

Investing in Tomorrow's Future

Stronger Colleges for a Stronger Ontario

CSA Submission to the Standing Committee on Finance and Economic Affairs



INVESTING IN TOMORROW'S FUTURE

Capitalizing on the ever-growing human capital within the Province is the single most important strategic investment we can make as a society. As stated by The Honourable Bob Rae in *Ontario: A Leader in Learning*, "the wealth of Ontario now depends much more on the power of our brains. Today our standard of living, and consequently our quality of life, depends on people having access to education that is on a par with the best in the world." (Ontario: A Leader in Learning, February 2005) Producing an educated and competitive workforce allows Canada to successfully compete in the international marketplace and it is the responsibility of each Province to ensure they are doing everything possible to that end.

Although the government made the largest investment in postsecondary in 40 years of \$6.2 billion over the next five years in the 2005 Budget, the postsecondary education system remains under funded. After over a decade of under funding and drastic cuts to postsecondary education by the Province 'Reaching Higher: The McGuinty Government Plan for Postsecondary Education' is a step in the right direction to re-building Ontario's postsecondary education system. 'Reaching Higher' is built around three pillars: access, quality, and accountability. McGuinty's plan for postsecondary education is encouraging but in order to have a system that is accessible, of high quality and is accountable, there needs to be more funding provided to institutions and students. The College Student Alliance, requests that increase funding be made available to:

- ↳ increase transferability and mobility within Ontario;
- ↳ increase funding for financial assistance.

FUNDS TO ESTABLISH A TRANSFER AGENCY

A transfer agency would:

- facilitate easy movement of students from and within “tiers”
- create clear policies that recognize and reward students for past learning which would decrease amount of time spent at postsecondary education institutions resulting in a reduction in overall student education costs

Ontario’s college and university systems were established as distinct entities serving different mandates, which have resulted in a “two tier” system. Missing from this system is the necessary architecture to facilitate the movement of students between the two “tiers” resulting in extended time spent pursuing education and in turn, costs. College students continuing their postsecondary education at an Ontario university often pay twice for courses with similar learning outcomes– once at each level – which also means the government is paying twice through operating grants and student assistance programs.

Those who chose to pursue a college education find it difficult to subsequently pursue an education at the university level, due to undefined policies, time commitment and the related financial burden. The Alliance believes that one of the many reasons that universities do not recognize prior learning that is taking place at Ontario’s colleges due to fear of losing their per-student operating grant. The Alliance is recommending that a Transfer Agency be established to facilitate easy movement of students from and within “tiers” and to create clear policies that recognize and reward students for prior learning. The ability for students to easily move within and between “tiers” without being required to re-take courses or pay twice to achieve similar learning outcomes will allow a greater number of students to benefit from higher and expanded education. The result would be a decreased amount of time spent at postsecondary institutions, and a reduction in overall student and government education costs.

The Ontario Government on average currently subsidizes EACH college student in government grants alone at a level of \$5,400 per year and a university student in the amount of \$7,073 per year to attend postsecondary education. In the present system, the Ontario Government could (and many cases does) pay for a student to attend a two-year program at a college and then pays for another four-year program at the university level. Although both programs may not be the same, many of the learning outcomes, depending on the discipline of study, may be similar. Using the example above, the Ontario government would fund this single student an average of \$39,092.00 in operating grants alone.¹ If a Transfer Agency existed to facilitate credit transfers, the actual time students spend attending a postsecondary institution would be drastically reduced and the amount of money required by the Ontario Government as subsidy would follow suit.

Currently it is very difficult to track students who transfer from college to university. If the assumption is made that 6%² of the approximately 313,000 students enrolled in university in 2004 were college graduates who had already achieved the

¹ Formula (College per student funding x 2 years plus University per student funding x 4 years)

² Higher Expectations for Higher Education, Fall 2004, page 20

equivalent of one year of prior learning in their related discipline, but did not have it recognized by the university, the Ontario Government would save **\$22.1 million** per year in operating grants alone if a proper transfer agency existed that forced universities to recognize the prior learning and give students university credit for that learning.

In addition to drastically reducing subsidy payments, graduates will enter the workforce much earlier and will begin not only repaying government grants and loans sooner, but will also begin contributing to the economy via income tax and other provincial taxes through increased earnings, and therefore increased spending power. If a Transfer Agency is not created to facilitate movement through the “tiers” than Ontario students will continue to look outside of the Province to further their education. Currently, about 25 per cent or 8,000 of the students registered at Alberta’s public Open University, Athabasca University, are Ontarians³.

To facilitate easy transfer of prior learning, the Province should consider the development of foundational postsecondary courses across a variety of disciplines that can be optionally incorporated into any institution’s curricula. These foundational courses, approved by the Postsecondary Education Quality Assurance Board, would likely be found in year one and two of college and university programming. Province-wide standards around postsecondary curricula would benefit students and employers. This recommendation was also supported by The Honourable Bob Rae in *Ontario: A Leader in Learning*.

The Honourable Bob Rae, *Ontario: A Leader in Learning* said, “We must achieve greater transparency and fairness regarding credit recognition and transfer between institutions. Students deserve this, and so does the government as a key financial partner. It is simply wasteful of public resources to require students to repeat courses covering the same material because of an exaggerated sense of self-reference by any college or university.”

INCREASE FUNDING FOR FINANCIAL AID

- ↳ continue to increase access to postsecondary education for students from all socio-economic backgrounds
- ↳ increase funding for up-front grants to students from low- and middle-income families
- ↳ increase funding available to students through an improved needs assessment, without increasing student debt loads

The Alliance strongly believes that all qualified students should have access to quality postsecondary education and financial assistance. With the future of tuition fee increases in the Province unknown, ensuring equitable access is paramount. Under the current financial aid system even with minor improvements in recent months, many students find that they are either ineligible for the Ontario Student Assistance Program (OSAP), or the financial assistance they do receive is insufficient resulting in students carrying government loans as well as personal bank loans.

³ Higher Expectations for Higher Education, Fall 2004, page 20

In theory, when tuition and other fees go up, the amount of financial aid the government provides should follow equally. Due to “tightened” eligibility rules within the Ontario Student Assistance Program and frozen loan limits since 1994, the reduction in direct assistance provided to students has been in decline over the past decade. Between 1996-97 and 2002-03 there has been a reduction of over \$700 million dollars in the amount of direct financial assistance received by students.⁴

To increase access to postsecondary education from all socio-economic backgrounds, the Ontario government in partnership with the federal government and the Canada Millennium Scholarship Foundation re-introduced up-front grants to 32,000 students from low-income families in their first or second year. The re-introduction of up-front grants is a welcomed change from loan and debt that students have been offered from both the federal and provincial governments in recent years, but there are thousands more whom require assistance to attend postsecondary education. The average government debt for a college student completing a two-year college program is \$12,360 and \$21,500 for a four-year applied degree or university/college program.⁵

The maximum loan amount that a single student can currently receive is \$11,200. This amount recently increased from the 1994 level of \$9,350.⁶ Increasing loan maximums, without ensuring there is an adequate debt relief system in place is not the best way to address this issue. More grant and loan remission programs that provide non-repayable, and provide direct assistance to students need to be implemented. Loan remission programs such as the Ontario Student Opportunity Grant provide an excellent example on how to keep student debt load at a minimum. The program grants money to students with the highest level of need. In order to limit student debt, the Grant program provides those with OSAP loans over \$7,000 per two-term academic year, a non-repayable grant for the amount of their loan over \$7,000. For example, a single parent that is eligible to receive an OSAP loan of \$15,000 for one academic year would receive a grant from the Province of \$8,000, therefore limiting their debt for that year to \$7,000.

In addition to increasing base funding to financial aid, funding should be directed towards re-designing the OSAP assessment tool, and supporting an improved needs assessment that properly recognizes the financial need of students in the 21st century. The current tool used to assess need does not take into account many of the costs associated with higher learning. Finally after years of negotiating, recognition of computer costs was introduced into the needs assessment form. Acknowledging this cost and incorporating it in the needs assessment form was the first “step” to ensuring that the tool was effective and reflective of student’s program expenses. . According to the Canadian Millennium Scholarship Foundation, 63 per cent of students receiving assistance through the Ontario Student Assistance Program (OSAP) are not receiving the funds they need to attend school, or have “unmet need.”⁷ The Alliance understands that even a minor change to the assessment tool could cost government a significant amount of money. Even with this being the case, the Alliance believes that the cost of not providing a student with the opportunity to obtain a postsecondary education is much greater.

⁴ The Price of Knowledge 2004: Millennium Index of Key Facts

⁵ Higher Expectations for Higher Education – Fall 2004

⁶ Student Financial Aid Policy, Ontario Undergraduate Student Alliance, Fall 2001.

⁷ Consultations on the Future of the Millennium Scholarship Program – Ontario Resource 2004

In closing, the Alliance would like to ask that you continue to consider our postsecondary education system as paramount to Ontario's ability to compete, succeed and lead in the marketplace in Canada and abroad. If Ontario hopes to reach higher to achieve Rae's goal as stated in *Higher Expectation for Higher Education* of a 70 per cent postsecondary participation rate then it is critical the recommendations and monetary investment outlined in this paper be implemented. Any investment into higher education is a direct investment in the future prosperity of the Province and Canada.

IN SUMMARY, OUR REQUESTS ARE AS FOLLOWS:

- ↳ provide funds to establish a new Transfer Agency and make the recognition of prior learning a priority for the Province
- ↳ additional funds to students for Financial Aid by changing the needs assessment, and ensuring that students are receiving the funds they need to go to school without incurring a lifetime of debt

ABOUT THE COLLEGE STUDENT ALLIANCE

The College Student Alliance (CSA)'s mission is, 'Strong Students; Strong Leadership; Strong Colleges'. Through the combined influence of 15 colleges and 22 member councils, and the more than 100,000 full-time students they represent, the CSA acts as the Provincial voice for issues like: financial assistance, admissions, education standards, system accountability, student rights, campus life, and services for students.

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