

Submission to the Commission for the Review of Social Assistance in Ontario

February 2012





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INTRODUCTION

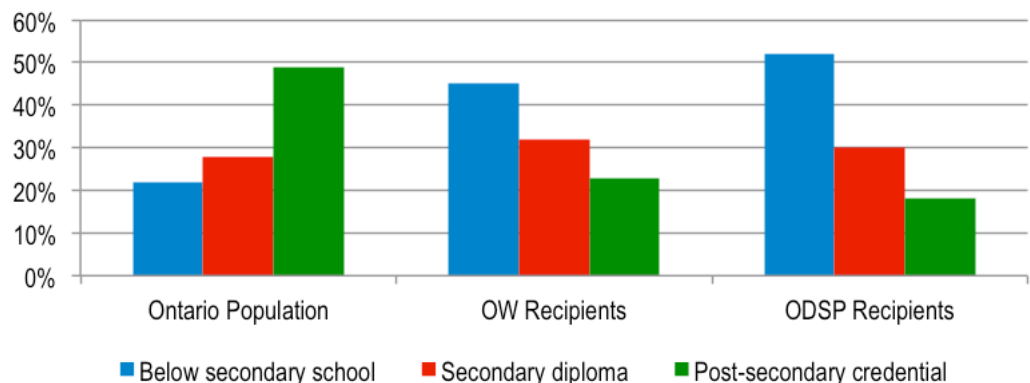
The Ontario Undergraduate Student Alliance (OUSA) represents over 145,000 professional and undergraduate university students at nine student associations across Ontario. Our mission is to advocate for an accessible, affordable, accountable and high quality post-secondary system in Ontario.

A major area of research and advocacy for OUSA is the accessibility of higher education in Ontario. OUSA believes that all individuals should have the opportunity to pursue post-secondary education, regardless of socio-economic circumstances. In light of our work on accessibility, we were excited to hear that the Government of Ontario has commissioned a review of social assistance, with the specific goal of making recommendations that “reduce barriers and support people’s transition into, and attachment, within the labour market.” Given that an estimated seven out of ten future jobs will require a post-secondary credential, being able to access college and university education while on social assistance can be a critical step in obtaining secure employment for individuals on social assistance.

According to 2010 data, only 23 per cent of Ontario Works (OW) recipients and 18 per cent of Ontario Disabilities Support Program (ODSP) recipients have a post-secondary credential.¹ For those without a post-secondary credential, finding appropriate employment can be challenging, if not impossible. Students believe that improving access to college and university for individuals on OW and ODSP is a critical step in enhancing quality of life for these individuals and, when possible, facilitating a successful transition to the workforce. In fact, we would argue that there is no better way to reduce poverty than by ensuring access to education and re-training for our most vulnerable.

Students believe it is worth considering bold and broad reforms to make it easier for people on social assistance to access post-secondary institutions. In the long term, this could include providing the new Ontario tuition grant or other tuition subsidies to social assistance recipients to remove financial barriers to post-secondary education. More immediately, however, several simple changes to the way social assistance interacts with the Ontario Student Assistance Program (OSAP) could remove significant barriers for individuals looking to upgrade their educational credentials. Specifically, in this submission, we would like to address three areas of concern: the treatment of post-secondary student earnings in social assistance income calculations; the calculation of OSAP repayment totals for individuals on social assistance; and the definition of disability used to assess eligibility for OSAP and the Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD).

Educational Attainment of Ontario Population and Individuals on OW or ODSP¹



1. Commission for the Review of Social Assistance in Ontario, *A Discussion Paper: Issues and Ideas* (Toronto: Queen's Printer for Ontario, June 2011).

POST-SECONDARY STUDENT EARNINGS

Full-time post-secondary school students currently have their income fully exempt for the purposes of OW and ODSP calculations. This change was made in recognition of the fact that post-secondary students do not support their family through the earnings of part-time jobs; rather they use them to cover educational expenses like tuition, textbooks, necessary equipment and materials, and transportation. Right now full-time post-secondary students who work part-time and live with a family member on OW must wait three months from when their family member becomes eligible for assistance for their earnings to become exempt, even if they are enrolled in college or university during this time.² OUSA believes that this practice presents an unnecessary barrier to enrolment in post-secondary studies.

Moreover, once a full-time post-secondary student earns more than \$599 in a given month, they are automatically deemed a “boarder” and a \$100 boarder’s fee is subtracted from the family’s amount of social assistance each month. Students believe this practice is unfair, as many post-secondary students cannot afford to live on their own, and need to reside with parents to be able to afford their studies. At the same time, individuals on ODSP and OW cannot typically afford to have \$100 deducted from their social assistance in a situation where a student is working to pay for their studies, not to support the family.

Recommendation: The employment earnings of full-time post-secondary students should be immediately exempt from the OW income calculations, without a three month waiting period.

Recommendation: The boarder’s fee should be eliminated for all post-secondary students who live with family members on OW or ODSP, regardless of earnings.

OSAP REPAYMENT

Individuals on OW or ODSP who want to study at a college or university are advised to apply for OSAP to cover their tuition and school-related costs, although individuals accessing ODSP can still receive funding for living expenses through the ODSP. Since much of the assistance offered through OSAP is through a loan, six months after exiting college or university individuals must begin to repay their interest-bearing OSAP loan to the government. Graduates experiencing no or low earnings can apply to the Repayment Assistance Plan, which allows students to reduce their monthly loan payment and have their interest and/or principal paid for by the government.

OUSA has a concern with the way OSAP repayment calculations interact with social assistance programs. Currently loan repayment is calculated based on a percentage of income, with a minimum threshold below which no payments are required. Income though is calculated based on total gross earnings. This means that an individual on OW or ODSP who is working part-time has their loan repayment amount calculated according to their gross earnings, not the actual amount they get to keep after 50 per cent of their earnings are deducted from their social assistance. Consequently, loan repayment amounts are over-estimated, and can represent an extra barrier for those repaying student loans.

Recommendation: Eligibility for the Repayment Assistance Plan should be based on net income after social assistance deductions.



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2. Government of Ontario (May 2009). “Ontario Works Policy Directives 3.8 Post-Secondary Students.” Ontario Ministry of Community and Social Services. Accessed at: http://www.mcscs.gov.on.ca/en/mcscs/programs/social/directives/directives/OWDirectives/3_8_OW_Directives.aspx



Mental health-related disabilities do affect the ability of these individuals to complete post-secondary studies and obtain consistent employment.



OSAP DEFINITION OF DISABILITIES

Another area of concern is the definition of disability used to access student and repayment assistance. We believe that this issue is of critical concern to individuals with disabilities on social assistance, and in particular the 38 per cent of ODSP recipients who have a mental disability.³ When determining if a student is in full-time studies, OSAP normally grants assistance to only those studying 60 per cent or more of a normal full-time course load. However, students with permanent disabilities can access assistance at 40 per cent of a normal full-time course load. Furthermore, enhanced loan repayment assistance is available for individuals with a disability through the Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD) which takes into account medical costs associated with a disability as well as limitations on employment prospects that may arise as a result of a disability. Both programs define disability as “a functional limitation that is caused by a physical or mental impairment which restricts the ability of a person to perform the daily activities necessary to participate in studies at a post-secondary level or in the workforce and is expected to remain with the person for the person’s expected life.” This definition excludes many individuals who suffer from mental health-related disabilities, which tend to be cyclical or episodic in nature.⁴ These conditions may not be considered permanent in the sense that an individual may not always be experiencing an episode or other negative impact of the condition. Yet mental health-related disabilities do affect the ability of these individuals to complete post-secondary studies and obtain consistent employment. Consequently, these individuals should be eligible for OSAP at the 40 per cent of a full-time course load threshold in recognition of the difficulties they may have in juggling a severe medical condition with a full-time course load, and RAP-PD in recognition of their reduced labour prospects post-graduation.

Recommendation: The government should broaden the definition of permanent disability used to assess eligibility for OSAP and RAP-PD to ensure that it does not unjustly exclude individuals with mental illness.

3. Commission for the Review of Social Assistance in Ontario, *A Discussion Paper: Issues and Ideas* (Toronto: Queen’s Printer for Ontario, June 2011).

4. Stapleton, John, Procyk, Stephanie, and Kochen, Lindsay. (May 2011). “What Stops us from Working? New ways to make work pay, by fixing the treatment of earnings under the Ontario Disability Support Program.” The Dream Team, Houselink and Centre for Addiction and Mental Health. Accessed at: http://www.camh.net/Public_policy/Public_policy_papers/ODSP%20Report%20final.pdf