Changes to Tuition Funding in Ontario: Addressing student poverty?

Reports from Statistics Canada on enrollment data continue to indicate that students from low income families are increasingly being shut out of Universities and Colleges because of rising costs. Only 10% of University enrollment comes from students in the bottom income quartile and almost 50% from students whose families are in the top income quartile. Ontario continues to have the highest tuition rates in Canada and Ontario graduates are being saddled with an average of $28,000 in debt. In contrast to only a couple decades ago, most university and college campuses in the country now have food banks and financial support offices to tackle the very real rise of student poverty (for more check out [this video](http://foodsecurecanada.org/resources-news/webinars-podcasts/webinar-student-food-insecurity-future-education)). In response, both the Ontario and Federal governments have introduced measures in their 2016 budgets to address financial barriers to access. Here is an outline of what has been promised.

# Ontario

With their 2016 budget, the Ontario government was quick to claim that they had a plan to offer ‘free’ tuition to students from families making less than $50,000/year. This has not proved to be entirely accurate, though they are extending the assistance available and making it more streamlined.

The government has pledged to create a single upfront grant system called the Ontario Student Grant for the 2017-18 year. Under this program, students from families with income under $50,000 will be eligible for non repayable grants that cover the average cost of an Arts or Science degree (the government estimates average tuition at $6160.00 but the average grant amount it is saying will only cover $6042.000 per year). Students whose families earn between $50,000 – $80,000 will also be eligible to receive grants, though the exact amount for any student will depend on family income, size, and whether students are living at home or away. Parental contributions and income levels will no longer be required to be eligible for OSAP; however, students will still have to contribute $3000 to be eligible.

## What’s the problem?

The Ontario government has changed the way students will have to pay back their loans. Currently, anything you receive from OSAP over $7,400/year is considered a non-repayable grant, a system that caps the amount of OSAP funds that have to be paid back as student debt upon graduation. This limit is going to be raised to $10,000 per year, raising the total amount students will have to pay back to OSAP from $29,600 to $40,000 for a 4-year degree. The $10,400 difference, which used to be written off as a non-repayable grant, will now be added to the total debt load of students. Given the rising cost of non-tuition related education expenses this will probably mean an overall increase in debt loads as students have to take out additional loans to pay non-education expenses along with this higher threshold to pay back to OSAP.

The estimate for ‘average’ tuition is also being drawn from average Arts and Science programs, which does not cover the full spectrum of undergraduate degrees. While this system may cover the full cost of tuition for college students, it is not a ‘free’ tuition plan for Universities as promoted. Professional degrees like Engineering and Nursing cost an average of $9000/year. Degree costs can also vary between universities meaning many students will still have to contribute their own funds or loans to their tuition costs.

At the Ontario level there are two additional points of concern. The first is that provincial funding for Universities is not increasingly significantly to meet the current requirements, let alone what would be required to handle increasing enrollment. In the 2016-17 budget there is only an additional $100 million for all Ontario schools. Secondly, the current tuition regulation agreement expires in 2017 and there has been no guarantee from the government that tuition fees will not be increased at this time.

# Federal

In the 2016 budget the Federal Liberals announced that students from low to middle income families and part time students would be eligible for a 50% increase from the Canada Student Grant. They also announced that the minimum income former students have to be receiving before needing to pay back their loans will be increased from $20,000 per year to $25,000. Both of these changes are being paid for by eliminating the Tuition and Textbook Tax Credit amounts which have tended to be of most benefit to people with higher incomes and act as a delay on getting tuition money back. These changes should provide important relief for low income students wanting to go to University or College.

## What’s not included?

The Liberals failed to live up to their campaign promise to increase funding for Post-Secondary Student Support Program which provides financial assistance to First Nations and Inuit college and university students. Currently the program is under a funding cap of 2% that will continue to be in place. Many have argued that by doing this, the Federal Government also fails to live up to its commitment to implement the recommendations of the Truth and Reconciliation Commission.

The money for the Canada Students Grants also does not provide needs-based grants to graduate students. As one of the fastest growing sections of post-secondary education, and increasingly needed to get many jobs, low income students are often still blocked or have to postpone pursuing graduate and professional degrees.

The Federal government has also pledged to create more “work integrating learning opportunities”. They claim this will allow students to learn skills more in line with the needs of employers. While this may benefit many seeking such skills it also raises questions about the effect this will have on degree programs not typically associated with specific industries or sectors (many humanities, social science, or traditional science degrees). As well, this does nothing to address, and potentially exacerbates, the current problem with employers who are not providing entry level positions or training and instead relying on unpaid internships, often through University programs.

Prepared by the [McMaster Community Poverty Initiative](file:///C:\Users\Stephanie\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.Outlook\UFMYOZO5\poverty.mcmaster.ca), April 2016.

For more, check out:

* [Canadian Federation of Students – Ontario](http://cfsontario.ca/)
* [Ontario Budget 2016](http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/bk1.html)
* [Federal Budget 2016](http://www.budget.gc.ca/2016/docs/plan/toc-tdm-en.html)