



2023-24 Provincial Budget

To: All Trustees, Directors of Education, Senior HR and Finance Officials and Communications Officers

Today, Finance Minister Peter Bethlenfalvy delivered [the 2023-24 Ontario Budget: *Building a Strong Ontario*](#).

Compared to spending plans presented in the Fall Economic Statement, education spending was down \$47 million over the past year, primarily due to school boards experiencing lower than forecasted non-government revenue and implementation timing of the Canada-wide Early Learning and Child Care Agreement, partially offset by increased school board spending, such as higher fuel costs for student transportation.

Total government spending for 2023-24 is projected to be \$204.7 billion – up from \$198.6 billion in 2022-23. Education sector funding is projected to be \$34.7 billion, up from \$32.4 billion last year. This funding will largely flow through the Grants for Student Needs (GSN), which are yet to be announced, but expected soon. By 2025-26, education sector expenses are projected to increase to \$37.5 billion.

The Budget projects a deficit of \$2.2 billion for 2022-23 – \$17.7 billion lower than the outlook published in the 2022 Budget and \$4.4 billion lower than the outlook published in the 2022–23 Third Quarter Finances. The deficit for 2023-24 is projected to be \$1.3 billion, down from the \$12.3 billion predicted last spring. It is expected that the province will be in the black as of the 2024-25 fiscal year, with an anticipated \$200 million surplus (instead of a \$7.6-billion deficit) and a \$4.4-billion surplus in 2025-26 (rather than a \$5-billion deficit).

Ontario's real GDP grew by an estimated 3.7% in 2022 and is projected to increase by 0.2% in 2023, 1.3% in 2024, 2.5% in 2025 and 2.4% in 2026. For the purposes of prudent fiscal planning, these projections are slightly below the average of private-sector forecasts.

OPSBA will continue to review the budget for education impacts and the Ministry of Finance's accompanying implementation legislation.

Below is a list of some highlights from the budget following our preliminary analysis, most of which have already been announced.

Budget Highlights:

Education

- Enhancing supports for students under the *Plan to Catch Up*, including: \$25M over two years for early reading enhancements, \$12.6M over two years for targeted math supports, and \$6.2M in targeted supports for students with disabilities to pursue cooperative education opportunities.
- \$6.8M over three years for students to further their financial literacy and growth.

- Approximately \$15B in capital grants over 10 years to expand and renew schools and child care spaces, including \$2.8B in the next fiscal year. The current backlog for Ontario elementary and secondary schools is estimated at almost \$17 billion.

Truth and Reconciliation

- Additional \$25.1M in 2023-24 to support the identification, investigation, protection, and commemoration of Residential School burial sites and provide mental health supports to First Nation Communities.

Child Care

- Financial relief for parents through a 50% reduction to child care fees for children aged 0 to 5, via a \$13.2B investment made jointly with the Government of Canada.

Children and Youth Health Care

- More than \$200M to connect children and youth to care at hospitals and close to home in their communities.
- \$3.1M in 2023-24 for an expansion of the Ronald McDonald House Charities Ottawa House to more than double the capacity to 115,000 overnight stays per year.
- Supporting children and youth with complex special needs by investing \$12M over three years to fund 14 additional beds at Safehaven.

Post-Secondary Education

- \$80M over three years for additional nursing program spots, 154 postgraduate medical training seats, and 100 additional seats for undergraduate medical students.

Child Welfare

- \$170M over three years to support the *Ready, Set, Go* program aimed at improving long-term outcomes for youth leaving the child welfare system.

Additional Information

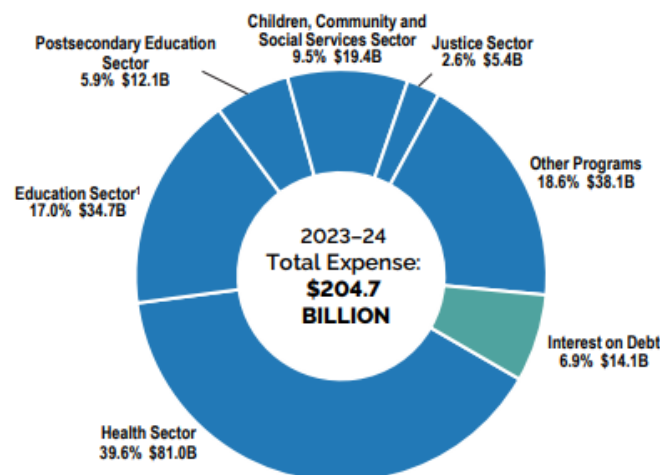
[OPSBA's Submission to the 2023 Pre-Budget Consultations](#)

A full copy of the Budget can be found at <https://budget.ontario.ca>.

[From page 154 of the Budget document:](#)

Chart 3.6

Composition of Total Expense, 2023–24



¹ Excludes Teachers' Pension Plan. Teachers' Pension Plan expense is included in Other Programs.

Note: Numbers may not add due to rounding.

Sources: Ontario Treasury Board Secretariat and Ontario Ministry of Finance.