

Impact of Student Aid and Tuition Changes

— Case Examples —

College First Year: Scenario #1

The following examples show student aid scenarios if an institution chooses to raise tuition under the regulated framework:

Dependent student in **first year college program**, living away from home. Parents have two dependent children, one attending postsecondary.

Example only: \$50K family 2006-07 vs. 2003-04

A college student with parents reporting \$50,000 in family income would enjoy **\$2,047** more in student assistance, an increase of **29%** compared to a possible tuition fee increase of **4.5%** in 2006-07.

Family Income \$		2003-04	2004-05	2005-06	2006-07	2006-07 over 2003-04		Tuition Change (%)
						(\$)	Change (%)	
30K	total student aid*	7,963	8,081	8,716	9,184	+1,221	+15%	Greater of +4.5% or \$100
	Access Grant/OSOG**	963	1,081	1,820	2,184	+1,221		
	Subsidized Loan	7,000	7,000	6,896	7,000	0	0%	
50K	total student aid*	7,137	8,081	8,716	9,184	+2,047	+29%	Greater of +4.5% or \$100
	Access Grant/OSOG**	137	1,081	1,716	2,168	+2,047		
	Subsidized Loan	7,000	7,000	7,000	7,000	0	0%	
70K	total student aid*	1,215	2,336	5,795	6,174	+4,959	+408%	Greater of +4.5% or \$100
	Access Grant/OSOG**	0	0	0	480	+480		
	Subsidized Loan	1,215	2,336	5,795	5,694	+4,479	+369%	

* Includes impact of all reforms, incl. book allowance and reduction in parental contribution and new access grant.

** Any OSAP student aid exceeding \$7,000 in each year is changed into a grant, and is non-repayable.

University Arts & Sciences: Scenario #2

Dependent university student in first year Arts and Science program, living away from home. Parents have 2 dependent children, one attending postsecondary.

Example only: \$30K family 2006-07 vs. 2003-04

A university student with parents reporting \$30,000 in family income would enjoy **\$1,877** more in student assistance, an increase of **20%** compared to an expected tuition fee increase of **4.5%** in 2006-07.

Family Income \$		2003-04	2004-05	2005-06	2006-07	2006-07 over 2003-04 (\$)	2006-07 over 2003-04 Change (%)	Tuition Change (%)
30K	total student aid*	9,350	9,350	10,671	11,227	+1,877	+20%	Max. +4.5%
	Access Grant/OSOG**	2,350	2,350	4,184	4,372	+2,022		
	Subsidized Loan	7,000	7,000	6,487	6,855	-145	-2%	
50K	total student aid*	9,092	9,350	10,671	11,227	+2,135	+23%	Max. +4.5%
	Access Grant/OSOG**	2,092	2,350	3,671	4,227	+2,120		
	Subsidized Loan	7,000	7,000	7,000	7,000	0	0%	
70K	total student aid*	2,885	4,313	7,772	8,240	+5,355	+186%	Max. +4.5%
	Access Grant/OSOG**	0	0	772	1,240	+1,240		
	Subsidized Loan	2,885	4,313	7,000	7,000	+4,115	+143%	

* Includes impact of all reforms, incl. book allowance and reduction in parental contribution and new access grant.

** Any student aid exceeding \$7,000 in each year is changed into a grant, and is non-repayable.

University Engineering: Scenario #3

Dependent university student in first year Engineering program, living away from home. Parents have 2 dependent children, one attending postsecondary.

Example only: \$70K family 2006-07 vs. 2003-04

A university student with parents reporting \$70,000 in family income would enjoy **\$4,697** more in student assistance, an increase of **114%** compared to an expected tuition fee increase of up to **8.0%** in 2006-07.

Family Income \$	2003-04	2004-05	2005-06	2006-07	2006-07 over 2003-04 (\$)	2006-07 over 2003-04 Change (%)	Tuition Change (%)
30K	total student aid*	9,350	11,037	11,805	+2,455	+26%	Max. +8.0%
	Access Grant/OSOG**	2,350	6,000	6,000	+3,650		
	Subsidized Loan	7,000	5,037	5,805	-1,195	-17%	
50K	total student aid*	9,350	11,037	11,805	+2,455	+26%	Max. +8.0%
	Access Grant/OSOG**	2,350	4,037	4,805	+2,455		
	Subsidized Loan	7,000	7,000	7,000	0	0%	
70K	total student aid*	4,121	8,138	8,818	+4,697	+114%	Max. +8.0%
	Access Grant/OSOG**	0	1,138	1,818	+1,818		
	Subsidized Loan	4,121	7,000	7,000	+2,879	+70%	

* Includes impact of all reforms, incl. book allowance and reduction in parental contribution and new access grant.

** Any student aid exceeding \$7,000 in each year is changed into a grant, and is non-repayable.

Examples of Student Aid Recipients Comparing Assistance Levels in 2003-04 and 2006-07

SCENARIO 1:

Next year, 'Susan' will be a dependent university student living away from home in a first year arts and science program. Both parents work, earning a total income of \$50,000 and there will be one younger brother still at home. Next year, Susan will be eligible for student aid of \$11,227 which is \$2,135 or 23% more than she would have received in 2003-04. She will receive \$1,263 in an upfront grant which she wouldn't have received even the year before. In summary, Susan's tuition went up by \$188 while she received \$2,135 more in assistance and her debt remains the same at \$7,000.

Another comparison shows that while Susan's student assistance is up 23 per cent, her tuition will increase by up a maximum of 4.5 per cent.

SCENARIO 2:

'Mark' will start a first-year college program, living in residence next fall. His parents both work, earning a combined income of \$40,000, and have a younger teenage brother still living at home. In 2006-07, Mark will be eligible for \$9,184 in total student aid, an increase of more than 19 per cent or \$1,451 over 2003-04. This will more than offset a maximum tuition increase of \$100. Mark will get \$854 of his aid as an upfront grant. His repayable debt will remain at \$7,000.

SCENARIO 3:

Next fall, Brian will leave home to begin his first year in an engineering program at university. Finances could be tight as Brian's parents' earn a combined income of \$30,000 and support a younger sibling still at home. But in 2006-07, Brian will receive up to \$11,805 in student aid, a 26 per cent increase over the \$9,350 he would have been eligible for in 2003-04. What's more, \$6,000 of this aid will be an up-front grant, leaving Brian with a repayable debt of \$5,805, which is \$1,195 less than in 2003-04.

SCENARIO 4:

Leslie plans to begin a first year engineering program at university next year and live in residence. Her parents earn a combined income of \$110,000 and have three children attending postsecondary institutions. In 2006-07, Leslie will be entitled to \$7,058 in student assistance, up more than \$3,000 over 2003-04 levels, while her tuition could increase by about \$500.

SCENARIO 5:

When he attends a first-year arts and science program at university next fall, Kyle plans to continue living at home with his parents and younger sister to minimize expenses. Together, his parents' income totals \$30,000 which makes him eligible for \$7,419 in total aid in 2006-07, a 16 per cent increase over the amount he would have received in 2003-04. Since \$4,372 of the assistance will come as an up-front grant to cover tuition, he'll be left with just \$3,047 in repayable debt or more than 50 per cent below 2003-04 levels.

Despite the \$188 tuition increase, Kyle will get through school with half the debt he would have been left with in 2003-04.

SCENARIO 6:

Karen, ready to start her second year of college next fall, lives at home with her parents and sister. Her parents make a combined income of \$70,000. In 2003-04, Karen would not have been eligible for any student aid at all. In 2006-07, she'll have access to \$1,847 in total aid, of which \$480 will be offered as an up-front grant.