Ministry of Colleges and Universities

Update to ONECA on the Post-Secondary Student Support Program Guidelines for Postsecondary Institutions

September 18, 2024

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Overview

- The Post-Secondary Student Support Program (PSSSP) is a federal postsecondary student financial aid program that provides eligible Indigenous students with funding covering tuition, books, travel support, and living allowances.

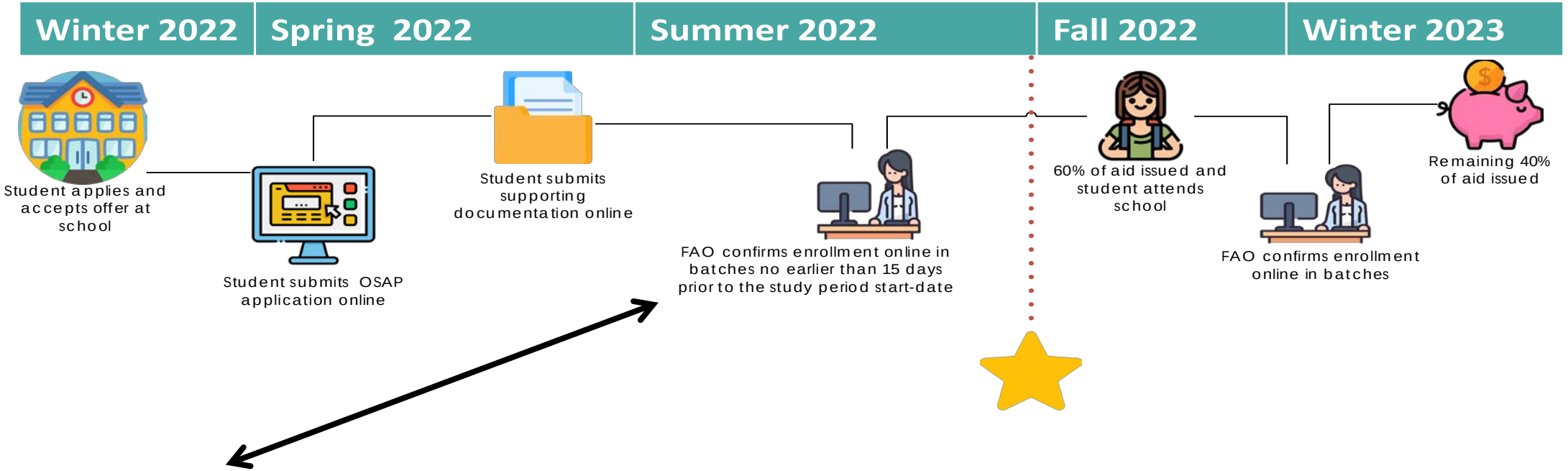
- Federal funding for this program is provided to **First Nations or First Nations-designated organizations** (sponsored organizations) as part of core funding agreements with Indigenous governments and organizations.
    - PSSSP is awarded to only Indigenous students who applied for it. This means each sponsoring organization review PSSSP applications, decides on recipient and amounts awarded. This process takes time, and each sponsoring organization has its own application cycles.

- PSSSP is considered **exempt income**, meaning that Indigenous students do not report it on their OSAP applications. This also means that Indigenous students can receive PSSSP funding in addition to their OSAP funding.

- Sponsorship letters differ between sponsoring organizations. Ideally but not always, the sponsorship letter should specify the preferred funding (OSAP or PSSSP) that should be applied first to the student's educational costs on their postsecondary institution's account i.e., who the 'first payer' is.
    - PSSSP amounts vary based on sponsoring organization (e.g., $2,000 for student tuition versus $8,000).

- In situations where sponsorship letters do not specify their preference of being a first payer, ministry policy is that the sponsoring organization is the first payer of that student's tuition fees and OSAP funding should be disbursed to the student.

Student Application Roadmap



Confirmation of enrollment process

- After a student's OSAP application is processed, FAOs confirm a student's enrolment with the ministry 15 days before the start of the study period.
- FAOs routinely request the redirection of OSAP funding to be remitted towards any outstanding fees (tuition, compulsory fees, residence fees) related to students' study periods (amounts vary based on program cost).
- Student files are processed electronically in batches with automatic and routine processes between the ministry, postsecondary institutions, and NSLSC.
- This data is transmitted electronically to the NSLSC, who disburses the remitted value directly to the postsecondary institution, and any remaining OSAP funding into the student's bank account.

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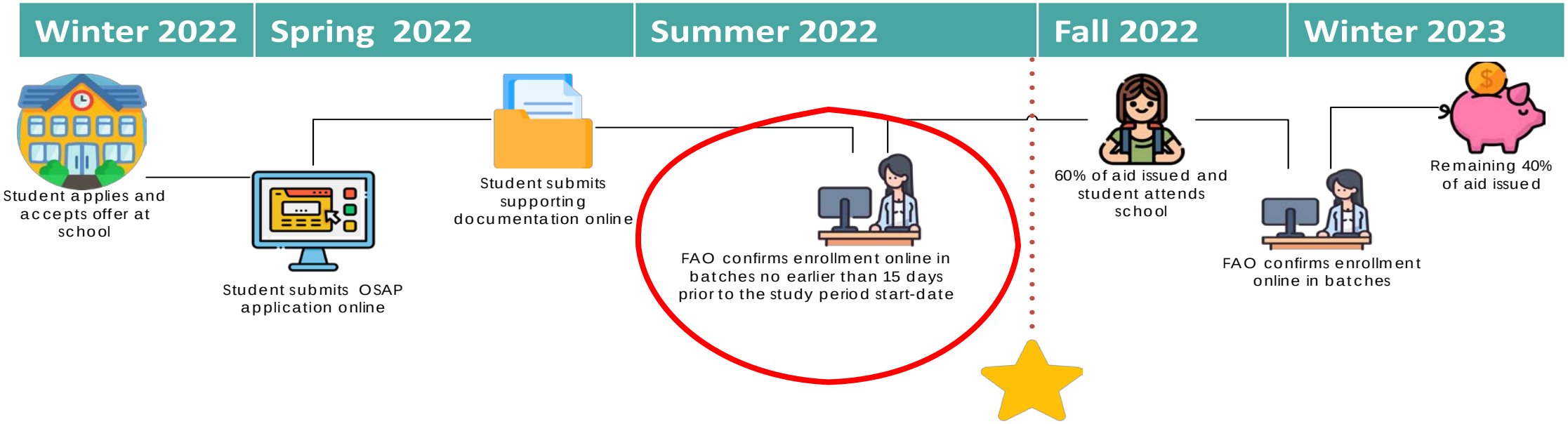
How does the first payer issue occur?



- Ideally, sponsorship letters should be received and processed by FAOs before the confirmation of enrollment process occurs. If this doesn't happen, then **first payer issue may inevitably** occur.
- In this case, OSAP becomes the first payer of the student's tuition and other fees and not PSSSP, because OSAP will automatically be applied to the outstanding tuition and fees. That is, <u>when sponsorship letters are received and processed by the postsecondary institution after the confirmation of enrollment batch process</u>, this causes double payment on the student's institution account.
- **Double payment** results in the postsecondary institution receiving both OSAP and PSSSP payments while the student receives little to no funding *on a temporary basis until the issue gets resolved*.

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PSSSP Guidelines for Postsecondary Institutions

- Double payment (also known as the first payer issue) results in the postsecondary institution receiving both OSAP and PSSSP payments while the student receives little to no funding on a temporary basis until the issue gets resolved.
- This is a challenging issue because we've heard from postsecondary institutions that they all receive, and process PSSSP sponsorship letters differently based on their unique operating environments. The confirmation of enrollment deadline also imposes time constraints.
- In response, MCU drafted the **PSSSP Guidelines for Postsecondary Institutions** with the intent that it provides guidance on how to avoid the PSSSP issue.
- **The Guidelines:**
    - Consist of a compilation of existing practices from postsecondary institutions on how they process PSSSP sponsorship letters in a way that avoids the double payment issue and results in issuing timely funding to students.
    - Document the PSSSP problem.
- The Guidelines have been finalized and are now incorporated as Annex B into the 2024-25 Full-Time OSAP Policy Manual, available to institutions as of July 2024.
- The next half of the presentation will provide a summary of the Guidelines main recommendations to postsecondary institutions, so they can improve how they process PSSSP and work with First Nations organizations.

PSSSP Guidelines for Postsecondary Institutions

Key Objectives of PSSSP Guidelines for Postsecondary Institutions

- Before we go into a summary of the **PSSSP Guidelines for Postsecondary Institutions**, it is important to **acknowledge that operational factors vary across institutions.**
- The ministry recognizes that postsecondary institutions process sponsorship letters from Indigenous sponsorship organizations in different ways based on their unique operating environments and sponsorship letter information:
    - **Operating Environment:** Examples include the office that receives sponsorship letters, institution's enrolment IT system, office responsible for communicating with Indigenous Sponsorship Organizations.
    - **Sponsorship Letter Information:** Information varies from first-payer preference, who the sponsor is, what's covered under PSSSP, etc.
- To help institutions process sponsorship letters, the ministry has compiled **best existing practices** that specifically Financial Aid Offices (FAOs) at postsecondary institutions should follow to address the first payer/double payment issue:
    - **Issue Prevention:** Guidelines aim to assist FAOs in administering PSSSP and OSAP efficiently preventing instances of double-payment.
    - **Trouble Shooting:** Guidelines point FAOs to resources when double payment occurs.

Summary of PSSSP Guidelines for Postsecondary Institutions

After consulting with the Ontario Association of Student Financial Aid Administrators (OASFAA), PPU identified these 10 items in the **PSSSP Guidelines for Postsecondary Institutions** that is available to FAOs:

1. Interpreting Sponsorship Letters
2. Flag Students with Sponsorship Indicator
3. Redirect Remittance to Student's Bank Account
4. Stop Late Payment Interest
5. Create a PSSSP-Specific Email Address
6. Establish a Sponsorship Letter Sharing System
7. Create a Standardized Process to Collect Required Details for PSSSP Administration
8. Proactively Communicate Deadlines with the Sponsoring Organization
9. Develop a Standardized Sponsorship Form
10. Develop a Standardize Internal Processes on PSSSP Administration from Start to Finish

Summary of PSSSP Guidelines for Postsecondary Institutions

1. **Interpreting Sponsorship Letters:**
   - Postsecondary institutions should clearly communicate with sponsoring organizations about PSSSP details, covering expenses, key dates, and payer preferences. If another office typically handles these relationships, FAOs can delegate the task to that office.
2. **Flag Students with Sponsorship Indicator**
   - Place a sponsorship indicator before the Confirmation of Enrolment Date and Tuition Payment Deadline to show the institution has received a sponsorship letter for the student. If PSSSP is the first payer, invoice the sponsor, apply PSSSP funds upon payment, and ensure OSAP funding goes directly to the student.
3. **Redirect OSAP Remittance to Student's Bank Account**
   - When a student's account is flagged as "sponsored," FAO staff must verify the sponsorship amount and adjust the redirected fees.
4. **Stop Late Payment Interest:**
   - Configure a setting where the student's account will not accrue late payment interest on their outstanding tuition amount until receipt of PSSSP funds. That way in case sponsorship funding is not received before fee deadlines, students do not face financial consequences.

Summary of PSSSP Guidelines for Postsecondary Institutions

5. **Create a PSSSP-Specific Email Address:**
    - This shared email address is crucial for reducing extra processing time related to information sharing across offices. Shorter processing times help flag students sooner, preventing double-payment issues.

6. **Establish a Sponsorship Letter Sharing System**
    - A shared letter system is more practical than a dedicated email address. Without FAO access, an email alone won't reduce processing time. Use systems like OneDrive, Microsoft Teams folders, or other Microsoft programs for effective sponsorship letter sharing.

7. **Create a Standardized Process for Sponsorship Letters:**
    - Sometimes, sponsorship letters lack clarity on how much PSSSP funding should be allocated to eligible costs like tuition or books. To prevent this, postsecondary institutions can create a standardized internal process to collect all necessary information for processing sponsored payments.

Summary of PSSSP Guidelines for Postsecondary Institutions

8. Proactively Communicate Deadlines with the Sponsoring Organization:

- Late submission of sponsorship letters and PSSSP payments can cause double payments and financial hardships for students. Prevent this by notifying sponsors of important dates through mass emails from FAOs, ensuring timely processing, and explaining the consequences of late submissions.

9. Develop a Standardized Sponsorship Form:

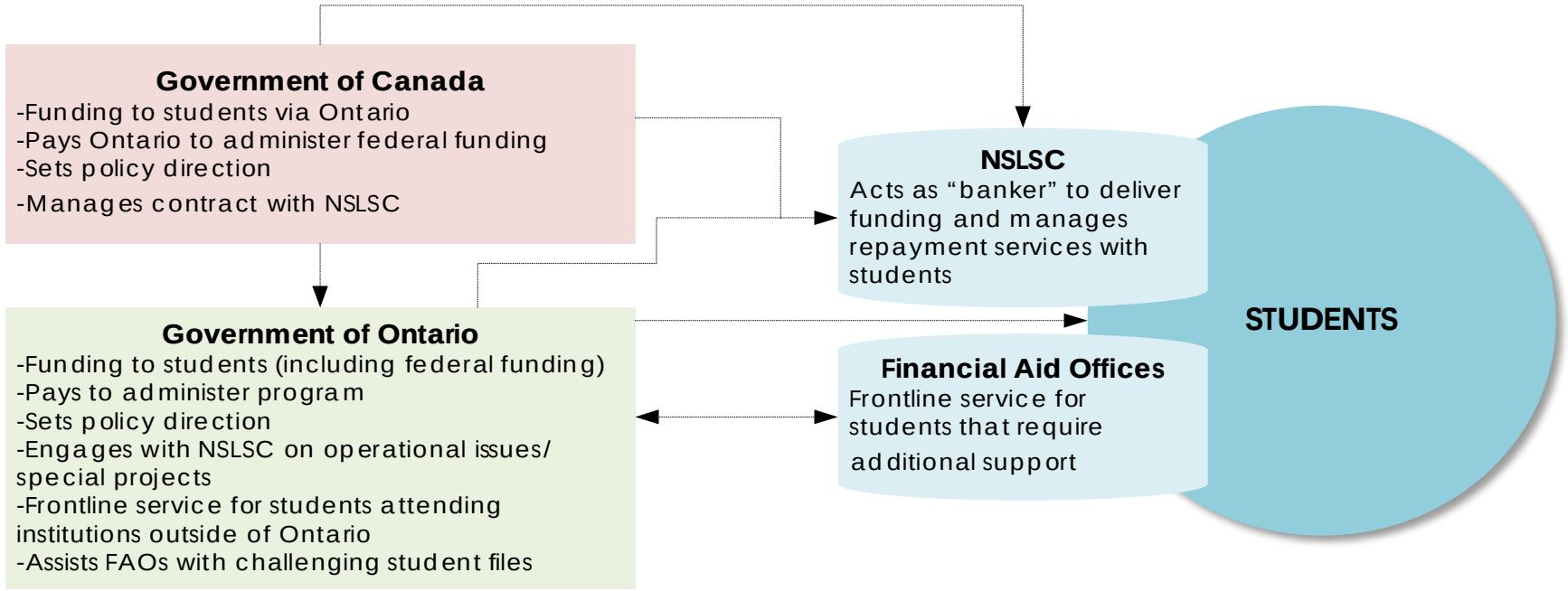
- FAOs can create a standardized form for sponsoring organizations to submit with the sponsorship letter, allowing postsecondary institutions to gather specific details about the sponsorship arrangement.
- **The form may include fields such as:** Administrative fees coverage; Exact tuition and fee amounts per term; Whether the sponsorship is the first payer; Health insurance coverage; Program-specific fees coverage.

10. Develop a Standardize Internal Processes on PSSSP Administration from Start to Finish:

- FAOs can develop protocols for interpreting sponsorship letters, and for collaborating with sponsors.
- For example, an institution may standardize PSSSP as the first payer and follows a defined procedure that works well in the institution's infrastructure to code students' accounts with a PSSSP flag. This ensures OSAP funding is redirected to the student systemically at each institution.
- While Item 10 appears like Item 7, Item 7 speaks to the overall internal process of PSSSP administration, whereas Item 7 speaks to the specific aspect (i.e., communication with sponsorship organization) of PSSSP administration.

Appendix

OSAP Ecosystem



- For many years, Ontario has delivered OSAP with partners serving around 400,000 students annually:
  - **Government of Canada** - Ontario and the federal government have integrated student financial assistance programs under OSAP. The federal government pays Ontario to administer federal funding and student financial assistance policies on their behalf.
  - **National Student Loans Service Centre (NSLSC)** - is the third-party service provider who issues loans to OSAP borrowers and manages repayment.
  - **Financial Aid Offices (FAOs)** – Provides frontline service for students who require additional support at their respective post-secondary education (PSE) institutions.

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