

Additional updates to Canada's international student program

April 12, 2024

It has been over a month since Immigration, Refugees and Citizenship Canada (IRCC) announced major changes to Canada's international student program. As provinces and post-secondary institutions pivot to comply with the new requirements, developments continue to surface. Below we have summarized the key announcements since the release of <u>our last article</u>, including the revised study permit cap, updates regarding provincial allocations, the implementation of attestation systems, and the change to the Post-Graduation Work Permit Program (PGWP) deadline.

Number of available study permits clarified

At the time of the January announcement, it was estimated that the number of new **permits would amount to 360,000 in 2024 - a 35 per cent decrease from the previous** year. However, given the immigration minister only has the power to limit the number of applications that will be processed and not the number that will be approved, the 360,000 estimate was based on a cap of 606,250 processed applications and historical approval rates of approximately 60 per cent.

Recent comments made by <u>Canada's Immigration Minister</u> reveal that the actual number of study permits allocated to college and undergraduate international students this year will be approximately 292,000. The 68,000 permit discrepancy has reportedly occurred because the original 360,000 figure included cap-exempt study permits, such as elementary, high school and master's students.

It is important to note that existing international students with approved study permits are not included in the allocation number and are not impacted by the new cap.

Updates regarding provincial study permit allocations

During the initial January announcement, the immigration minister stated that provinces would be allocated a share of the overall study permit cap, weighted by population. As such, provinces assumed that they would receive a share of permits equal to their share of the Canadian population. However, this has not translated into practice in all cases.

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1. Alberta

We understand that the IRCC informed Alberta that the province would be allocated 41,000 international study permit applications for 2024. <u>Alberta's Ministry of Education</u> commented on this allocation noting that although Alberta makes up approximately 11.5 per cent of Canada's population, it has only been granted 6.8 per cent of applications for 2024 with the "vast majority" of Alberta's permits going towards publicly funded institutions. We expect that in some cases this has resulted in the public institutions having an increased number of allocations. For example, we are aware from information put out by the University of Lethbridge that it was allocated 2,687 applications - a 49 per cent increase from 2023.

2. British Columbia

On March 1, 2024, the <u>British Columbia Ministry of Post-Secondary Education and</u> <u>Future Skills announced</u> that the province was granted 83,000 permit applications for 2024. The new allocation marks a decrease from 97,000 study permit applications in 2023. Nevertheless, this figure is about twice as many as those allocated to Alberta, despite the population of British Columbia only being 15 per cent greater. Based on previous acceptance rates, the allocation is expected to result in approximately 50,000 approved study permit applications for 2024, as compared to 60,000 approved study **permits in 2023. Notably, 53 per cent of British Columbia's provincial attestation letters** (PALs) will go to public post-secondary institutions, while private institutions will receive the other 47 per cent.

3. Nova Scotia

On March 28, 2024, <u>Nova Scotia's Advanced Education Minister</u> announced that the province was allocated 12,900 international study permit applications for 2024 - a decrease of 7,000 applications from the previous year. The applications will be distributed as follows: 11,565 to the province's ten universities and Nova Scotia Community College, 710 to twelve private career colleges, and 526 to nine language schools. Nova Scotia noted that it will hold back 99 applications to allow for some flexibility.

4. Ontario

Ontario has been allocated 235,000 international student study permit applications by the IRCC. Using the historical approval rate of 60 per cent would result in approximately 141,000 new study permits being issued to students of Ontario based designated learning institutions (DLIs). The <u>Ontario government revealed</u> that it would be allocating 96 per cent of its study permit applications to public post-secondary institutions, while **the remaining 4 per cent will be distributed among Ontario's language schools, private** universities, and other institutions. However, career colleges are explicitly not included in the 4 per cent and will not receive any permit applications. We understand that the Ontario Ministry of Colleges and Universities communicated to each DLI the number of study permits such institution would receive for the period from Jan. 22, 2024, to Jan. 21, 2025, shortly after issuing its March 27 announcement.

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In comparison to other provinces, Ontario's allocation is highly skewed towards public institutions as the province is committed to prioritizing "in-demand jobs" to support Ontario's labour market needs. Among these programs include skilled trades, health human resources, science, technology, engineering and mathematics, hospitality, childcare, and French-language enrollment. The Ontario government also noted the following key points in its announcement:

- Each DLI's allocated share of study permits cannot exceed the number of permits issued by such DLI in 2023;
- The ratio of study permits cannot exceed 55 per cent (exclusive of high-demand areas) of the DLI's 2023 first-year domestic enrolment;
- All Ontario universities, excluding Algoma University, will be able to submit applications in the same number as they did in 2023; and
- Slightly less than half of Ontario's colleges (11 of 24) will be allowed to submit applications in the same number as they did in 2023, with the largest decline being experienced by public-private college partnerships and Conestoga College.

5. Prince Edward Island

On March 7, 2024, <u>Prince Edward Island's Advanced Learning Minister announced</u> that the province was allocated 2,000 international study permit applications for 2024. This **allocation appears to be 30 per cent less than Prince Edward Island's proportion of the** national population. The majority of these permits will be distributed to the University of Prince Edward Island (UPEI), which will be able to enrol up to 1,185 international students. In comparison, last year, UPEI made 3,200 offers to international students, of which 675 students enrolled. The remainder of the province's permits for 2024 will be allocated as follows: 710 permits to Holland College and 105 to Collège de l'Île.

6. Saskatchewan

According to the **government of Saskatchewan's website**, Saskatchewan was initially allotted approximately 12,000 international study permit applications for 2024. However, on <u>April 4, 2024</u>, the government of Saskatchewan announced that the IRCC provided the province a one-time increase of 3,000 study permits for 2024. As a result, Saskatchewan's total PAL allocation for 2024 amounts to just over 15,000. Considering the province's historical acceptance rate, this allocation could result in a total of 7,200 study permits for 2024. By way of comparison, at the end of 2022, Saskatchewan had about 13,000 total international students attending local institutions under study permits.

7. Other provinces and territories

The remaining provinces and territories have not publicly announced their allocations of international study permit applications for 2024.

Implementation of provincial attestation systems

The IRCC set a March 31, 2024, deadline requiring provinces to create systems to issue PALs. PALs will be issued to international students who have been accepted at DLIs as a way to signal to the IRCC that the approved student is authorized by the

province/territory which their school is located in, in order to count towards that province's/territory's respective study permit allocation.

Prior to the January announcement, only Quebec had a PAL system in place. Since then, according to the IRCC's official webpage, the remaining provinces have announced their systems to deliver PALs to students. Under all systems, students will be delivered PALs through their DLIs. We have outlined below what is currently known publicly about each province's system and how certain educational institutions within such province are approaching the issuance of applications to prospective students. It is worth noting that many of such institutions are now requiring deposits from applicants to ensure the prospective student is committed to attending the school before it is willing to give out one of its limited supply of allocated permit applications. Our understanding is that the approaches my not be standardized between institutions in the same province and students will need to contact the admissions department of the DLI they plan to attend to ensure they understand that school's PAL process.

1.Alberta

Alberta has been issuing PALs since March 1, 2024, upon request from post-secondary institutions. In order to request a PAL through a DLI, international students seeking to study in Alberta may be required to demonstrate to their particular DLI that they are committed to studying with the institution. For example, the <u>University of Alberta</u> and the <u>University of Calgary</u> require applicants to pay a deposit and accept their offer of admission before the institution will request a PAL from the government of Alberta.

2. British Columbia

British Columbia implemented its PAL process on March 4, 2024. By way of example, the <u>University of British Columbia</u> requires applicants to pay a deposit (\$1,000) and **accept their offer of admission prior to providing the applicant with a PAL. Once these** steps are complete, the university will send the applicant their British Columbia PAL within approximately three business days.

3. Manitoba

Manitoba began issuing PALs on March 4, 2024. The <u>University of Manitoba</u> announced that applicants will be required to pay a deposit of \$2,000 by credit card and within 10 days of a decision being made on their application.

4. New Brunswick

New Brunswick began processing PALs on March 18, 2024. The <u>University of New</u> <u>Brunswick</u> (UNB) has disclosed on its website that in order to request a PAL, students will need to complete the "Request for Provincial Attestation Letter" form, activate their UNB account, and pay a tuition deposit of \$8,000. The tuition deposit is non-refundable, except in cases where students are unsuccessful in receiving a PAL or a study permit.

5. Newfoundland and Labrador



Newfoundland and Labrador began processing PALs on March 19, 2024. <u>Memorial</u> <u>University</u> announced that it has started contacting admitted students via email to collect further information required for the PAL process. The university is first notifying students admitted for the Spring 2024 semester.

6. Nova Scotia

Nova Scotia released its PAL system on March 28, 2024. At <u>Dalhousie University</u>, international students must pay a confirmation deposit, fill out their Letter of Acceptance, and complete the "Provincial Attestation Request Form" within two days of receipt, prior to receiving a PAL.

7. Ontario

Ontario's PAL system was implemented on March 28, 2024. DLIs have begun disclosing how students may obtain PALs on their websites. Like other provinces, many DLIs require applicants to accept their offer of admission and pay a tuition deposit before receiving a PAL. However, we expect there to be refinements to the system as we understand that the Ontario Universities' Application Centre (OUAC) and the Ontario Colleges Application Service (OCAS) are assisting Ontario in streamlining its attestation process.

8. Prince Edward Island

Prince Edward Island implemented its PAL system on March 27, 2024. Similar to other provinces, students must pay a deposit before being issued a PAL. Notably, however, <u>Holland College</u> and <u>UPEI</u> have increased tuition deposits for international students (from \$1,000 to \$5,000) to ensure students who are offered a PAL are committed to attending their program.

9. Saskatchewan

Saskatchewan's PAL system has been in place since March 13, 2024. Notably, it is one of the first provinces to automate its PAL system using MyCreds - a national information technology database that stores and verifies academic credentials for provincial and post-secondary education sectors.

10. The territories

Northwest Territories, Yukon, and Nunavut are continuing to develop their PAL systems but have not made any official announcements with respect to implementation.

Change to the PGWP deadline

During the January announcement, the IRCC also stated that graduates of college programs with public-private curriculum licensing agreements would not be eligible for PGWPs as of Sept. 1, 2024. However, in a <u>March 22, 2024</u> announcement, the IRCC moved this date to May 15, 2024. In practice, this means that international students who start this type of program on May 15, 2024, or later will not be eligible for a PGWP when

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they graduate; once again moving the needle for students who may have made decisions and expended significant resources based on the prior timing parameters.

What's next?

As the saga continues to unfold, we note the following:

- a. The cap on international study permits will cause post-secondary educational institutions to experience financial pressures, as international students often pay greater tuition fees in comparison to domestic students. This will, in turn, likely result in colleges and universities requesting additional funding from the government in order to support their operations. While the significant reduction in allocations (to zero in some cases) to private institutions may result in certain institutions ceasing to do business in Canada.
- b. As the new school year approaches, reductions in international student enrollment for September 2024 have already been reported due to foreign recruiters directing students to institutions in other countries. This demonstrates the deterrent effect of the recent changes to Canada's international student program. As such, even institutions that will not see a material reduction in study permit allocations could face financial difficulties this year.
- c. DLIs are attempting to pivot their strategies to focus on master's programs (or additional master's programs if the DLI already has such programs in place) in order to avoid the permit cap. This is likely to result in a highly competitive landscape where DLIs compete with one another to recruit students for similar master's programs.
- d. Since international students enrolled in programs that are less than six months long are (and always have been) exempt from requiring a study permit to come to Canada, it remains to be seen if educational institutions are able to come up with creative ways to offer programs that attract international students while leveraging this exemption.
- e. With the drastic changes to the permit allocations in Ontario and differing approach the province took in comparison to the other provinces on this issue, which may cause material detrimental financial effects on certain market participants, we expect certain colleges, public-private partnerships, career colleges and other DLIs that face significant reductions in their student numbers to undertake increased lobbying efforts or even legal action to attempt to change **the government's position**.
- f. Certain provinces announced greater oversight of DLIs in their province going forward and suggested legislation could be introduced to effect such changes. To this end, Ontario is introducing the Strengthening Accountability and Student Supports Act, 2024 which is intended to, among other things, address the federal government's concerns regarding the quality of certain programs offered by certain institutions, lack of supports available to international students and the high fees that they are required to pay.
- g. Although not directly tied to the permit allocation issue, the Ontario government has also recently made comments suggesting that they are looking at potentially introducing measures to restrict admission to certain high-demand programs at Ontario colleges and universities to Ontario residents only. Market participants may need to expect continuing shifting of sands under their feet as various provinces enact further changes to their higher education regulatory regime.

Contact us

If you have questions about how these recent updates will affect your organization, please reach out to any of the authors or key contacts listed below, or any lawyer from our <u>Education or Beyond Business Immigration</u> groups.

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