

POWER OF MANY

2019 New Budget Announcements

- Since 2010, the government has restrained program spending grew at a rate below inflation and population growth. Ontario also spends the lowest amount per person on public services in Canada.
- This budget cuts spending in nearly every ministry: Indigenous Affairs cut in half; Training, Colleges, and Universities will lose \$738M. Social Services will lose \$1B, Agriculture cut more than \$100M; Energy cut \$500M; Housing cut \$300M.

Medium Term

- **Health care spending** will not meet inflation and population growth in 2021/22 (i.e., a cut in spending). Real dollar cuts to hospitals.
 - Future cost saving initiatives include passing Bill 74 (the amalgamation of health care agencies, privatization of services), reducing overtime and premiums paid to workers.
- **Education spending** will be frozen in 2020/21 and will fail to meet enrollment, inflation, and population growth in 2021/22. It is also important to note that the child care tax credit will come from education spending.
 - Future cost saving initiatives include increasing the average size of classrooms, laying off teachers and education workers.
- **Post secondary education spending** will drop by 5.8% in 2019/20 (not accounting for inflation or population growth) and will fail to meet inflation and population growth in 2020/21.
 - Future cost saving initiatives include removing student union fees, 10% cut to tuition fees, tying funding to performance outcomes.
- **Children and social services spending** will decline by 1.8%, 1.2%, and 3.0% respectively (not accounting for inflation or population growth) beginning in 2019/20.
 - Future cost saving initiatives include revamping social assistance, transforming the sector at \$510 million annually in 2021/22, closing some youth justice facilities, reducing beds in both the open and secure custody detention system.
- **Justice spending** will decline by 2.0%, 2.0%, and 2.1% respectively (not accounting for inflation or population growth) beginning in 2019/20.
 - Future cost savings include reducing legal aid services, resulting in fewer Ontarians qualifying for assistance. Provincial funds can no longer be used for refugee and immigration cases.
- **Other program spending** will decrease by 3.3% (not accounting for inflation or population growth) in 2019/20.
 - Cost saving initiatives include cancelling the cap-and-trade program.

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Public Services for All

Child Care

What was announced:

- Introduce the Ontario Childcare Access and Relief from Expenses (CARE) tax credit: families will receive up to \$6,000 per child under the age of 7, up to \$3,750 per child between the ages of 7 and 16, and up to \$8,250 per child with a severe disability – based on family income.

What does this mean:

- Cuts are coming because it is unclear how this tax credit will be paid (most likely coming from the education envelope).
 - The government may shift provincial funding away from fee subsidies and other supports for licensed care, such as the \$2-an-hour wage enhancement grant for early childhood educators. Teachers from full-day kindergarten may also be eliminated, leaving lower paid early childhood educators to run the program.
- Low-income families cannot afford to pay the fees upfront and then wait until tax season for the rebate.
 - Parents will be forced to rely on unregulated and for-profit arrangements that undervalue care work.
- Tax credits don't build quality child care spaces or decent work for all child care workers.

What we already know:

- Ontario continues to be home to the most expensive child care in the country, across all age groups, with some parents paying more than \$1200 per month.ⁱ
- For every public dollar invested in child care, the Ontario economy gains nearly \$2.50 due to increases in working hours and wages of women.ⁱⁱ

Education

What was announced:

- Offer supports to parents and access to student learning opportunities outside of the school day, including tutoring by third parties.
- Create a task force to determine the efficiency of school boards.
- Force university professors to retire in an effort to save costs.
- Tie 25% of funding to performance outcomes and this proportion will increase annually until it reaches 60% in 2024/25.

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What does this mean:

- Recent announcements show that the government will cut the number of teachers available in the classroom – instead of reversing their decision, the government will be providing “supports” for families to access third-party tutoring as part of their math curriculum overhaul.
- Likely going to amalgamate school boards that are not providing a “bang for their buck” (most likely regional boards).
- Place significant pressure on the PSE sector (institutions, faculty, and students) and produce negative outcomes with a significant focus on outcomes.

What we already know:

- Ontario’s schools are crumbling with a \$15.9 billion repair backlog.ⁱⁱⁱ
- Ontario’s per-student funding for universities is the lowest in Canada.^{iv}
- Ontario university students pay the highest tuition fees in Canada.^v

Health Care

What was announced:

- Cut \$250M by 2021/22 through workforce initiatives such as reducing the number of overtime and premium rates paid to health care workers.

What does this mean:

- Prevent low-wage workers, who rely on the additional income, from accessing overtime and may cause labour relation issues when different regional sectors and agencies are amalgamated.

What we already know:

- Ontario spends the lowest amount per person on health care in the entire country.^{vi}
- Ontario funds its hospitals at the lowest rate in Canada. As a result, Ontario has the fewest hospital beds per person; the highest rate of hospital readmissions; and the lowest hospital nursing hours per patient.^{vii}

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Dental care

What was announced:

- Seniors making under \$19,300 — or \$32,300 for couples — will qualify for “free” dental care.

What does this mean:

- 95% of seniors will not qualify for the dental care announcement.
- Precarious workers and other families continue to be left out. Everyone should have access to dental care – regardless of their age, where they work, and how much they earn.

What we already know:

- In Ontario, 14.4% per cent of seniors live in poverty – above the national average.^{viii}
- One in three workers in Ontario do not have workplace medical or dental benefits.^{ix}
- More than 80% of insecure jobs in Ontario do not receive any benefits including vision, dental, and prescription drug coverage.^x

Pensions

What was announced:

- Allow more multi-employer pension plans, including those in the non-unionized, not-for-profit sector to participate in target benefit pension plans (i.e., no guarantee of benefits) [currently restricted to unionized workers].

What does this mean:

- Positive step in expanding access to pension plans, if organizations decide to set them up, but all Ontarians need access to defined benefit plans to safely plan for their future.

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What we already know:

- More than half of workers in full-time, secure work have a workplace pension plan compared to approximately 15 per cent of those in insecure work.^{xi}
- In Ontario, 14.4 per cent of seniors live in poverty – above the national average.^{xii}

Taxes

What was announced:

- Eliminate the Estate Administration Tax on the first \$50,000 of the value of the estate.
- Introduce the Ontario Job Creation Investment Incentive resulting in almost \$4 billion in corporate income tax relief.

What does this mean:

- Creating greater intergenerational income inequality – allowing wealthy individuals to become even wealthier. This also means the loss of \$10M annually that could have helped fund our public services.
- Prioritizing big businesses over workers and their families.

What we already know:

- Taxes help fund the public services that we all use and depend on.

Decent Work for All

What was announced:

- Narrowing the scope of the *Public Sector Labour Relations Transition Act (PSLRTA)*, repealing the definition of health service providers – changing it to the amalgamation of two or more health service providers or the transfer of all or substantially all assets of one health service provider to another.

What does this mean:

- OLRB no longer has the power to apply the *PSLRTA* (applies automatically to the above scenario or through regulation).

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What we already know:

- The extraordinary powers to restructure all of the services in the health care sector will almost certainly lead to upheaval in the labour market: the loss and instability of jobs, movement of services and jobs from one location to another as well as fewer jobs and/or wage freezes. It is of paramount importance that the work of these individuals not be transferred to the private for-profit sector.
- Public sector jobs are middle class jobs – union-protected with decent wages, benefits, and working conditions – and represent one quarter of the jobs in the province.^{xiii}
- Ontario's economy was thriving with decent work laws in 2018: 114, 400 new jobs were created—most of them full-time, and the unemployment rate was the lowest it had been since 1989.^{xiv}
- As a result of introducing the LIFT credit and cancelling the \$15 minimum wage, minimum wage workers lost \$400 per year and the Province's budget balance will worsen by a total of \$1.9 billion over five years.^{xv}

Healthy and Safe Communities for All

What was announced:

- Moving up their promise to reduce 25% of red tape from 2022 to 2020.

What does this mean:

- Faster attack on workers' and communities' health and safety.

What we already know:

- Regulations can save lives.

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Absolute Cuts to Program Spending Since the Recession

(\$M) Sectors	2009 Budget *	2010 Budget **	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget	2016 Budget **	2017 Budget	2018 Budget ***	2019 Budget **	TOTAL
Health	-	(599.6)	(454)	(261.3)	(560.1)							
Education	-	(47.5)			(1,490.8)	(400)	(248)	(430)		(50)		
PSE and Training	-	(237.9)	(462.6)	(52.8)	(137.7)	(128.2)	(85)	(51)	(69)			
Children and Social Services	-			(135.5)	(81.5)	(165.6)	(243)					
Justice	-	(62.4)	(70.9)		(57)							
Other	-	(1,142.3)	(281.2)			(926.7)	(1,496)	(1,230)		(303)	(587)	
TOTAL	-	(2,089.7)	(1,268.7)	(449.6)	(2,327.1)	(1,620.5)	(2,072)	(1,711)	(69)	(353)		

Note: All figures are relative to the previous budget, unless otherwise indicated.

* No decreases.

** These figures are relative to the Fall Economic Statement.

*** These figures are unadjusted for the AG's pre-election report.

ⁱ 2017. David Macdonald and Martha Friendly. Time Out: Child Care Fees in Canada 2017. Canadian Centre for Policy Alternatives.

ⁱⁱ 2010. Robert Fairholm and Jerome Davis. Early Learning and Care Impact Analysis. Centre for Spatial Economics.

ⁱⁱⁱ 2017. Hugh Mackenzie. Ontario's deteriorating schools -- The fix is not in.

^{iv} 2012. Council of Ontario Universities. How Much Government Funding do Ontario Universities Receive Compared to Universities in Other Parts of Canada?

^v 2016. Canadian Federation of Students. Tuition Fees and Access to Education.

^{vi} 2019. Financial Accountability Office of Ontario. Comparing Ontario's Fiscal Position with Other Provinces.

^{vii} 2016. Ontario Health Coalition. Ontario's Health Care System.

^{viii} 2017. Statistics Canada. Focus on Geography Series, 2016 Census. Catalogue no. 98-404-X2016001.

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- ix 2015. Steve Barnes. Low Wages, No Benefits: Expanding Access to Health Benefits for Low Income Ontarians. Wellesley Institute.
x Ibid.
xi 2016. Mitchell and Murray. Changing Workplaces Review: Special Advisors' Interim Report. p. 37
xii 2017. Statistics Canada. Focus on Geography Series, 2016 Census. Catalogue no. 98-404-X2016001.
xiii 2018. Ricardo Tranjan. Public and social services jobs: an economic lifeline in communities across Ontario.
xiv 2018. Statistics Canada. Labour Force Survey.
xv 2019. Financial Accountability Office of Ontario. Comparing the LIFT Credit to a Minimum Wage Increase.

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