

JOBS FOR TODAY AND TOMORROW 2016 ONTARIO BUDGET



Improving Access to Postsecondary Education

The government is transforming student financial assistance to make postsecondary education more accessible and affordable. To help more students qualify for grants and access the student loan system, the government will create a single major upfront grant — the Ontario Student Grant (OSG), starting in the 2017–18 school year. This will be done by redirecting 100 per cent of the funding from the Ontario Tuition Grant, Ontario Student Opportunity Grant, Ontario Access Grants and other grants offered by OSAP. These changes will ensure that financial support is transparent, timely and targeted to those students with the greatest financial need.

The government's investments in postsecondary education and training play a critical role in preparing people for the workforce. Seven out of 10 new jobs in Canada will be in high-skilled or management occupations, which require higher education or specialized skills. Overall, Ontarians with higher levels of education and skills have better employment prospects, earn higher wages, and have improved health and longevity.

Financial need for the Ontario Student Assistance Program (OSAP) is the difference between a student's education expenses — the amount needed to cover tuition, books, child care, living expenses, supplies and equipment — and the student's personal financial situation, which includes income, savings and what the student's family or spouse is expected to contribute.

Making Tuition More Affordable

The OSG will make average college or university tuition free for students with financial need from families with incomes of \$50,000 or less, and will make tuition more affordable for middle-class families.

Under the new OSG:

- ▶ Students from families with incomes under \$50,000 will have no provincial student debt.
- ▶ More than 50 per cent of students from families with incomes of \$83,000 or less will receive non-repayable grants that will exceed average college or university tuition.
- ▶ All students will be the same or better off as under the Ontario Tuition Grant.

Ninety per cent of dependent college students and 70 per cent of dependent university students from families with incomes under \$50,000 will receive grants greater than their average cost of tuition.

In addition, the Province will:

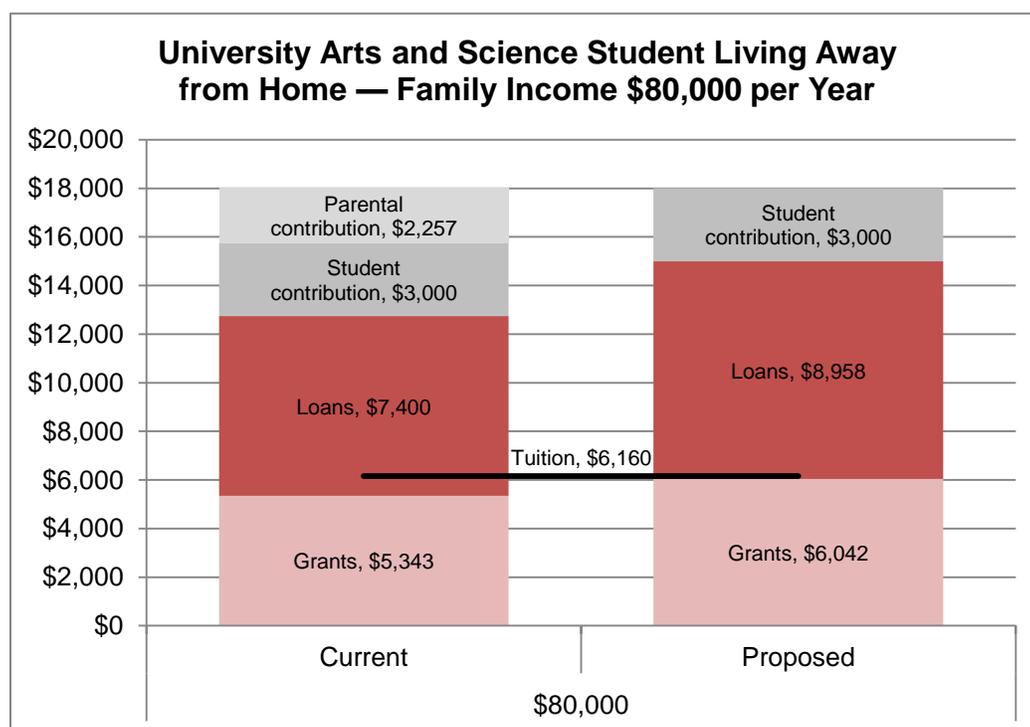
- ▶ Increase access to interest-free and low-cost loans for middle- and upper-income families.
- ▶ Expand financial support for mature and married students.
- ▶ Raise the Ontario weekly assistance maximum levels for individuals and married and sole-support parents.

Read Jerome, Jacqueline, Claire, Raymond, Salim and Alejandro's student scenarios to find out how the changes to OSAP will help students pay for postsecondary education.

Jerome in University – Living in Residence

Jerome is looking forward to starting his first year in an Arts and Science program and is planning to live in university residence. Jerome was a bit unsure about how he would pay for his university education, as his costs are \$18,000, including \$6,160 in tuition. He did not know if he would receive enough assistance through OSAP, as his parents earn \$80,000 per year. Through the newly reformed OSAP, Jerome will benefit in a few ways:

- ▶ Jerome is now eligible for \$15,000 in total assistance — \$2,257 more than he would have received under the old system.
- ▶ About 40 per cent, or \$6,042, of Jerome’s funding will be non-repayable. Jerome will receive \$699 more grant funding than he would have before the change. Unlike before, all of his grants will be available upfront.
- ▶ Jerome’s loan funding will increase to \$8,958 from \$7,400, which is subsidized and interest-free while he is in full-time studies.
- ▶ OSAP will no longer expect his parents to contribute towards his education costs.

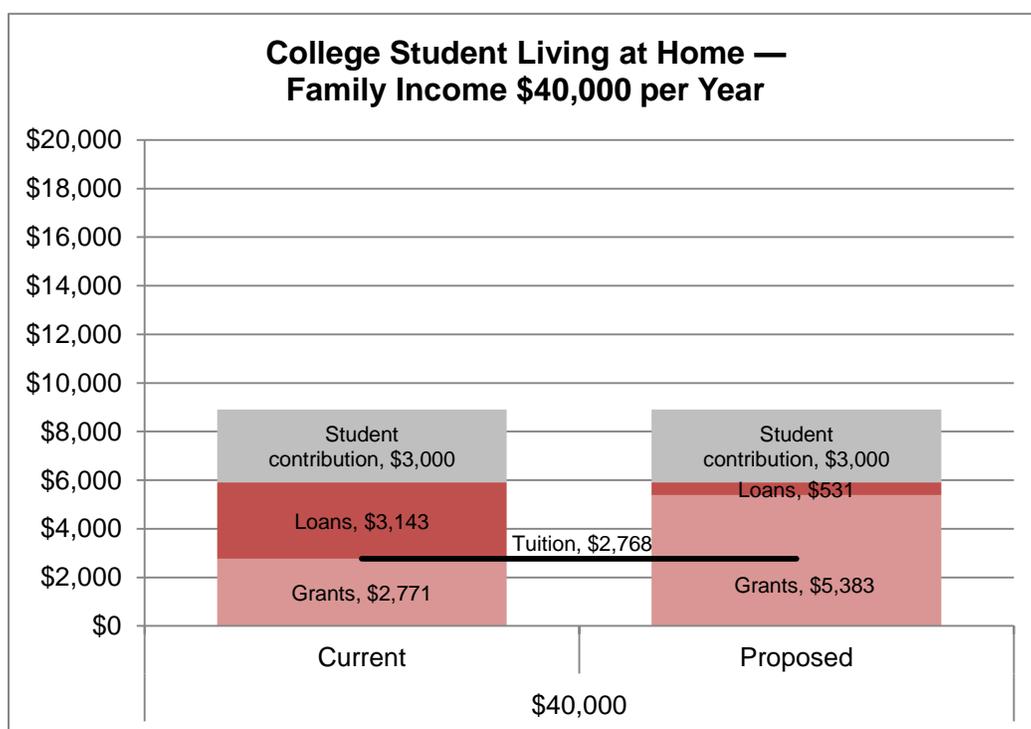


Note: Funding reflects full rollout of OSAP transformation (2018–19) and implementation of the 2015 federal Liberal platform commitments regarding Canada Student Grants.

Jacqueline in College – Living at Home

Jacqueline will be starting her first year at college and will be the first in her family to attend postsecondary education. She will be living with her parents, who earn about \$40,000 per year. Jacqueline worries about covering her annual costs of \$8,900, including \$2,768 in tuition. With the new reforms to OSAP, Jacqueline can expect:

- ▶ Over 90 per cent, or \$5,383, of Jacqueline’s financial assistance will be non-repayable grants, an increase from \$2,771 before the change.
- ▶ She will receive \$2,612 more grant funding than she would have before the changes. Unlike before, all of her grants will be available upfront.
- ▶ Jacqueline will receive \$531 in loan funding, which is subsidized and interest-free while she is in full-time studies.
- ▶ With average college tuition costs around \$2,768 per year, the upfront grant will more than cover her tuition expenses.

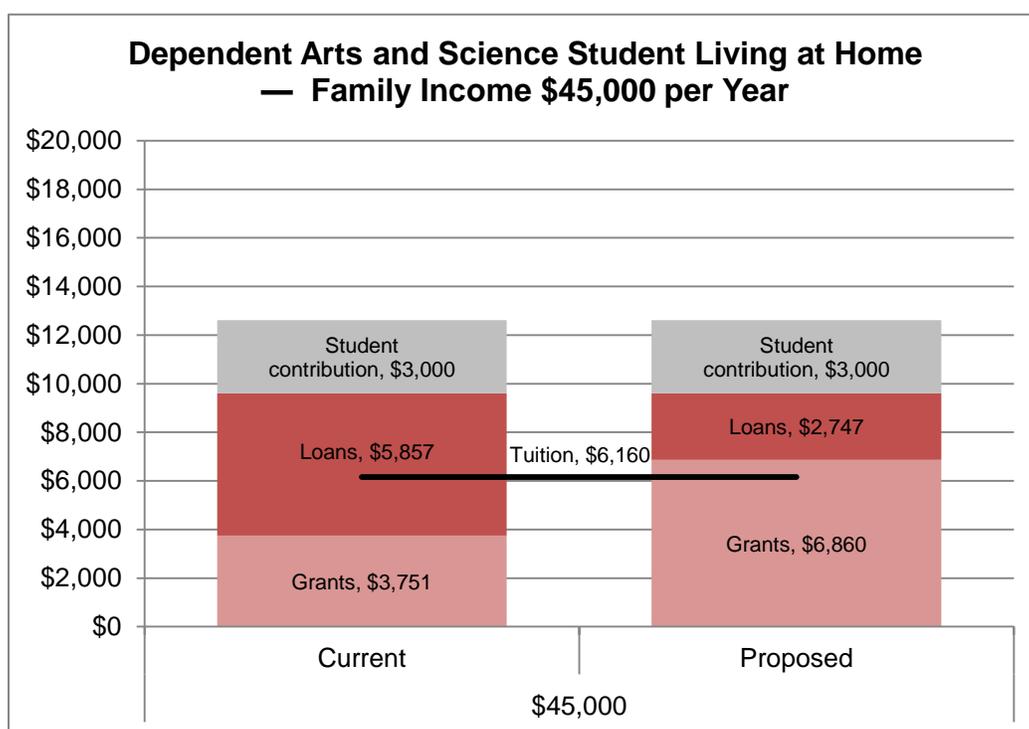


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Claire in University – Living at Home

Claire will be starting her first year of university in an Arts and Science program and is planning to live at home with her family. Her parents earn about \$45,000 per year. Claire’s annual educational costs are \$12,608, including \$6,160 in tuition. This is what Claire can expect when the new OSAP changes are implemented:

- ▶ Over 70 per cent, or \$6,860, of Claire’s financial assistance will be non-repayable grants.
- ▶ She will receive \$3,109 more grant funding than she would have before the changes. Unlike before, all of her grants will be available upfront.
- ▶ Claire will receive \$2,747 in loan funding, which is subsidized and interest-free while she is in full-time studies.

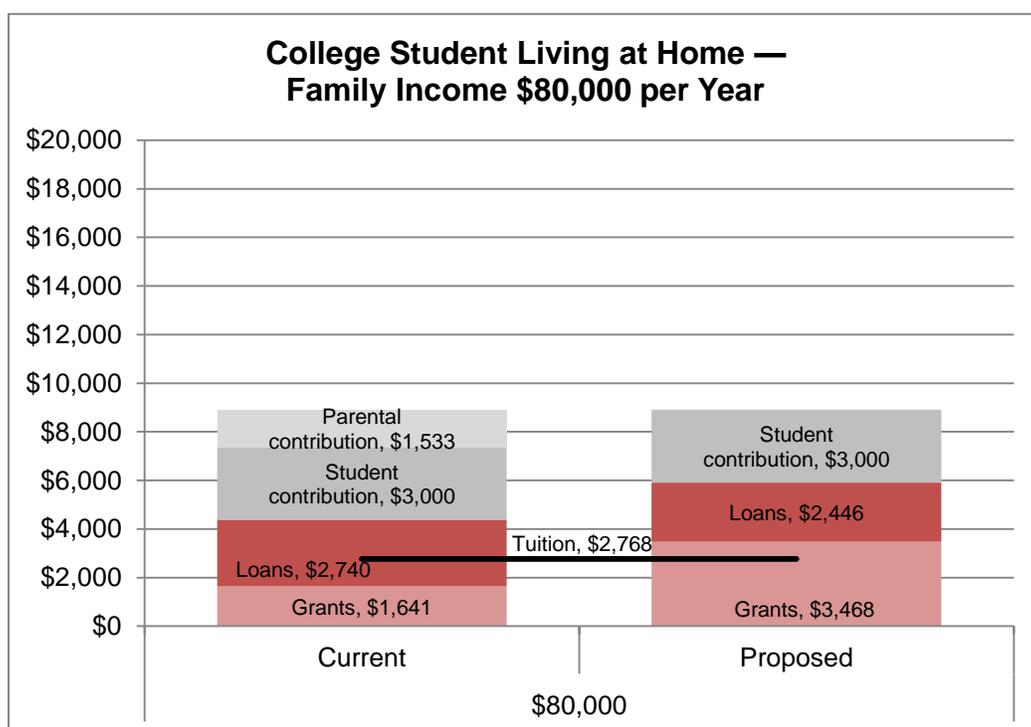


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Raymond in College – Living at Home

Raymond will be starting his second year at college. He has decided to live with his parents, who earn about \$80,000 per year, while he goes to school. His annual postsecondary costs are about \$8,900, including \$2,768 in tuition. This is what Raymond can expect when the new OSAP changes are implemented:

- ▶ Raymond is now eligible for \$5,914 in total assistance — \$1,533 more than he would have received under the old system.
- ▶ Almost 60 per cent, or \$3,468, of Raymond’s funding will be non-repayable. Raymond will receive \$1,827 more grant funding than he would have before the change. Unlike before, all of his grants will be available upfront.
- ▶ Raymond will receive \$2,446 in loan funding, which is subsidized and interest-free while he is in full-time studies.
- ▶ OSAP will no longer expect his parents to contribute towards his education costs.

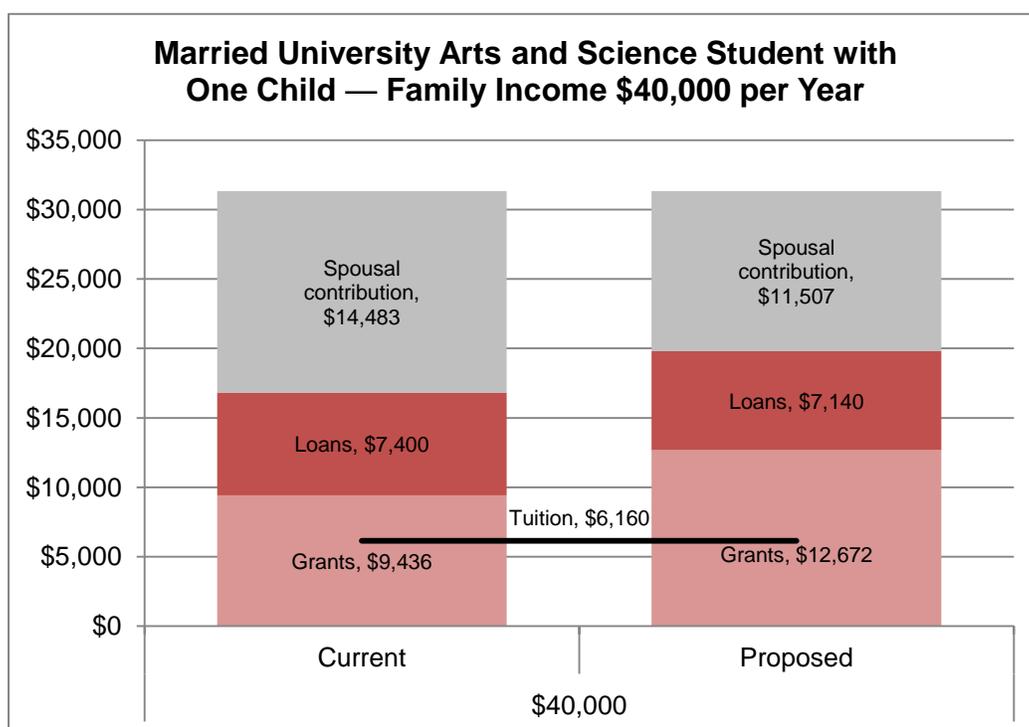


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Salim in University – Married with One Child

Salim is going back to school, entering first-year university while living at home with his spouse and child. Salim’s spouse earns about \$40,000 per year. Salim’s annual postsecondary costs are \$31,319, including \$6,160 in tuition. This is what Salim can expect when the new OSAP changes are implemented:

- ▶ Salim is now eligible for \$19,812 in total assistance — \$2,976 more than he would have received under the old system.
- ▶ Almost 64 per cent, or \$12,672, of Salim’s assistance will be through grants. He will receive \$3,236 more in grant funding than he would have before the changes. All of his grants will be available upfront.
- ▶ Salim will receive \$7,140 in loan funding, which is subsidized and interest-free while he is in full-time studies.
- ▶ Salim’s spouse will be expected to contribute \$2,976 less to his educational costs based on the changes to spousal contribution.

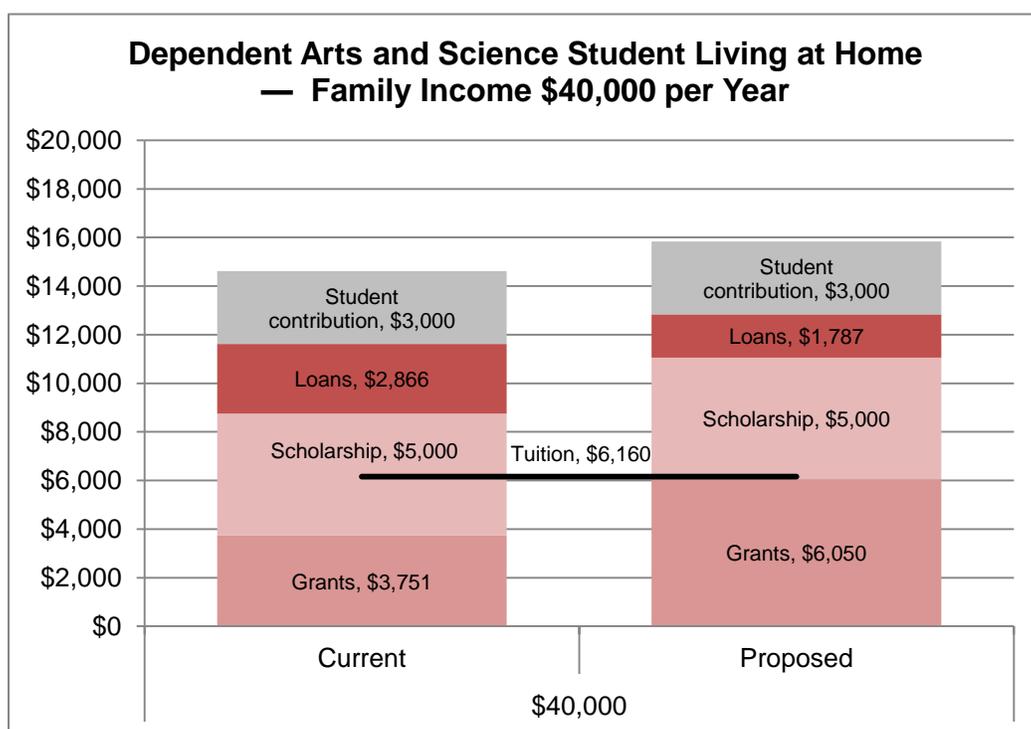


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Alejandro in University – Scholarship Recipient

Alejandro is looking forward to completing his fourth year of university. He has excelled academically and has received an institutional scholarship of \$5,000 for his final year of studies. His parents earn \$40,000 per year and they help support both Alejandro, who lives at home and commutes to university, and his younger brother, who is in Grade 12. Alejandro’s postsecondary costs are \$12,600, including \$6,160 for tuition. With Alejandro’s scholarship, this is what he can expect when the new OSAP changes are implemented:

- ▶ Almost 78 per cent, or \$6,050, of Alejandro’s financial assistance will be non-repayable grants.
- ▶ He will receive \$2,299 more grant funding than he would have before the changes. Unlike before, all of his grants will be available upfront.
- ▶ Alejandro will receive \$1,787 in loan funding, which is subsidized and interest-free while he is in full-time studies.
- ▶ Alejandro’s financial aid exceeds his need because OSAP does not consider the full value of his scholarship when calculating his aid.



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