Presentation to:	Board of Governors
Subject:	Ontario Special Bursaries Program (OSBP)
Date:	November 12, 2012
Presenter(s):	Duane McNair, Vice-President, Finance and Administration

Purpose:

To provide an update to the June 11, 2012 Board of Governors report regarding programs impacted by the reduction and elimination of Ontario Special Bursary Program (OSBP) funding.

Background:

In 2012-13, the Ministry transferred responsibility for the Ontario Special Bursary Program (OBSP) to colleges and universities. Colleges and universities were advised that they must fund at least a portion of this Program from Tuition Set-Aside (TSA) funds (2012-13 budget of $5M) and may use other institutional funds to increase funding for the Program. Accordingly, OSBP has been renamed the Institution Funded Special Bursary Program (ISBP).

Staff have estimated that the annual budget impact resulting from the discontinuance of the Ministry-funded OSBP is approximately $900,000. In addition, in 2012-13, a final, reduced OSBP funding contribution from the Ministry was received in the amount of $230,000.

Algonquin College programs affected by the discontinuation of OSBP funding include Academic Assistance for Adults with Developmental Disabilities (AAADD), Academic Upgrading (AU) daytime and evening, and the English as a Second Language (ESL) Canadian program.

A report was presented to the Board of Governors on June 11, 2012 providing background information on each of these programs as well as a recommendation to continue to offer these programs through the Fall 2012 term pending further information from the Ministry.

Discussion/Consideration:

A working group of directors and managers has reviewed and discussed options that will allow the College to continue to offer these programs with the minimum impact on students and maintain financial sustainability for the College.

The working group also assessed the contribution that these programs have on the College's strategic plan as a guide to develop a recommendation. Based on this review,

management has determined that approximately 61% of students from the Academic Upgrading program and 13% of the students from ESL Canadian program enrol in full time post-secondary programs, resulting in future tuition and grant funding for the College and more trained graduates. Based on this data, providing financial aid to support these students appears to be warranted because it generates an increase in enrolment while maintaining financial sustainability.

It is important to note that steps are currently being taken by the Language Institute to transition ESL Canadian from the current 'tuition-short' funding format (tuition-short is a Ministry operating grant funding mechanism for short-term programs) to an Ontario College Certificate, English for Academic Purpose program. If successful, the result would be that ESL Canadian is a full-time program whose students would be eligible to apply for financial aid from the Ontario Student Assistance Program (OSAP). This would result in a significant reduction of the number of ESL Canadian students in need for bursaries from the TSA fund, including ISBP. The likelihood of achieving this goal is high.

Although the Academic Assistance for Adults with Developmental Disabilities (AAADD) does not generate new post-secondary enrolment, any changes to the program in the future would require consultation with our community to ensure a smooth transition to an alternate delivery model. Future options that could be explored include partnering with other community organizations to deliver these courses.

The Ministry has implied that the overall need for bursaries should be reduced due to the recent implementation of the Ontario Tuition Grant (OTG). As OTG was only implemented on January 1, 2012, data is not yet available to validate this assumption and, therefore, programming changes are considered to be premature.

For 2012-13, this shortfall will be addressed through the following methods:

- an unanticipated OSBP final payment of $230,000;
- reallocation of resources of $500,000 within the TSA Cost Centre; and,
- an injection of $170,000 from contingency provisions created to address unknown impacts of the Ontario Provincial Budget.

For the 2013-14 annual budget, the TSA allocation will be calculated and allocated using the new guidelines and in a manner which both addresses student needs and does not require contingency funding.

Recommendation:

- That the AAADD, Academic Upgrading and ESL Canadian programs continue to be delivered beyond Fall 2012 and that the College continue to regularly assess the financial sustainability and alignment of these programs to the Strategic Plan.

- For 2012-13, that the ISBP financial aid program shortfall be funded from a combination of TSA funds and the institution's budgeted contingency provisions.

  For 2013-14 and beyond, that the ISBP financial aid program be funded from TSA funds only.