

Aid plan leaves many students in debt

OSAP should concentrate more on grant system and eliminate existing discriminatory practices, student lobby group says

The extent to which a government should assist students in absorbing the financial burden of a university education has been a contentious issue for some time. Over the years, the Ontario Student Assistance Plan (OSAP) has experienced some drastic alterations in the scope and the kinds of assistance it is willing to offer students. Debate remains, however, on the exact makeup of the programme, and, specifically, on the percentage of the Plan's funds which should be devoted to grants as opposed to loans. In this in-depth analysis of OSAP, Excalibur's Lidia Cabral examines the problems which presently plague the system, and some solutions which student lobby groups are recommending to address those problems.

A group of researchers were organized by the Ontario Federation of Students entitled the "Analysis Team" (A-Team), to specifically analyze the problems of OSAP and propose new recommendations on improving the programme. According to Gabriel Sekeley, the Executive Director for OFS, one of the main proposals set forth will be an All-Grants System, with the elimination of all existing eligibility periods on grants and loans. This would, OFS believes, ensure that any student who can demonstrate need would have access to these grants.

Under the present OSAP Grant Programmes, students are entitled to assistance only during their undergraduate post-secondary education. Richard Jackson, the Manager of Client Services for the Student Awards Branch at the Ministry of Colleges and Universities, stated that, "The objective of the Grant Programme is to allow students access to their first post-secondary degree, without having to take an unreasonable level of debt." *The eligibility limit* was apparently intended to avoid any attempt by students to return to school year after year and live off the Ontario student grant portion of the assistance programme. Jackson explained, that students are eligible to apply for a (non-repayable) Study Grant for a maximum of eight eligibility periods. According to the Ministry, an eligibility period is a period of study ranging from ten to nineteen weeks in duration (which is essentially half a school year). These eligibility periods are used up as the students progress through their program of study, so by the end of their undergraduate careers (after four full years of university) they are no longer eligible for the Grant Programme.

Consequently, OFS has proposed as another alternative that after a student completes his/her undergraduate degree, they be assessed again for the possibility of continued assistance during their post-graduate career.

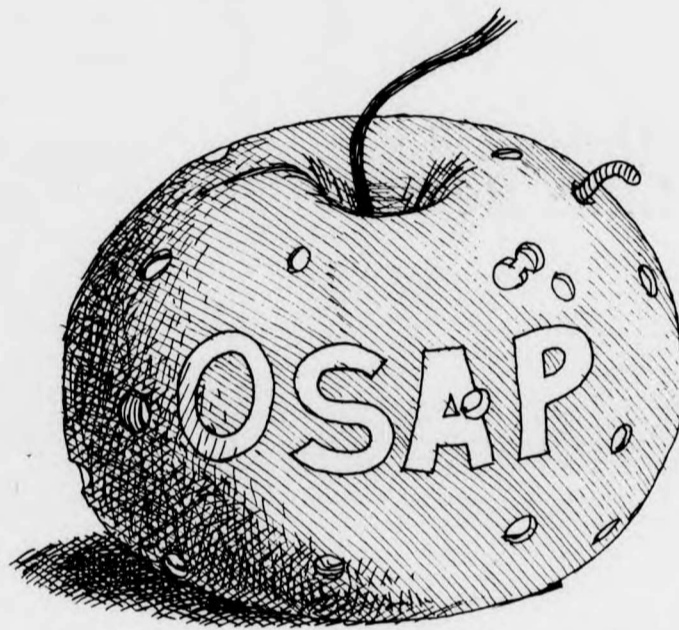
Gabriel Sekeley would like to see the grant eligibility periods elimi-

nated altogether. "We've submitted the recommendation that eligibility periods be eliminated because they are discriminatory. We feel that people who are going onto study in a professional programme or a Masters/Doctoral programme, should be entitled to receive grants, he explained."

Another problem OFS notes with the eligibility periods is that of returning students. Those students arriving at an Ontario University after attending any other post-secondary institution are no longer eligible for financial assistance from the government, as they have often "used up" all their eligibility periods. Jackson noted that these problems and the increased amount of people going back to school to improve their skills are issues that will be addressed in the January meeting, with OFS representatives at

Programme is considered independent of parental contribution, when he/she can show two years experience in the workforce, or four years out of secondary school. The independent criteria changes for the Grant Programme however, as students must demonstrate that they have worked at least three years in the workforce in order to qualify as independent from parental contribution.

Jackson acknowledges that there is difficulty in determining student independence, but adds that the Ministry relies on the legal definition on educational support, derived from the Family Reform Law Act. According to the Act, "A parent is obligated to provide support to their children as long as they are enrolled in an educational programme." Jackson noted that no mention of age was quoted in the Act, indicating



Guelph university. According to the OFS, assessments for grants are inadequate, because they are more restrictive than loan assessments. When students have used up all their eligibility periods in the Grant Programme, they are forced to apply for their loan assessment. Because of this, "over the last few years, more students are getting loans rather than grants, which contribute to the problem of high debts," said Sekeley. These high debts are a problem because students entering their first jobs are usually paid low salaries, which makes paying-off the debt difficult," he added.

Jackson noted that the assessments for grants and loans are specific, because they both are catering to different types of cases in our society. The grant assessments are intended to provide those students from lower income families the opportunity to attend post-secondary education, while loan assessments are more lenient because they are catering to a larger proportion of students in a higher income bracket. Jackson noted that the Liberal government has recognized the problems with loan debts that students are experiencing, and have increased their grants portion of the OSAP programme.

Sekeley explained that although the government has recognized the problems with debts, by not "increasing the amount of grants, what they've (Ministry) said is, instead of paying off your loans in seven years, you (students) can pay it off in ten years. In other words, we will be paying for the rest of our lives for our education," Sekeley added.

Part of the debt problem which students are presently experiencing, has to do with the Ministry's ambiguous definition of the independent criteria within the OSAP programme. A student within the OSAP Loans

that "as long as they (students) are under parental control, as defined through the legal process (which the Ministry uses. So, ending parental control because one is eighteen has nothing at all to do with it," he added.

Contrary to the existing system, OFS believes that a students' need should not be based on how much money their parents make, and have proposed that students who have worked for two years be eligible for both the grant and loan plans. Also, the OFS proposes that an assistance programme be offered to those students who only possess one year of work experience. Sekeley noted that OSAP should not assume that students living away from home should expect their parents to put in money for their education and living costs, because they cannot afford the amount which OSAP says they are supposed to contribute."

Currently a student taking between 60-70% of a full-course load is expected to contribute at least \$75 per week from their summer employment earnings towards their education. Sekeley opposes OSAP's assumption of student contribution, adding that "under the present system, the amount of money you (students) are supposed to contribute is overstated. OSAP assumes certain things; for example, it assumes that a student will work sixteen weeks in the summer when the average person only works eleven weeks. The Ministry of Colleges and Universities assume therefore, that students will put in X amount of dollars on the side to pay for their studies," he added.

In response, OFS recommends there be no assumptions that a student will have a certain amount of earnings at the end of the summer to put towards his/her education. According to OFS, money from a

student's summer job is spent on summer living costs, so assessments for loans should be made strictly on the living costs of a student during his/her university year, without taking into account student summer earnings.

Jackson indicated that the Ministry's philosophy on OSAP is that it is an assistance programme, whereby students and parents are expected to contribute towards the student's education. He notes however, that if a student was unable to find a summer-job or if the student's parents were suddenly laid-off from their jobs, an appeal process is available where students can apply for more money.

But the appeal process of an applicant's loan was considered too long and one which OFS has researched extensively. OSAP Clinics across Ontario were established by OFS two years ago in which Sekeley noted that their main purpose was to, "inform students of their rights so that they can take advantage and appeal their assessments, so that they can get the amount of money that they are entitled to." Jackson indicated that the Ministry has acknowledged the delays students have had with the appealing process by adding a new computer systems to speed up the process of student application.

Government index charts outlining the last of tuition fees, book-/materials, return transportation costs, personal and living costs, have been recognized by the Ministry as being outdated and recommendations have been processed to show the real costs students are presently experiencing. Sekeley noted that OSAP assumes that "your living costs are much lower than they actually are." OSAP presently assumes that living costs range from \$106 per week whether that student lives in downtown Ottawa, Toronto or Kingston. These figures do not take into account the large differences in rents and expenses between different communities. The Minister and OFS representatives will work together in devising new recommendations for such varied expenses students are facing.

An Interest Relief Programme for Ontario Student Loans is a proposal which OFS submitted to the Ministry last year. The programme was passed by the Ministry and will help students pay off their OSAP debts according to their respective financial situations. High personal debt loans are a major problem which students are experiencing with OSAP, added Sekeley. As students start school this year (with the Loans Programme, they are looking at an average debt of about \$20,000 after four years of University, explained Sekeley. Jackson stated that the Ministry has set up a committee to analyze such problems as the personal debt loans, entitled The Federal Provincial Committee Council of the Ministers of Education In Canada (CMEC). This committee will address the issue of student loan debts and will announce within the next few weeks specific recommendations on how to improve this programme.

The future outlook on OSAP, according to Richard Jackson, looks optimistic in terms of providing a great number of people in Canada with assistance to a post-secondary education. He added that, although the Ministry received a 25.2 million dollar increase in their budget, more money is needed to rectify some of the problems many students have faced with OSAP. OFS representatives will be submitting their report devised by the Analysis Team which will propose an All-Grants System, extension of grant and loan periods and an increase in student living costs allowance.

Jackson noted though that while the present programme does have problems, he still feels that it is the best students assistance programme in Canada.