



Ontario Catholic School
Trustees' Association

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March 29, 2018

MEMORANDUM

TO: Chairpersons and Directors of Education
- All Catholic District School Boards

FROM: Patrick J. Daly, President

SUBJECT: 2018 Ontario Budget Analysis

As you are aware, the Government of Ontario tabled its 2018-2019 budget on March 28. The budget confirms the GSN announcement from Monday March 26. Below is a more detailed summary of the budget and its education spending commitments. I want to thank Dan Duszczyszyn for this analysis and his participation in the budget lock up.

Overall Fiscal Situation

Government projects an interim forecast surplus of \$642 million for fiscal 2017-18. Over the medium term, the government is projecting deficits of \$6.7 billion in 2018-19, \$6.6 billion 2019-20, and \$6.5 billion in 2020-21.

Ontario's Financial Outlook				Medium Term Plan		
\$ Billions	Actual 2015-16	Actual 2016-17	Interim 2017-18	2018-19	2019-2020	2020-2021
Revenue	128.4	140.7	150.1	152.5	157.6	163.8
Expense						
Programs	120.9	130	137.5	145.9	150.4	155.8
Interest on Debt	11.0	11.7	12.0	12.5	13.1	13.8
Total Expense	131.9	141.7	149.5	158.5	163.5	169.6
Surplus/(Deficit) Before Reserve	-3.5	-1.0	0.6	-6.0	-5.9	-5.8
Reserve	0.0	0.0	0.0	0.7	0.7	0.7
Surplus/(Deficit)	-3.5	-1.0	0.6	-6.7	-6.6	-6.5
Net Debt as a Per Cent of GDP	38.6	38.0	37.5	37.3	37.2	38.6
Accumulated Deficit as a Per Cent of GDP	25.2	24.3	23.2	23.1	22.9	22.7

The government’s deficit recovery plan forecasts (Table below) a return to balanced budget in 2024-25. Recovery plan is based on holding the average rate of program spending growth to **2.5%** between 2018-19 and 2024-25.

Note: Education Program spending growth between 2018-19 and 2020-21 is 4.1%

Ontario's Fiscal Recovery Plan	Medium Term Plan				Recovery Plan				
\$ Billions	Interim 2017-18	2018-19	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Revenue	150.1	152.5	157.6	163.8	169.5	174.9	180.4	186.5	192.9
Expense									
Programs	137.5	145.9	150.4	155.8	159.5	162.7	166.0	169.3	172.7
Interest on Debt	12.0	12.5	13.1	13.8	14.9	15.5	16.3	16.5	16.9
Total Expense	149.5	158.5	163.5	169.6	174.4	178.2	182.3	185.8	189.6
Surplus/(Deficit) Before Reserve	0.6	-6.0	-5.9	-5.8	-4.9	-3.3	-1.8	0.7	3.3
Reserve	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Surplus/(Deficit)	0.6	-6.7	-6.6	-6.5	-5.6	-4.0	-2.5	0.0	2.6

Education Sector Expense is projected to grow from \$29.1 billion in 2018-19 to \$35.1 billion in 2020-21 – representing a 4.1 per cent growth over the period – including investments in child care system, enrolment growth, new announcements on special education, mental health supports and capital projects.

For Elementary/Secondary Education the March 26th GSN announcement was reaffirmed in the 2018 Budget expenditure commitment. Unlike the 2017 Budget release, GSNs were announced prior to 2018 Ontario Budget, as a result, the announcement yesterday does not contain substantive detail regarding education sector direct funding programs.

Summary of Education Sector Expense				Medium Term Outlook		Average Annual Growth 2018-19 to 2020-21	
	\$ Billions	Actual 2016-17	Interim 2017-18	2018-19	2019-20		2020-21
Education Sector		26.58	27.49	29.10	30.10	31.50	4.10%

- ✓ Excludes Teachers’ Pension Plan
- ✓ Education Sector Expense sensitivity: Assumption for 2017-18 approximately 1,993,000 enrolment.
- ✓ One percent enrolment change ~ \$170 million.

Teachers’ Pension Plan

\$ Millions	2014-15	Actual 2015-16	Actual 2016-17	Interim 2017-18	Plan 2018-19
Teachers' Pension Plan Expense	564	110	(377)	(460)	(861)

* Numbers reflect the pension expense/recovery that was calculated in accordance with Public Sector Accounting Board Standards.

Budget Initiatives with Impact on School Boards

Some of these initiatives were announced in the 2018 GSN and some are expansions on previously announced initiatives.

Apprenticeship

- Expansion of the Ontario Youth Apprenticeship Program (OYAP), providing more high school students with trades-related hands on learning opportunities.
- Improved guidance counselling resources and local labour market information for students, parents and educators.

Curriculum and Assessment Refresh

- Multi-year initiative to modernize curriculum and assessment tools kindergarten to Grade 12 (culturally relevant, measure a wider range of learning, and better reflect student well-being and equity).
- Emphasize transferable life skills such as communication, problem solving, critical thinking and creativity.

Career & Life Planning

- Enhancing the Grade 10 Career Studies course, introducing learning on financial and digital literacy, as well as expanding hands-on learning opportunities.
- Students will learn to plan and create budgets, develop resources to support transition to workforce, make connections with local entrepreneurs and learn to employ effective online research tools.

Enhancing Access and Engagement through Digital Learning

- Continued investment in expansion of high speed internet access
- Additional 250,000 students (850 schools) by end of 2018
- High speed Internet access to every classroom by 2021

Well -Being, Equity, and New Approaches to Learning

- Additional \$21 million over 3 years to provide students with access and exposure to arts, dance, music and visual arts
- \$49 million over three years (announced September 2017), to develop and strengthen programs to improve cognitive, emotional, social, and physical development
- Implementing Ontario Education Equity Action Plan
- Developing an Education Accessibility Standard to help address barriers that prevent students with disabilities from reaching their full potential
- Collaborating with First Nation, Métis and Inuit partners to develop a revised curriculum that reflects the contributions, cultures and perspectives of Indigenous peoples. Grade 4 to 8 new curriculum will be implemented in September 2018.

Investing in Schools

- \$784 million in new builds, additions and upgrades to 79 schools.
- \$1.4 billion in school renewal funding

The Top 10 Other Budget Focus Areas are:

- Free Prescription Drugs for individuals over 65 through OHIP+
- More Child Care-free care for children aged two-and-a-half until eligible for kindergarten
- New Ontario Drug & Dental Program for those without workplace health benefits
- Seniors' Healthy Home Program
- Improved Hospital Access, reduced waiting times, new and renovated hospitals
- Mental Health – *includes mental health professionals announced in GSN
- Home Care for Seniors - more access to community health services
- Removing barriers for individuals with developmental disabilities
- Free Tuition-expanding eligibility
- Minimum Wage - \$15/hr Effective January 1, 2019.

Next Steps

OCSTA will continue to monitor the implementation of the budget and its impact on school boards and provide summary information as required. For further information on the budget please see the following link (<http://budget.ontario.ca/2018/index.html>).

If you have any questions, please do not hesitate to contact me, Dan Duszczyzyn at dduszczyzyn@ocsta.on.ca or Stephen Andrews at sandrews@ocsta.on.ca.