning \$30,000/year or less) will receive a minimum of **10%** of their Ontario funding in the form of **loan**
- Income cut-offs for the Ontario Student Grant will no longer be scaled by family size.

Income Thresholds: Second-Entry Programs and Institutions outside of Ontario

- Ontario grant support will continue to be available for students enrolled in:
 - a second-entry program (e.g., post-graduate college certificates, graduate studies, law) at an Ontario public postsecondary institution, or
 - an approved program at a postsecondary institution outside of Ontario but within Canada
- The income threshold cut-off for grant support is as follows:
 - **Single (independent) students** who earn income up to **\$80,000/year**
 - **All other student types** (dependent, married, sole support) whose families earn income up to **\$100,000/year**
- **Low-income students** (students from families earning \$50,000/year or less and single independent students earning \$30,000/year or less) will receive a minimum of **50%** of their Ontario funding in the form of **loan**

2. Changes to Ontario Student Loan

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Grant-to-Loan Ratios & Debt Cap

- The grant-to-loan ratio will be a 1% increase in loan for every \$1,000 of family income.
- This ratio applies to all students – whether in first- or second-entry programs, as well as students studying within or outside of Ontario (within Canada)
- The debt cap will be increased to \$7,500 per term

Examples:

| Student Type | First-entry program | Second-entry program/ studying outside of Ontario (w/in Canada) |
|--|-----------------------|---|
| Dependent student - family earning \$50,000/year | 90% grant 10% loan | 50% grant 50% loan |
| Dependent student - family earning \$70,000/year | 70% grant 30% loan | 30% grant 70% loan |
| Independent student earning \$30,000/year | 90% grant 10% loan | 50% grant 50% loan |
| Independent student earning \$40,000/year | 80% grant 20% loan | 40% grant 60% loan |

3. Changes to Ontario Need Assessment

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Ontario Needs Assessment: Contributions

- In both the Canada and Ontario need assessments, expected contributions from the student's income include a fixed contribution and an amount calculated from study period income
- The Ontario need assessment also considers other study period income, including earned income, above the \$5,600/term threshold
- There will be no change to the way study period income (e.g., awards) and other student income (e.g., earned income) impact the student's OSAP assessment
- OSAP calculates expected parental contributions based on family income and family size

| Contributor | 2018-19 | 2019-20 |
|-------------|----------------------------------|-----------------------------------|
| Student | \$1,500/term, up to \$3,000/year | \$1,800/term, up to \$3,600/year |
| Parental | Decreased | Increased (back to 2017-18 rates) |
| Spousal | Decreased | Status quo (same as 2018-19) |

Ontario Need Assessment: Student Category

- The definition of **independent student** for Ontario will be changed from a student who has been out of school for four years to a student who has been out of school for six years
- Students who work full-time and who support themselves for at least two years following high school will continue to be considered independent for the purposes of OSAP
- Students who are currently considered independent but have been out of high school for six years or less will continue to be classified as independent students
- Students are assessed separately for the federal and provincial components of OSAP
 - The four-year rule for determining independent student status will apply to the federal component of the assessment
 - The six-year rule will apply to the provincial component of the OSAP assessment
- Students who do not wish to provide their parental information, may choose to be assessed for federal funding only

Ontario Need Assessment: Recognized Costs

- When determining how much financial assistance a student is eligible to receive, OSAP considers many factors including student's costs (e.g., tuition, fees, books, etc.) and the financial resources that students and families have available to contribute towards the student's education (e.g., family income, savings, etc.)
- Starting in the 2019-20 academic year, Ontario will provide a one-time computer allowance of \$500 for first-year students
 - Ontario will no longer include a computer allowance for students in upper-years of their programs

4. Changes to Loan Repayment

Repayment and Grace Period

- Ontario loans interest accrue on the provincial loan portion immediately after a student leaves full-time studies, starting in 2019-20
- Students will still have a six month period where **no** payments are required on their student loans
- The interest rate on Ontario Student Loans will remain at prime +1%
- Students can begin paying back their OSAP loans at any time
- The \$25,000 annual income threshold for the Repayment Assistance Plan (RAP) will be maintained

NEW Student Category: Single Independent/Dependent Split

- Single students who are more than four years out of high school at the start of their 2019-20 study period and less than 6 years out of high school:
 - Single Independent Student for the purposes of the Canada Student Grants (CSG) and Canada Student Loan (CSL); and
 - Single Dependent Student for purposes of Ontario Student Grant (OSG) and Ontario Student Loan (OSL).
- Students who were independent in a 2018-19 FT OSAP application where enrolment was confirmed will be grand-parented (carried forward) as independent in Ontario assessment for 2019-20 FT OSAP applications.

2. Independent Status Scenarios

Independent Status Scenarios

Examples: Students completed high school in June 2013

| 2017-18 | 2018-19 | 2019-20 |
|---|--|--|
| Confirmed + Independent > 4 years out of high school | Confirmed + Independent > 4 years out of high school | Independent > 6 years out of high school |
| Confirmed + Independent > 4 years out of high school | Not confirmed - Would have been independent > 4 years out of high school | Independent (now > 6 years out of high school – meets 6 yr. rule) |

Confirmed = COE confirmed for an OSAP application in that academic year.

Scenarios, continued

- Examples: Student completed high school in June 2014

| 2017-18 | 2018-19 | 2019-20 |
|---|---|---|
| Confirmed + Dependent < 4 years out of high school | Confirmed + Independent > 4 years out of high school | Independent < 6 years, but carried forward) |
| Confirmed + Dependent < 4 years out of high school | Not confirmed - Would have been independent | Dependent < 6 years out of high school |

Confirmed = COE confirmed for an OSAP application in that academic year.

What else is new this year?

- ▶ New supporting documentation requirement for students who self-identify as Indigenous
- ▶ Reference to “Crown Ward” discontinued-Ontario now uses “extended society care”
- ▶ Additional checks for Ontario residency: Out of province SIN numbers, citizenship status

Operational Impacts

- ▶ Managing Student expectations
 - ▶ Split status challenges
 - ▶ Reviews
 - ▶ Increasing student financial need
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- ▶ Bursary applications:
 - ▶ Student status
 - ▶ Financial need

Effect of the changes

- ▶ Less funding for some students
- ▶ Less grant funding
- ▶ More loan funding
- ▶ Higher loan balances
- ▶ Split assessments
- ▶ Higher complexity, harder to explain