

## Stakeholder Summary

### OSAP reform: toward more accessible, affordable and cost transparent higher ed

Over the next three years, Ontario will be redesigning its postsecondary financial aid system to make public higher education in the province more accessible, affordable and cost transparent. The two-phase redesign of the Ontario Student Assistance Program (OSAP) includes consolidation of numerous provincial tuition grant programs as well as the introduction of a net-tuition billing system that effectively gives students the bottom-line cost of a postsecondary program.

A new report from the Higher Education Quality Council of Ontario (HEQCO) examines net-tuition billing and other transparency initiatives already underway, chiefly in the US, and identifies a number of opportunities for Ontario to build a more transparent and responsive financial aid system.

Currently, postsecondary institutions bill students for the gross or “sticker price” amount of tuition, and students separately negotiate their financial aid. With net tuition, a student’s up-front OSAP grant as well as any aid provided by the college or university is considered when calculating the student’s tuition fee bill. The final cost reflects the deduction of OSAP and institutional scholarships and bursaries. Not a moment too soon, according to *Approaches to net tuition: an environmental scan*, which notes that “despite benefiting from one of the most generous financial aid programs across Canada, many Ontarians are unaware of the net price of tuition and grossly overestimate the costs of attending postsecondary education, especially those from low-income families.”

### Project description

The report examines net-tuition billing in the US, including the federally mandated College Scorecard (offering prospective students a wealth of comparative information on everything from average debt load to median earnings of former students) and the net-price calculator (an online tool that allows prospective students to estimate the net price of postsecondary education well before any formal application for admission or financial aid). Financial aid and repayment initiatives in Singapore and Australia are also briefly examined.

### Findings

According to the report, Ontario could achieve the integration of data and administrative cooperation between students, governments and institutions needed to successfully implement a net-tuition scheme. The province already has centralized college and university application services, which would simplify coordinating admissions and student aid applications.

While Ontario already collects and publishes graduation rates, graduate employment rates and loan default rates at the institutional and program levels, the data are neither easy to find on institutional websites nor intuitively accessible to applicants. The OSAP redesign presents Ontario with an opportunity to integrate and directly link to these data within the new OSAP/institutional application process, says the report. Ontario also has the opportunity to improve on the US experience with net-

price calculators and net billing by standardizing how these tools look and work across different institutions.

Getting information to prospective students about bottom-line costs earlier is another key feature of Ontario's OSAP reform package. By the 2018-19 academic year, Ontario will be providing students with a much earlier estimate of their student aid entitlements based on their income two years prior to the intended year of study as opposed to the current one year. Will this work? The US experience with "prior-prior" year calculations suggests that this approach can successfully provide students with a much earlier assessment of aid eligibility that will be stable over time as the study year approaches. With costs nailed down in advance, students can then better plan for their education. The end goal: to help students make better postsecondary decisions and enhance accessibility.

Authors of *Approaches to net tuition: an environmental scan* are Linda Jonker, senior researcher; and Martin Hicks, executive director of data and statistics, HEQCO.