



# Pre-Budget Submission 2020

---

Standing Committee on Finance and Economic Affairs

Fred Hahn  
President  
January 24, 2020

## CUPE

The Canadian Union of Public Employees (CUPE) Ontario is the largest union in the province with more than 280,000 members in virtually every community and every riding in Ontario. CUPE members provide front line services that help make Ontario a great place to live. CUPE members are employed in five basic sectors of our economy, delivering public services in: health care, including hospitals, long-term care and home care; municipalities; including ambulance services and libraries; school boards in both the separate and public systems in both French and English; social services; and post-secondary education. CUPE members are your neighbours. They provide care at your hospital and long-term care home. They deliver home care for your elderly parents. They collect your recyclables and garbage from the curb. They plough your streets and cut the grass in your parks and playgrounds. They produce and transmit your electricity, and when the storm hits in the middle of the night, they restore your power. CUPE members teach at your university and keep your neighbourhood schools safe and clean. They take care of your youngest children in child care centres and make life better for adults with developmental disabilities. They protect at-risk children as well as those struggling with emotional and mental health issues. The services our members provide is for the people of Ontario.

### Introduction

Over the last year and a half, the Ford government has drastically cut spending in public services. Average spending growth is 1.4 per cent annually for the next five years, which will not begin to cover inflation, population growth, or demographic changes. The cuts to public services have a devastating impact on our communities. Ontarians depend on the public services they receive to make their lives better for themselves and their families. Public services (and the corresponding taxes we use to pay for them) are the system of care that we provide to one another.

Despite this importance, the government's cuts to our social welfare net is based on a false claim of fiscal poverty. The Ford government has claimed, dishonestly, that over the last 15 years Ontario has experienced, "unsustainable levels of spending" in programs, and that wages in the broader public sector (BPS) are "unsustainable".

These lies of unsustainable spending and wages contradict the governments own data which indicate that:

- Over the last decade, unionized workers in the BPS had a reduction in take home pay after inflation.<sup>1</sup>
- Ontario spends the least per person on program spending and generates the least per person on revenue and has for years now.<sup>2</sup>
- Government expenditures as a portion of GDP have shrunk over the last 15 years.<sup>3</sup>

---

<sup>1</sup> Ministry of Labour, Training and Skills Development - Collective Bargaining Ontario

<sup>2</sup> <https://www.fao-on.org/en/Blog/Publications/inter-prov-comparisons-feb-2019>

<sup>3</sup> [https://files.ontario.ca/ey\\_report\\_2018\\_en.pdf](https://files.ontario.ca/ey_report_2018_en.pdf)

- By comparison, corporate profit has averaged 7.6% year over year annually during the last decade.<sup>4</sup>

Since the governments own data cannot prove its claim of poverty, the government went a different route to justify its austerity agenda: it artificially ballooned the deficit to \$15 billion. However, this façade could only last so long; when the public accounts came out late last year, its inflated \$15 billion deficit was cut in half, to \$7.4 billion.

The most recent Fall Economic Statement (FES) took last years \$7.4 billion budget deficit and increased it to \$8.5 billion in 2019-20. As the Financial Accountability Office (FAO) has noted, “these higher deficits come at a time of steady economic growth and are largely the result of policy decisions by both the current and previous governments.”<sup>5</sup>

The FAO outlined the forfeited revenue based on the policies of this government. According to the FAO, the government has “introduced policies that would reduce revenue by \$4.2 billion in 2019-20, and by an average of \$3.4 billion annually until 2023-24.” This includes, “cancelling the cap and trade, reversing a number of tax measures included in the 2018 budget, introducing the Low-income Individuals and Families Tax (LIFT) credit, and paralleling the federal changes to the corporate income tax.”<sup>6</sup>

Government austerity will decrease program spending by \$1,070 per person, or by 10 per cent, over the next five years.<sup>7</sup> Worryingly, the FAO has noted that after accounting for all austerity measures, demand for public services exceeds the government’s planned spending by \$4.8 billion in 2021-22. If the government continues down this wrong path, it will need to specify further cuts to meet its budget forecast goals.<sup>8</sup>

---

<sup>4</sup> <https://www.fin.gov.on.ca/en/economy/ecaccts/>

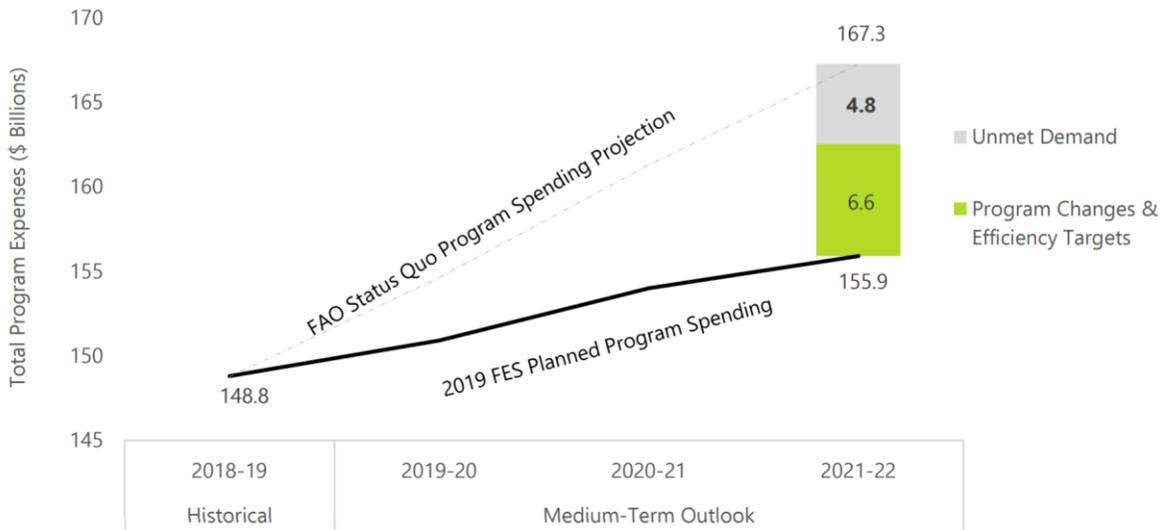
<sup>5</sup> <https://fao-on.org/web/default/files/publications/EBO%20Fall%202019/Fall%202019%20EBO%20Media%20Statement.pdf>

<sup>6</sup> <https://fao-on.org/en/Blog/Publications/EBO-fall-2019>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

**Demand for public services exceeds the government’s planned spending by \$4.8 billion in 2021-22**



Source: FAO analysis of data from Treasury Board Secretariat.

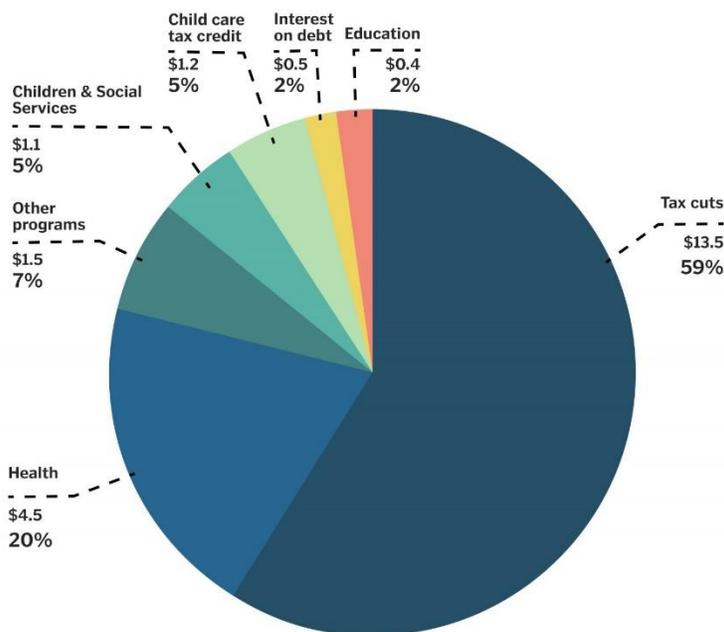
Ontario has never been richer, yet this government has manufactured its own financial crisis and falsely claims it “inherited a bankrupt province”. The government has claimed that cutting spending will reduce the deficit, however, the deficit has increased from 2018-19 to 2019-20.

Since Ontario’s books are not improving, it is reasonable to ask: where the “savings” from austerity are going? According to the Canadian Centre for Policy Alternatives (CCPA), 60% of the “saving” are going towards tax cuts.<sup>9</sup>

<sup>9</sup> <http://behindthenumbers.ca/2019/12/13/its-all-about-tax-cuts/>

## Where is the money going?

Nominal spending increase and revenue loss, Ontario, 2019-20 to 2021-22 three-year totals (\$ billions)



@ccpa

Ultimately, the government is asking Ontarians to take both a pay cut, and a reduction in public services, so they can provide tax cuts to corporations and the wealthiest in Ontario.

This is unacceptable to Ontarians across the province and it shows based on this government's popularity. Ford and his Conservative party are the least popular government across Canada.<sup>10</sup>

The government should heed a lesson from the last Federal election. While the Federal Conservative party suffered a stinging rebuke to its austerity platform in the last federal election, Ontarians also used the opportunity as a bellwether vote against the Ontario Conservative government. The premier was largely missing in action during the writ period because he saw the writing on the wall; actions over the last year and half by the Ford government have quickly ended the honeymoon with the Ontario electorate and were dragging down his Federal counterparts. According to recent polls, "Doug Ford's approval rating came in last place among all premiers, both across the country (-45 rating) and within his own province (-43 rating)."<sup>11</sup>

After the federal election, this government promised a new tone in dealing with the pressing matters before Ontarians. Disappointingly, the FES proved that this promise of a new tone was nothing more than public relations spin. The FES continued with the governments plan to gut public services while delivering even more corporate tax cuts – this time for small businesses.

This playbook of manufactured crises is not unique to our government; we see this practice across the world, and in response it is creating waves of protests abroad.

<sup>10</sup> <https://www.macleans.ca/politics/338canada-how-bad-things-are-for-doug-ford/>

<sup>11</sup> <https://www.macleans.ca/politics/338canada-how-bad-things-are-for-doug-ford/>

Governments who remain indifferent to the needs of its people, are providing the courage for the unheard to refuse and resist attacks on workers.

The 2020 budget is another opportunity to put the people of Ontario first, and to use the wealth created by the working class to provide the public services demanded by the working class.

We encourage this government to create a fair and progressive tax system in order to raise necessary revenues for public services.

### **Fiscal Strategies**

As has been noted by numerous commentators, including the government's own budget documents, Ontario brings in the least per person in revenue and spends the least per person in program spending compared to the rest of Canada.<sup>12</sup> In fact, for half of the last decade, Ontario has spent the least per person in program spending and for the other half of the decade, Ontario has spent the second least.<sup>13</sup> Similarly, the government's line-by-line review found that "government expenditures as a portion of GDP have shrunk over the relevant 15 year time period for Ontario".<sup>14</sup> This expenditure constraint has created a great deal of strain on our public services, compromising the quality of public services to the detriment of Ontarians. Population growth, along with aging and changing demographics are increasing the need for public services. The additional austerity measures that the government introduced will come at an even greater price, quite possibly Ontarians' lives. After decades of real cuts to public spending, there is no room left to cut further; as the FAO has noted, "given that Ontario's per capita program spending is already the lowest in Canada, opportunities to restrain or reduce spending further may be limited."<sup>15</sup>

Even program spending that would keep Ontario at a status quo level will be insufficient; it would not alleviate the hallway medicine, reduce violence in long-term care homes, or provide the necessary supports to make sure our children thrive in school. We must invest in Ontarians.

---

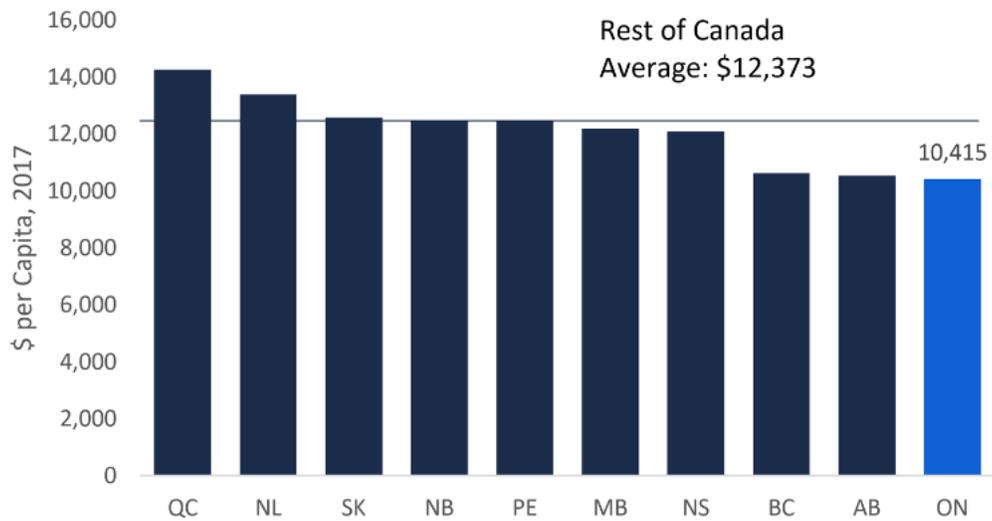
<sup>12</sup> <https://fao-on.org/en/Blog/Publications/inter-prov-comparisons-feb-2019>

<sup>13</sup> [http://www.rbc.com/economics/economic-reports/pdf/canadian-fiscal/prov\\_fiscal.pdf](http://www.rbc.com/economics/economic-reports/pdf/canadian-fiscal/prov_fiscal.pdf)

<sup>14</sup> [https://files.ontario.ca/ey\\_report\\_2018\\_en.pdf](https://files.ontario.ca/ey_report_2018_en.pdf)

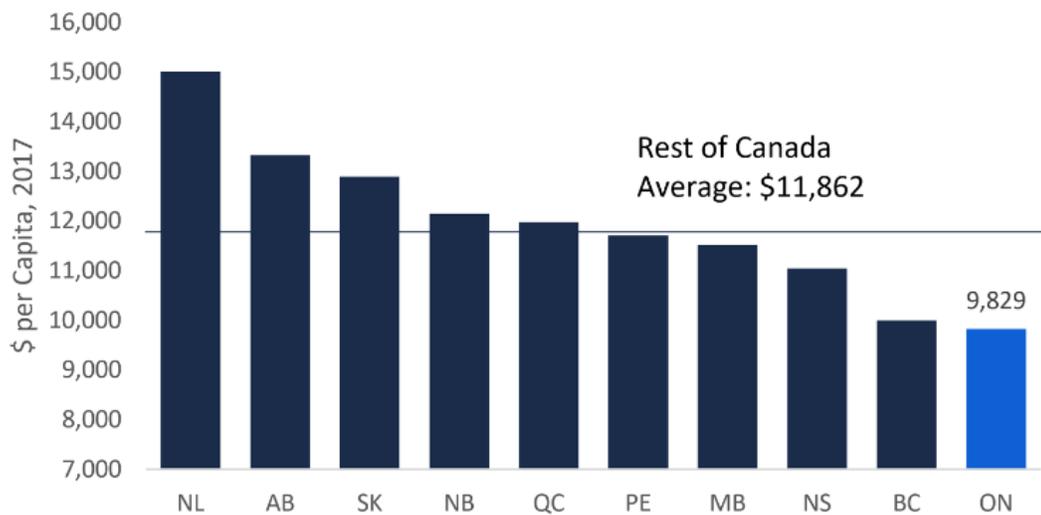
<sup>15</sup> <https://fao-on.org/en/Blog/Publications/inter-prov-comparisons-feb-2019>

**Figure 1: Ontario total revenue per capita lowest in Canada**



Source: Statistics Canada and FAO.

**Figure 5: Ontario program spending lowest among provinces**



Source: Statistics Canada, Canadian Government Finance Statistics.

- **Recommendation:**
  - Increase program spending to meet the needs of Ontarians (which includes inflation, population growth, enhancement and demographics changes).<sup>16</sup>

<sup>16</sup> See specific sectoral recommendations in sections below.

## Taxation

The purposeful starvation of government coffers by this government and the last, has left a massive structural hole in Ontario's budget. The governments oft-repeated talking point of providing tax relief for job creators never speaks to benefits that taxes create for Ontarians and in turn the economy of Ontario. Taxes pay for the infrastructure (both physical and social) that make Ontario great. Many provinces across Canada and abroad have recognized the need for increased taxation revenue and in recent years have increased taxes on corporations and the wealthiest without any ill effects. It is time for Ontario to follow suit.

The options available to Ontario are many, however, key to restoring fairness in our taxation system is increasing taxes on corporations and the wealthiest. Below we outline a variety of options we encourage the government to consider.

### Corporate Income Tax and Personal Income Tax Rates

Ontario should match the corporate income tax (CIT) of Nova Scotia and Prince Edward Island at 16 per cent. This would serve two purposes. First, it would bring in substantial revenue. According to the FAO, an increase in the CIT of one per cent will bring in \$1.1 billion; a 16% CIT would bring in an additional \$5 billion in revenue.<sup>17</sup> Second, this increase would help limit the undue influence of corporate power in Ontario which has come at the detriment of Ontarians.

In addition to an increase in the CIT, the Ford Conservatives should increase taxes on the wealthiest one per cent of Ontarians. We believe the combined federal and provincial rate on top tax earners should be 65%. Based on the current top federal rate of 33%, and the current provincial top tax rate of 13.16%, we propose that the top provincial tax rate increase by 19%, equaling a total top tax rate of 32.16%. Obviously, this additional tax would only apply in incomes above the top tax bracket and not to all income. A tax bracket this high would not be out of the norm based on Canada's history, where we've had top marginal tax rates above 70%.<sup>18</sup>

While increases in the CIT and PIT are integral to creating a tax system based in fairness, there are other options available to the government which we outline below. Collective this revenue generation would provide Ontario the desperately needed funding to deal with both the deficit and funding to increase program spending that improved the daily lives of Ontarians.

Possible revenue options include:

Measure	Estimated Annual Revenue (billions)
Increase general CIT rate to 16%	5
Increase marginal PIT rate on the wealthiest one percent to 32.16%	3.8

<sup>17</sup> Not factoring in feedback effects.

<sup>18</sup> [https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2015/10/How\\_Much\\_Tax\\_Could\\_Canadas\\_Top\\_1\\_Pay.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2015/10/How_Much_Tax_Could_Canadas_Top_1_Pay.pdf)

Restore Ontario's corporate capital tax for medium and large sized corporations to 0.3% for general corporations and from 0.6% to 0.9% for financial corporations	2.1
Apply a uniform Business Education Tax rate with indexation	0.36
Remove the Employer Health Tax exemption for the first \$450,000 of payroll	0.9
Digital Services Tax (e.g. Netflix, Amazon, Facebook and Google)	0.05
Suspend the phase-in of HST input tax credits provided to large businesses for energy, telecom and meals and entertainment expenses	Gradually rising to \$1.3 billion annually from 2020 to 2023
Introduce a financial activities tax (5% rate on finance sector profits and compensation)	2
Eliminate tax preference for stock options	0.16
Eliminate lower rate on tax on capital gains for individuals and corporations	1.5
Eliminate deductions for meals and entertainment expenses for corporations	0.12
Tax audit and compliance measures	2
Housing speculation tax (annual tax of \$20 per \$1,000 of assessed value in 2019)	0.67
Demand a fair share of the federal government's promise to increase transfer payments to lower levels of government	2
<b>TOTAL</b>	<b>~22 \$Billion by 2023</b>
Sources 2015 Ontario Economic Outlook and Fiscal Review; Ontario Transparency in Taxation; Ontario Budget Documents; Drummond Commission Report; Canada Revenue Agency, Income Statistics; Toby Sanger; Sheila Block, No Crisis on the Horizon: Ontario Debt 1990 – 2015, Canadian Centre for Policy Alternatives, January 2016.; Financial Accountability Office Economic and Budget Outlook, Fall 2018	

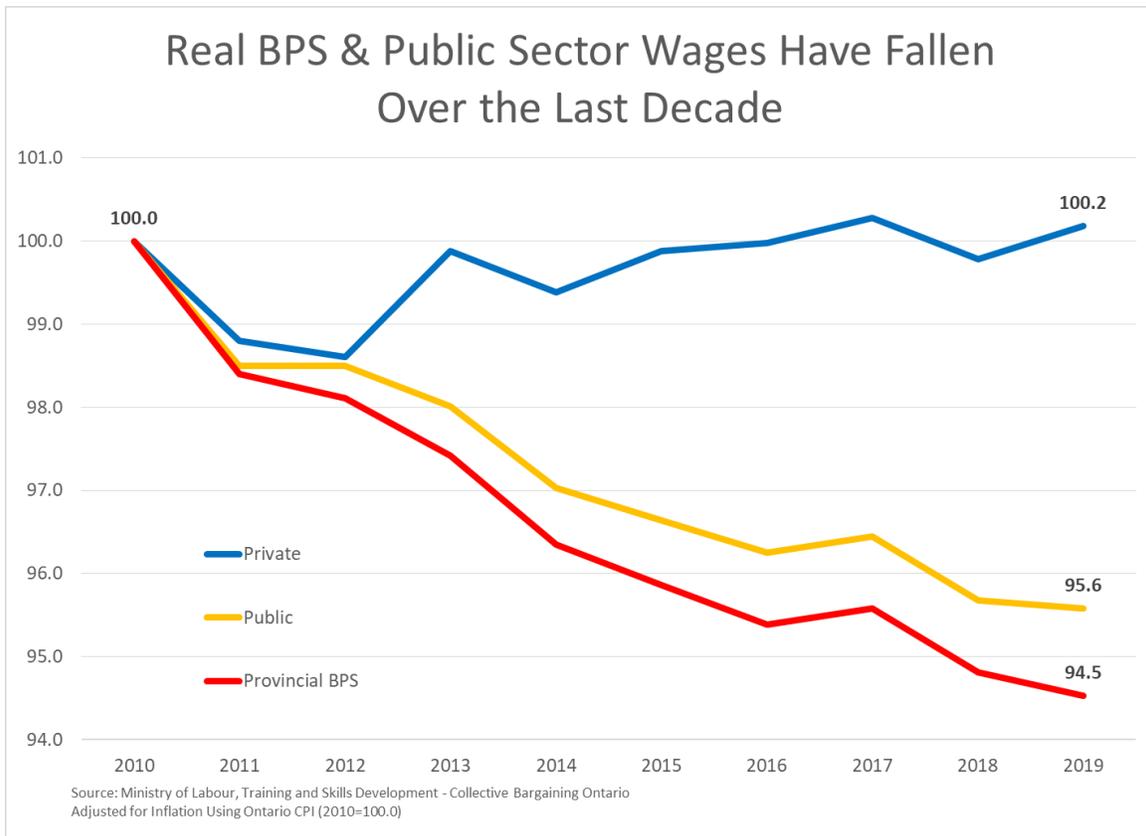
- **Recommendation:**
  - Raise revenue by increasing taxes on corporations and the wealthiest Ontarians.

**Workers Rights**

Wages

While public services are continuously being cut, Ontarians are growing increasingly dependent on them as their real wages have decreased against a backdrop of an increased cost of living. Real wages have declined for all in this province but the one percent. Wages for almost all workers in all sectors (including broader public sector, municipal, federal, public, and the median income earner in Ontario)

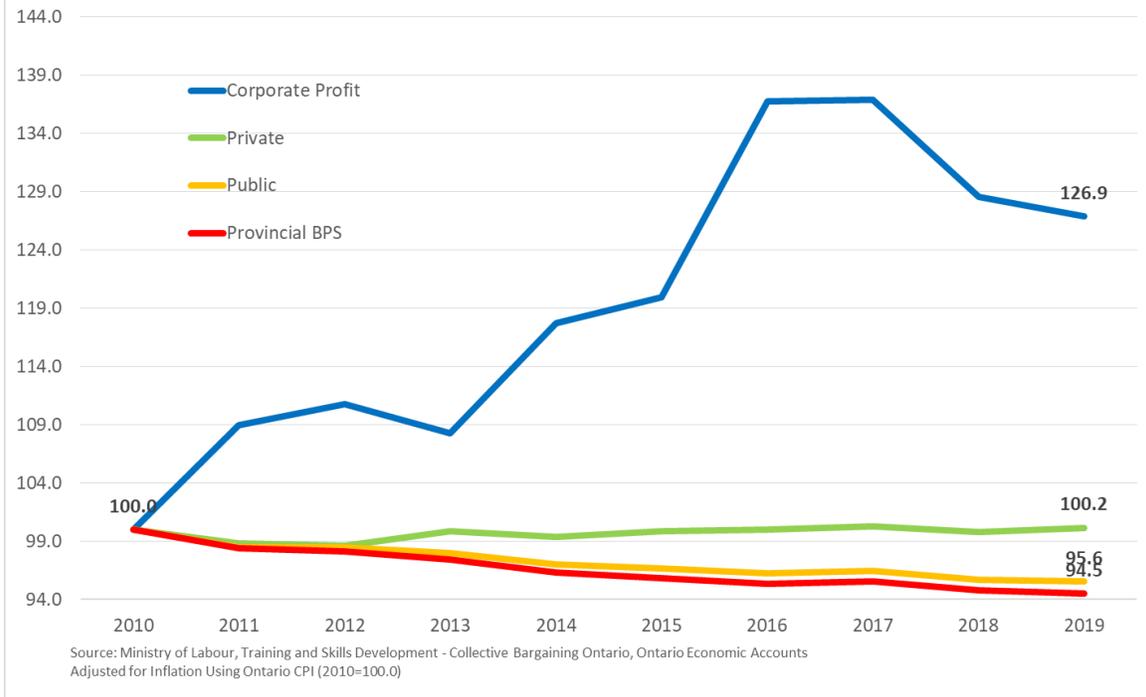
have not kept up with inflation over the last decade. For the broader public sector, the Ministry of Labour's own data shows that workers are earning less now than ten years ago after inflation.<sup>19</sup>



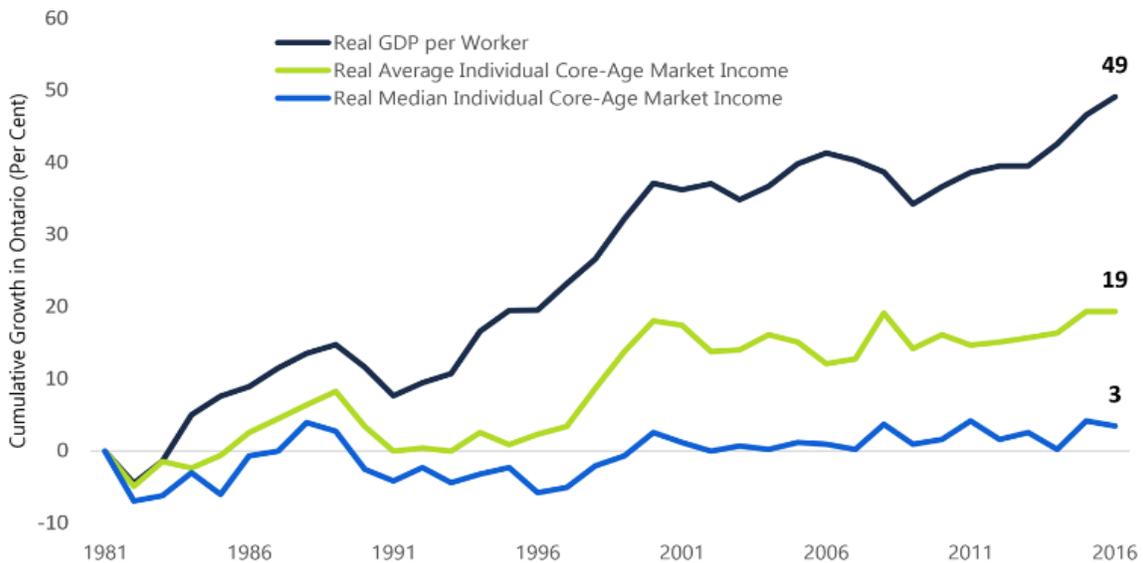
The picture becomes that much starker when comparing wages against corporate profit over the last decade. There has been a clear and strong recovery since the financial crash of 2008-09 for corporations and this recovery has come at the expense of the working class. Both corporate profit and productivity (measured by real GDP per worker) have seen substantial growth which have not been mirrored in wages.

<sup>19</sup> <https://www.sdc.gov.on.ca/sites/mol/drs/ca/Reports/cbh2018-Q4-e.pdf>

## Real BPS & Public Sector Wages Have Fallen Over the Last Decade vs Corporate Profit



## Economic growth did not raise the median income of working-age Ontarians

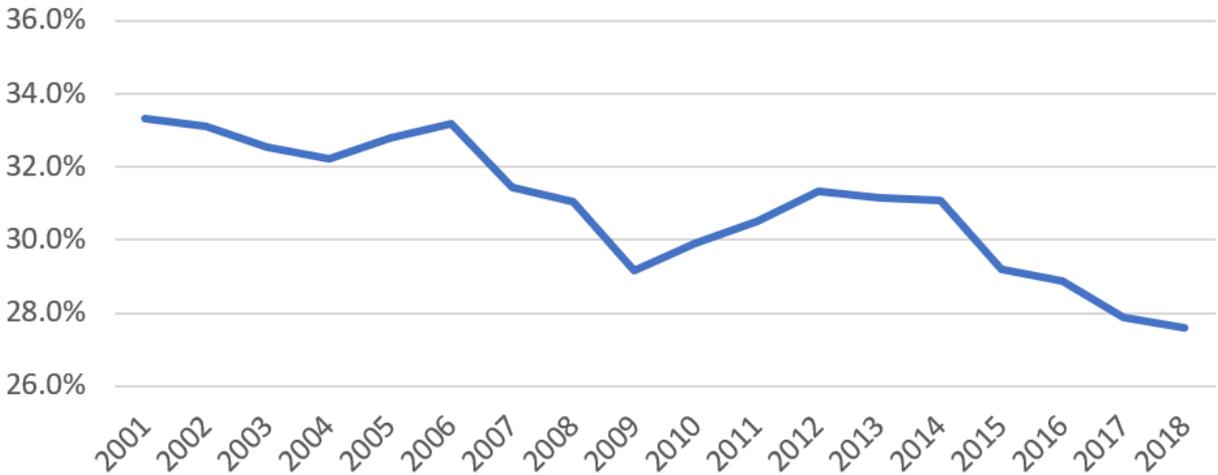


Note: Real Gross Domestic Product (GDP) per worker is calculated as real GDP divided by the labour force.

Source: Statistics Canada Labor Force Survey, Income and Expenditure Accounts, Canadian Income Survey and FAO.

Similarly, public sector wages have been declining as a share of provincial government spending.

## Public sector wages and salaries declining share of provincial government spending



Source: FAO (2018) "Assessing Ontario Government Employment and Wage Expense", and Ronald Kneebone and Margarita Wilkins (2018) "Canadian Provincial Government Budget Data"

It is clear that public sector wages did not cause this deficit and that we do not have a spending problem; instead we have a revenue problem. The never-ending tax cuts for corporations and the wealthiest one percent has caused a race to the bottom.

Despite wages not keeping up with inflation over the last decade, the government has passed *Bill 124, Protecting a Sustainable Public Sector for Future Generations Act, 2019*. This legislation freezes wages for the broader public sector (BPS) to a maximum of 1% annual increase. According to the FAO, this legislation will save the government \$1.6 billion.<sup>20</sup> Bill 124 clearly tramples on Charter rights to free collective bargaining and condemns workers to decreasing real incomes. Also, the saving from this legislation is far less than the government has already forgone in revenue from tax cuts, which came to \$4.2 billion just last year. It also does not bring the government into balance sooner by any fiscal year. According to the FAO, the government will come into balance by 2022 with a \$3.7 surplus.<sup>21</sup> The saved \$1.6 billion would not hasten that balance year.

- **Recommendation:**

<sup>20</sup> <https://fao-on.org/en/Blog/Publications/EBO-fall-2019>

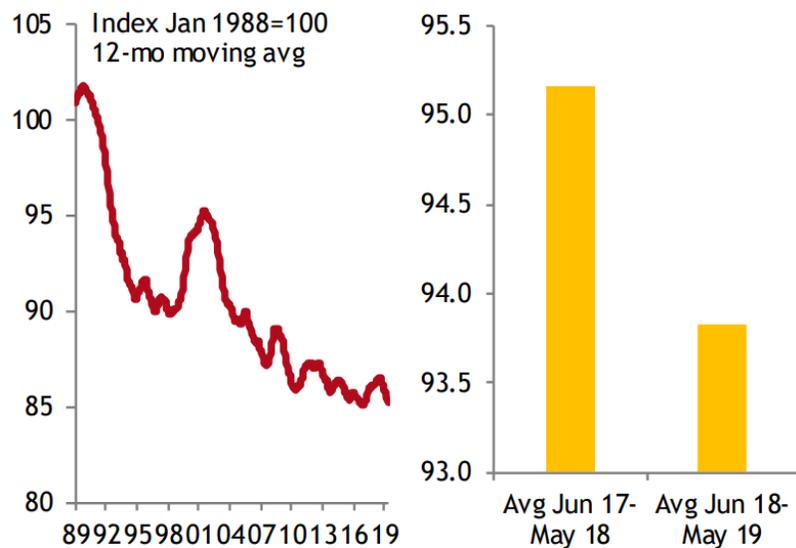
<sup>21</sup> Ibid.

- Repeal *Bill 124, Protecting a Sustainable Public Sector for Future Generations Act, 2019*, and allow unionized workers to exercise their Charter protected right bargain freely without legislative wage maximums.

### Jobs and Unionization

The well being of Ontario cannot be simply measured by gross domestic product (GDP). Social and environmental factors contribute to our well being and are important markers of our progress. Another important factor is job quality. While Ontario’s low unemployment is good news, it overshadows the increase in precarious work and the decline in the quality of jobs. CIBC measures employment quality and according to its index, job quality has taken a steep decline over the last thirty years.<sup>22</sup>

### ***CIBC Employment Quality Index***



*Source: CIBC tabulations based on Statistics Canada’s tabulations*

The decline in job quality will undoubtedly hasten based on the Ford governments legislation that attacks workers rights in *Bill 47, Making Ontario Open for Business Act, 2018*, which stripped away the hard-fought gains made in *Bill 148, Fair Workplaces, Better Jobs Act, 2017*. *Bill 148* was a good first step in strengthen the *Labour Relations Act* and the *Employment Standards Act*; key tools in fighting declining job quality.

This sentiment was recently echoed by Organisation for Economic Co-operation and Development (OECD) who noted, “in Canada, the pay gap between standard (i.e. workers in full-time open-ended contracts) and nonstandard workers (i.e. workers in temporary work, part-time work or self-

<sup>22</sup> <https://economics.cibccm.com/economicsweb/cds?ID=7611&TYPE=EC> PDF

employment) is especially wide. While a non-standard worker in the OECD earns on average 75% of the hourly wage of a standard worker, s/he earns only a 57% of a standard wage in Canada".<sup>23</sup>

- **Recommendations:**

- Broaden card check certification to all sectors.
- Provided successor rights for all sectors.
- Allow for automatic access to first contract arbitration, including remedial certification.
- Provide early disclosure to workplace list when a union shows that it has the support of a majority of its membership.
- Eliminate the six-month restriction on the right of employees to return to work following a lawful strike or lockout.
- Prohibit the use of back-to-work legislation during strikes and lockouts.
- Reinstate the minimum wage to \$15 an hour for all workers and index increases to the Consumer Price Index annually.
- Provide 10 days of paid personal emergency leave for all workers and remove the requirement to provide a doctor's note.
- Reinstate equal pay for equal work legislation.
- Reintroduce scheduling provisions from Bill 148.
- Reintroduce the burden of proof for the employer to prove a worker is not an employee.
- Restore the 30% premiums rates for WSIB.

## **Health Care**

The new government has promised to end hallway medicine, yet their fiscal plans will make the situation worse and their focus on more fiddling with the structure of health care services will only divert more time and funding away from actually solving the basic capacity problems of health care.

After decades of similar levels of funding, Ontario provides much less funding per capita to hospitals and health care than other provinces and territories. Real hospital funding has gone down 5.4% since 2010. Hospital inpatient costs are the lowest in Ontario of all provinces

The result of the current underfunding is predictable: fewer beds than the rest of Canada, far fewer beds than other developed countries, extraordinarily high levels of bed occupancy, very short lengths of stay, a low level of patients treated in hospitals, higher than average (and rising) levels of readmissions, enormous wait lists for long-term care, dramatically rising acuity of patients receiving home care, the removal of less sick patients from home care service, and exhaustion for unpaid family caregivers. In other words, all the factors that led to the hallway health care crisis. We will review a few of these points below.

The plan in the last Budget would impose \$8 billion in real cuts to our health care system by 2023-24. Most of those cuts are unidentified and unannounced. While the cuts to date have been painful, this level of cuts will be far larger to what we have so far seen.

---

<sup>23</sup> <http://www.oecd.org/canada/OECD2015-In-It-Together-Highlights-Canada.pdf>

- **Recommendation:**
  - 5.3% funding increase for hospitals and a comparable level for LTC and home care. For health care, given population growth and aging, capacity must rapidly expand just to maintain services at existing levels.
  - Legislation guaranteeing a minimum average of 4 hours of direct nursing and personal care per resident per day in long-term care.

## **Municipalities**

- **Recommendations:**
  - Lift the cap on the number of safe injection sites and approve as many as are necessary to improve public health and safety and help curb the opioid crisis.
  - Restore the Canada Infrastructure Bank to its original intent as a low-interest loan option for municipalities to repair, replace and/or expand critical infrastructure that remains a public asset for the public good.
  - Immediate funding for municipalities to adequately provide EMS coverage such that Code 0's no longer occurs.
  - Stop any privatization and/or elimination of municipal services and/or frontline staff providing those services.
  - Encourage municipalities to become community leaders in providing well-paying, stable, full-time jobs, resisting the trend toward precarious work.
  - Encourage municipalities to create and be responsible for maintaining psychologically safe work environments for municipal workers with emphasis on workload and appropriate staffing levels, exposure to violence and abuse and other causes of mental health injury, and creating a plan to reduce/eliminate mental health hazards from the workplace.
  - Substantially increase funding to provide better and consistent access to mental health services across the province.
  - Respect democratically elected local governments and abandon the review of regional governments.
  - Stop the core service review process where municipalities are being granted funds to find cuts (on average 4%) in their municipal budgets.
  - Stop plans to amalgamate public health services and emergency health services which will be costly and will not increase effectiveness nor lead to real cost reductions, as experience has already shown.
  - Reverse the changes to the municipal/provincial funding ratios which are putting undue burden on already stretched municipal budgets.
  - Stop privatization of the delivery of municipal services.
  - Use increased tax revenues (from taxing wealthy and corporations) for more public health providers, more ambulances, more paramedics, more garbage and recycling staff and equipment.

## Social Services

After proposing a billion-dollar cut to social services, the Province cancelled some planned cuts such as the cessation of the transitional child benefit, which predominantly helps refugee families with day-to-day costs to provide for their children. However, other scheduled cuts and changes remain uncertain.

### ODSP

The province indicated in 2019 that it would change the definition of disability, but there has not been clarity on what that change might be. If the definition is narrowed, it could mean tens of thousands of ODSP recipients losing their financial support. They may be forced to turn to Ontario Works, which offers lower levels of assistance and expects recipients, in this case suffering from disabilities, to seek employment. Courts and tribunals have long held that people with disabilities face barriers from participating in the labour force and in the community at large.

Proposed changes also introduce uncertainty into how spouses of ODSP recipients, and their incomes, are to be treated.

The 2019 Auditor General's report, which includes a study on ODSP, raised concerns about the increase in the number of people on ODSP. The report appears to consider this increase as an indication of a failure in the system. It does so without considering factors such as increase in diagnoses due to better understanding of disabilities. In other words, it does not consider whether the increased access to ODSP could mean the opposite – that the system is helping those it is intended to help, as the Income Security Advocacy Centre has pointed out.<sup>24</sup>

- **Recommendations:**
  - Maintain the definition of disability to ensure those who need help can get it.
  - Increase social assistance rates by a minimum of three per cent. These supports need to be increased, not further limited.

### Ontario Works

The provincial government has been setting into motion its plan to privatize Ontario's employment services traditionally delivered by public employees. In the Auditor General's review of Ontario Works that was released back in 2018, there were many recommendations to improve the system's efficiency, including a call for the ministry to take specific steps to ensure program integrity.

The Ford government has, however, begun taking steps to privatize Ontario Works, starting with employment services by allowing the private sector to bid on Service System Management. This is likely to result in the loss of well-paying public sector jobs in the pilot region.

---

<sup>24</sup> Income Security Advocacy Centre, "ODSP expenditures have increased because the program is better meeting the needs of Ontarians with disabilities: ISAC responds to the Auditor General's Report," December 6, 2019, online: <http://incomesecurity.org/policy-advocacy/odsp-expenditures-have-increased-because-the-program-is-better-meeting-the-needs-of-ontarians-with-disabilities-isac-responds-to-the-auditor-generals-report/>

Ontario's social and employment assistance system must work in the public interest. It is not in the public interest to privatize these services.

- **Recommendation:**
  - Strengthen publicly funded, publicly delivered employment and social assistance.

### Developmental Services

Agencies across Ontario that work with our province's most marginalized residents have been forced to provide their indispensable services on a shoestring budget. After fifteen years of austerity, the government must heed the call from experts, service providers, people with disabilities and their families – it is past time to fund developmental services in Ontario appropriately, and to treat people with developmental disabilities with the respect they deserve.

Instead, the government has chosen to pay a private contractor \$1 million<sup>25</sup> to identify cuts to services to people living with developmental disabilities. Furthermore, with Bill 124, the government has chosen to prevent compensating developmental services workers fairly, who are among the lowest paid workers in the province.

- **Recommendation:**
  - Provide stable multi-year baseline funding to developmental services agencies.

### Child Care

Child care is facing at least \$48 million in funding cuts in 2020, mostly due to municipal cost-share changes. These cuts will *directly* impact parent fees, access to child care subsidies and educators' wages in communities across Ontario.

Over 460,000 Ontario children and their families use child care every day. Child care cuts must be reversed, and child care funding should be increased to ensure child care programs do not close.

Operating funding must be increased to keep pace with capital expansion.

- **Recommendation:**
  - Reverse cuts to child care and increase operating funding to public not-for-profit providers to keep pace with expansion.

Since 2015 the \$2/hour wage enhancement grant to child care staff has helped support staff recruitment and retention in licensed child care, and reduced poverty by supporting educators' employment and income security.

---

<sup>25</sup> Ontario Agencies Supporting Individuals with Special Needs, "OASIS shocked by government plans to cut disability support services with no consultation," News Release, November 12, 2019, online: <https://www.newswire.ca/news-releases/oasis-shocked-by-government-plans-to-cut-disability-support-services-with-no-consultation-876789441.html>

The salary cap for accessing the grant was initially set to help educators working in licensed child care reach parity with colleagues in the school board sector. Raising the cap, and pledging to increase it annually with inflation, will help to continue to close this gap.

Educators in EarlyON programs do not have access to this grant despite their important work.

Rather than a complicated and arduous application process, simply provide the Wage Enhancement Grant funding to programs based on licensed capacity.

- **Recommendation:**
  - Continue the \$2/hour Wage Enhancement Grant to child care staff, increase the cap to \$27.88, and expand it to staff in EarlyON programs. Simplify the administration process for the grant.

To fully address the needs of Ontario's children and families, to respect the work of educators and to reap significant social and economic benefits, Ontario should implement a truly universal system of affordable early learning and child care. This transition should take action on 3 ideas simultaneously:

1. **Affordable Fees:** Allocate \$635.5 million to begin transition to operational funding in child care centres to support low fees or no fees.
2. **Decent Work:** Implement a provincial wage scale, as promised in *Growing Together, Ontario's Early Years and Child Care Workforce Strategy* - including committing \$375 million as a first step to establishing a province-wide wage scale for early childhood educators and child care staff with entry level pay for Registered Early Childhood Educators of at least \$25 per hour.
3. **Expand public and non-profit spaces:** Ensure that capital funding goes only to non-profit and public child care sectors, to ensure efficient use of public funds and public accountability.

## Universities

The government should cease its attack on student union autonomy, dues and democratic levies that fund student services. The government should drop its challenge to the Ontario Divisional Court's unanimous decision to quash the undemocratic and Orwellian named "Student Choice Initiative". The few months the elimination of stable union funding was in effect resulted in a third reduction in funding for student services, the elimination of hundreds of student services jobs on campus, and negatively impacted vulnerable students.

The government should abandon the new performance funding metrics as will undermine the long-term mission of post-secondary education in the province. Short-term market metrics should not drive public education and research priorities. It is universally understood that an effective postsecondary education system requires universities and colleges to be kept at arm's length from government and partisan political agendas. By imposing ideological fantasies on post-secondary education, the government continues to disrupt the basic knowledge creation process in the academy, limit the capacity of students and researchers to innovate, and stall one of the vital economic engines for this province and its communities.

The government should reverse its plan to cut \$500 million through the new performance funding program. Adequate, stable public funding for post-secondary education will help students by ensuring

better academic support services, sustainable faculty-to-student ratios, and lower tuition fees – all of which are effective ways to increase degree attainment.

Publicly funded post-secondary institutions should support good jobs on its campuses. The government should provide institutions with resources to invest in faculty renewal and hire precariously employed contract faculty and staff into secure full-time positions. To this end, the government should reverse its funding cuts to the sector and re-commit to funding institutions to meet the needs of students and the research community.

Privatization and outsourcing reduce the quality of post-secondary education and increases costs over the long-term through increasing deferred maintenance. The current funding mechanisms promote privatization and outsourcing of services on campus. The government should reverse changes to the Strategic Mandate Agreements that promote budgeting that is revenue-based and implement more holistic funding models for universities that provide for all services on campus -- including those which do not directly generate revenue but are necessary for a safe experience for students and researchers such as trades work, maintenance, grounds, cleaning, security, and food and housing services.

The government should move to eliminate tuition fees for all students, replace student loans with needs-based grants, and re-instate progressive debt reduction measures. The previous budget's near \$600M cut to the student financial support services have resulted in unnecessary increases in student debt and a less accessible post-secondary education.

- Recommendations:
  - Abandon the governments' challenge to the Ontario Divisional Court's unanimous decision to quash the "Student Choice Initiative".
  - Stop the effort to create new performance funding metrics.
  - Supply stable public funding for post-secondary education.
  - Provide institutions with resources to invest in faculty renewal and hire precariously employed contract faculty and staff into secure full-time positions.
  - Reverse changes to the Strategic Mandate Agreements that promote budgeting that is revenue-based.
  - Eliminate tuition fees for all students, replace student loans with needs-based grants, and re-instate progressive debt reduction measures.

## **School Board**

Education funding decisions should be based on the following assumptions:

- Ontario should provide the highest quality publicly funded, publicly administered education system possible.
- All students should have equitable access to the same high-quality education, and all resources necessary to succeed should be provided to all students.
- Public schools are important to the full development of communities across the province. Preserving schools, enhancing community use, and making schools community hubs will make for a stronger Ontario.

- **Recommendations:**

- Provide funding for preventative maintenance programs in all School Boards, including training for custodial workers to do routine plumbing, and common electrical and carpentry work, freeing trades workers to focus on more complex tasks within their scopes of practice.
- Increase funding in special education to meet all student needs.
- Commit to ongoing funding of full-day kindergarten, maintaining the existing model of DECE and teacher co-partners.
- Provide dedicated funding for professional development for Educational Assistants.
- Enhance funding such that Educational Assistants can start work prior to the beginning of the school year to assist with the development and implementation of student learning plans and safety plans.
- Mandate that all full-time Educational Assistants, Designated Early Childhood Educators, and professional and paraprofessional staff in schools are scheduled for a minimum of 7 hours per day (i.e. one full-time equivalent [FTE] position for each of these classifications will be 35 hours/week).
- Develop a five-year plan to rectify the \$15.9 billion in deferred maintenance, repair and renewal at School Boards across Ontario.
- Benchmarks used to determine funding for school renewal and repair need to be updated to reflect the actual costs of each school, including factoring in differing regional costs as well as different costs associated with the age of buildings.
- Increase the operational and maintenance budget by 8.7% from current levels and adjust for inflation thereafter.
- Establish a standard for building maintenance to allow Boards to assess the actual costs of maintenance.
- Introduce additional funding to hire more office staff to alleviate the additional workload, help schools' function more effectively, and ensure security and safety in schools.
- Provide funding to ensure that there is a minimum of one library technician assigned full-time in each school, with built in escalators to increase the complement of library technicians in larger schools.
- Provide funding so that school libraries are properly staffed and can remain open and available to students for the entire school day.
- Ensure funding is available so that school board employed custodians are scheduled to be on-site whenever buildings are in use by members of the community.

## **Other**

### **Equity**

While many Ontarians have been left reeling in the wake of the public service cuts inflicted by this government, those hardest hit are members of our community who are equity seekers. For these marginalized groups, the cuts compound already existing daily injustices. Reported hate crimes has

increased dramatically in the past two years<sup>26</sup>. The wealthiest, who are rigging the system in their favour, all too often scapegoat equity seekers as the cause of social and economic ills.

Yet against this backdrop, the government has decided not to focus policy to make the lives of those most marginalized amongst us better. Instead, they specifically target these groups because a history of marginalization has meant that equity seekers are often left without effective means to advocate for themselves.

At the ministry level, the 2018-19 Ontario Public Accounts paints a picture of government cruelty. Equity ministries are near the top when it comes to budget cuts compared to the previous year.<sup>27</sup> Incredibly, the Ministry for Indigenous Relations and Reconciliation funding was cut by 76.1%.

In addition to these ministerial cuts, this government has policies that callously target equity seekers. Whether it was disbanding the anti-racism subcommittees which dealt with fighting Islamophobia, anti-Semitism, anti-Indigenous, and anti-Black racism, or back tracking on Indigenous curriculum development, or returning Ontario's student to a sex-education curriculum designed in the 1990's, it is clear this government is intentionally harming equity seekers to appease its base.

- **Recommendations:**

- Restore funding to equity ministries to allow them to advance the rights of equity seekers.
- Resume the K-12 curriculum update to reflect Indigenous content as recommended by the Truth and Reconciliation Commission.
- Reinstate the four sub-committees under the anti-racism directorate.
- Task the anti-racism directorate to include a focus on the employment discrepancies for racialized workers in Ontario and direct efforts towards helping racialized workers unionize and find good jobs.
- Return to a sex-education curriculum that includes the experiences of 2SLGBTQI+

## **Legal Aid**

The cuts in last years budget to legal aid, have shaken the public confidence regarding the ability for the most marginalized to receive justice in this province. We agree with Chief Justice of Ontario George Strathy who noted that the cuts “increases trial times, places greater demands on public services, and ultimately delays and increases the cost of legal proceedings for everyone”.<sup>28</sup>

While the government has reversed the cuts on a go forward basis, there remains a 2019 budget cut of \$133 million dollar, or 30% of funding, in the budget of legal aid.

- **Recommendation:**

- Restore the \$133 million in the budget of legal aid.

---

<sup>26</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/181129/dq181129a-eng.htm>

<sup>27</sup> <https://files.ontario.ca/tbs-annual-report-and-consolidated-financial-statements-2018-19-en.pdf>

<sup>28</sup> <https://www.thestar.com/news/gta/2019/09/10/ontarios-top-judges-slam-ford-government-over-cuts-to-legal-aid.html>

## Regulation

The government frequently attacks regulation as job killing and bad for Ontario. Since coming into office, it passed three bills that have rolled back regulation. The idea that regulation is holding back business is not grounded in Ontario's reality or history. The Walkerton tragedy was a failure of government regulation that should not easily be forgotten. Those needless deaths should serve as a reminder that regulation is a lifesaver, not a job killer – it protects our environment, the public, and worker. Similarly, it was the strong regulation of our banking sector that saved Canadians from the worst of the 2008-09 financial crisis. Regulations can create jobs, and on balance is a net positive for Ontarians.

- **Recommendation:**

- Complete repeal of Bill 47, *Making Ontario Open for Business Act, 2018*.
- Complete repeal of Bill 66, *Restoring Ontario's Competitiveness Act, 2018*.
- Complete repeal of Bill 57, *Restoring Trust, Transparency and Accountability Act, 2018*.

## Hydro One

In 2018, Doug Ford promised Ontarians that if elected, he would lower electricity bills by 12 per cent, however, this declaration was bereft of any plan on how that would happen. Unsurprisingly, since that time, hydro bills have not gone down, instead, they have gone up 1.8 per cent. The continued failure of comprehensive hydro reform in this province is directly related to the fire sale of Hydro One that started under the previous government and continues today. Losing public ownership of Hydro One puts one of our most critical needs at the hands of those seeking to make a profit. These rate hikes will fall hardest on those who are least able to afford it. Leaving Ontarians to continue to choose between paying their electricity bill or being able to purchase groceries.

- **Recommendation:**

- Reverse the selloff of Hydro One by returning Hydro One to public ownership and control.

## Climate Change

As the impacts of climate change are increasingly felt across the world, the recklessness of the government's inaction is painfully obvious. Thankfully, the attempts by the government to silence its critics have proved unsuccessful. Though the government fired Ontario's environmental commissioner last year, this invaluable work was adopted by the Auditor General (AG). The 2019 AG annual report critiqued the government's efforts, or lack thereof, to fight climate change. According to the Auditor General, Ontario is warming faster than the global average, yet this government's plan to deal with this is "not based on sound evidence"<sup>29</sup> and will not meet its own targets. The government must reverse

---

<sup>29</sup> <http://www.auditor.on.ca/en/content/annualreports/arbyyear/ar2019.html>

course and provide real leadership fighting climate change which will include the need for a Just Transition for workers.

- **Recommendations:**

- Provide a Just Transition for workers impacted by climate change. This should include employing the social safety net for retraining.
- The government must lead the effort in finding workers impacted by climate change, good jobs and not leave it up to the free market.
- In addition to government help, workers need one-to-one support from a Union to fully transition. Unions constantly deal with layoff and retraining and are experts on these issues.
- Establish and implement a credible plan to fight climate change and to meet our national and international obligations.
- Hold corporations accountable for their pollution.
- Create systems of regulation that provide Ontarians with a sustainable environment.

### **Public-private partnerships**

The AG has repeatedly reprimanded the use of public-private-partnerships (P3) to provide Ontario's infrastructure<sup>30</sup>. The AG's audits highlight the poor value for money, higher cost, and lack of evidence to justify the use of P3s. It is concerning then, that the government chooses not to listen to its own independent expert and currently has 58 projects underway or in procurement with a cost totaling over \$80 billion.<sup>31</sup> Providing infrastructure publicly would save money that could be better used to provide public services.

- **Recommendation**

- Abandon P3 models (e.g. Alternative Financing and Procurement, etc.) of providing infrastructure and return to the public means that governments have used for decades to build Ontario.

### **Conclusion**

The 2020 Ontario budget provides the Ford Conservative government another opportunity to listen to the needs of Ontarians. After years of underfunding by the Liberals, the Conservatives were not elected because Ontarians wanted bigger class sizes, less money spent on kids with autism, and cuts to healthcare and social services. Vital public services across Ontario are approaching a tipping point. Our communities have been clear in highlighting the value of public services. They have demanded an end to cuts that hurt their communities and instead investments in these services. Use the upcoming budget to turn things around. Find the courage to put the interests of average Ontario workers and families ahead of your own ideological playbook.

---

<sup>30</sup> <http://www.auditor.on.ca/en/content/annualreports/arreports/en14/305en14.pdf>

<sup>31</sup> <https://www.ontario.ca/document/rebuilding-ontario-infrastructure-plan-people/unlocking-our-economic-potential>