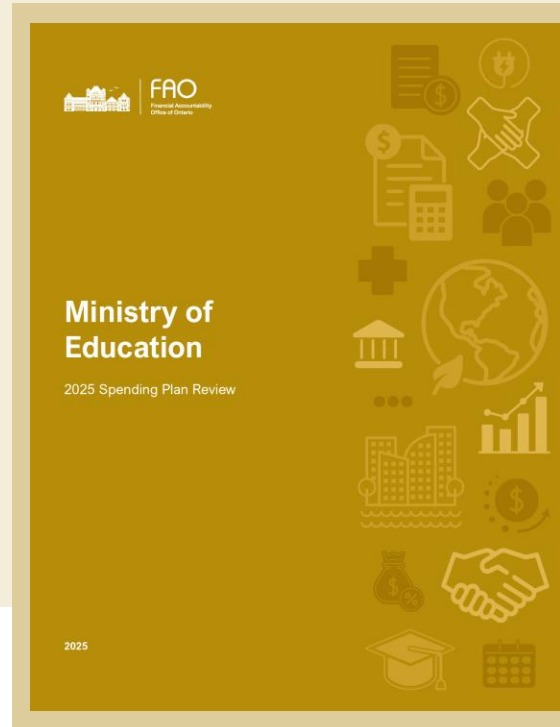




Ministry of Education

2025 Spending Plan Review

Briefing Deck



FAO

Financial Accountability
Office of Ontario

Overview

- This report reviews the Government of Ontario's (the Province's) Ministry of Education spending plan as outlined in the 2025 Ontario Budget.
- This analysis was undertaken in response to a request from a Member of Provincial Parliament and is part of a planned series that reviews the spending plans for five ministries:
 - Health and Long-Term Care, which form the health sector;
 - Education;
 - Colleges, Universities, Research Excellence and Security (MCURES); and
 - Children, Community and Social Services (MCCSS).
- For additional information on the five ministries' 2025-26 spending plans, see the FAO's *Examining Ontario's 2025-26 Expenditure Estimates*, which compares planned spending against actual spending over the previous four years to the standard account level of detail.



Spending Plan Overview

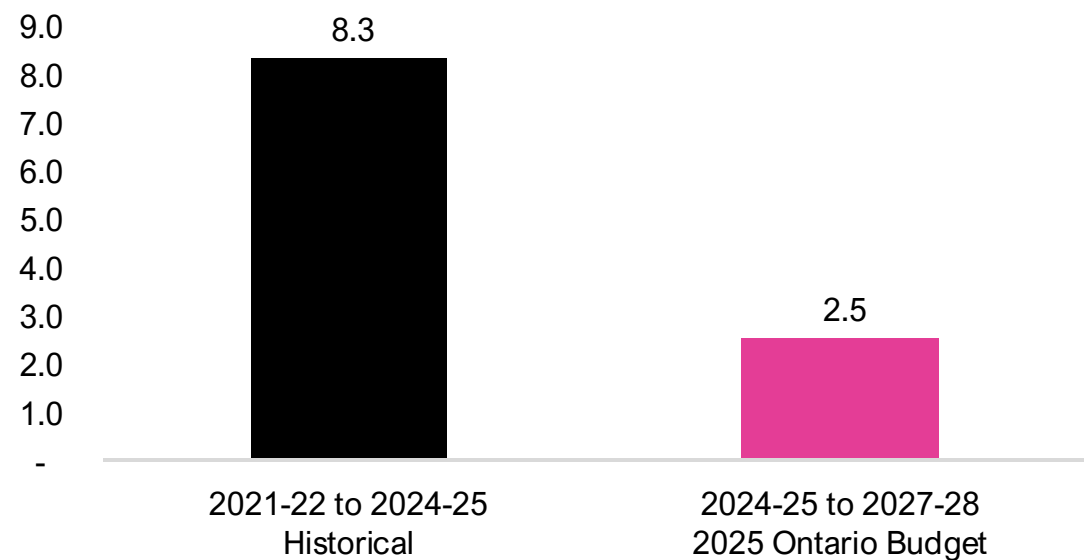


Ministry of Education Spending Plan

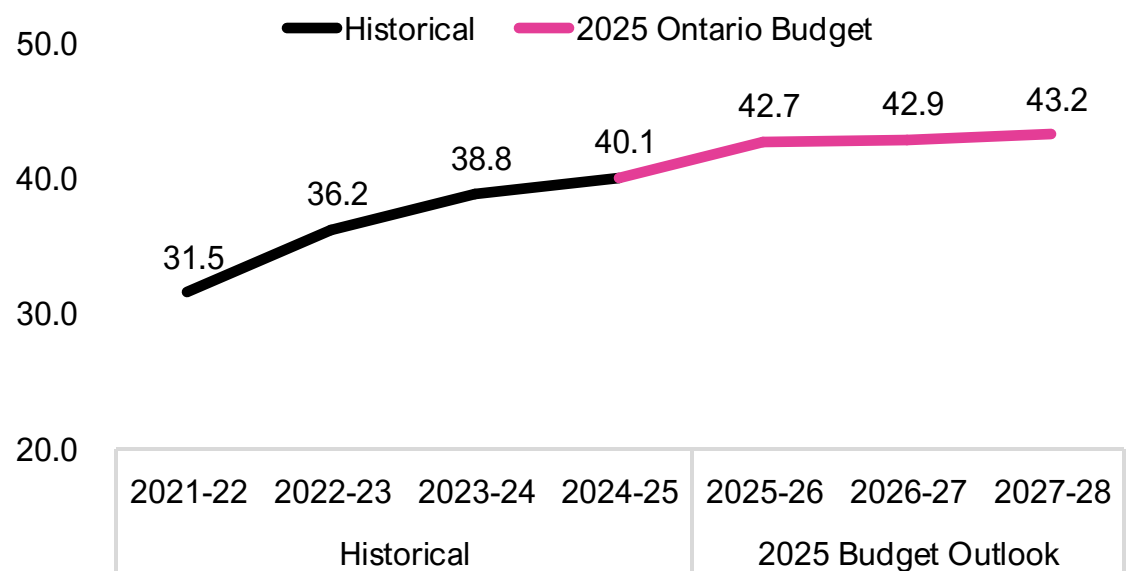
- In the 2025 Ontario Budget, the Province projects that Ministry of Education spending will grow at an average annual rate of 2.5%, from \$40.1 billion in 2024-25 to \$43.2 billion in 2027-28.
- This is a significantly slower pace than the 8.3% average annual growth over the previous three years.

Ministry of Education spending plan in the 2025 Ontario Budget

Average Annual Spending Growth (Per Cent)



Annual Spending (\$ Billions)



Note: Historical values are not restated for program transfers or reclassifications, if any.
Source: Ontario Public Accounts and the 2025 Ontario Budget.

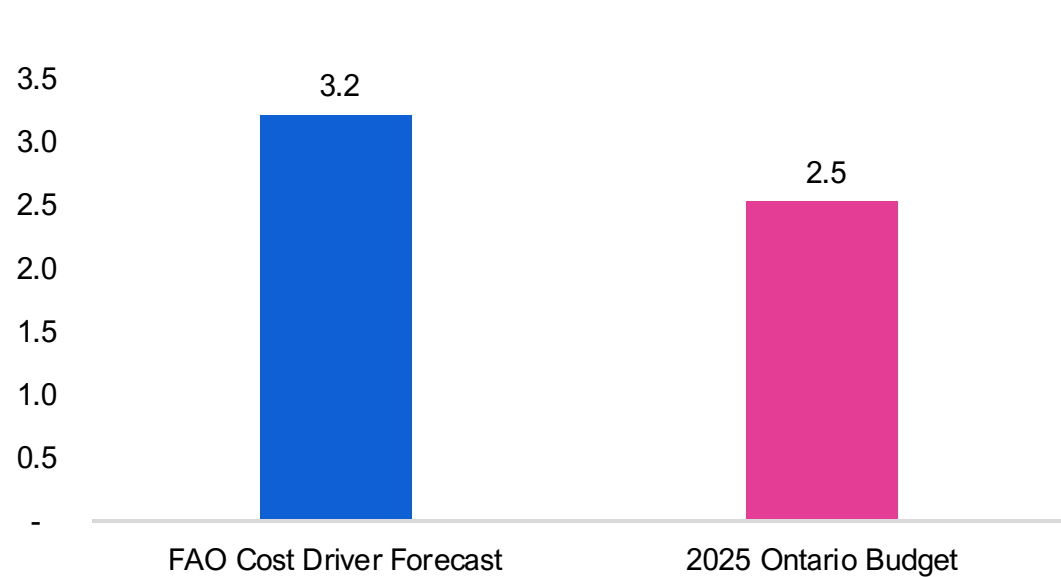


Ministry of Education Spending Plan

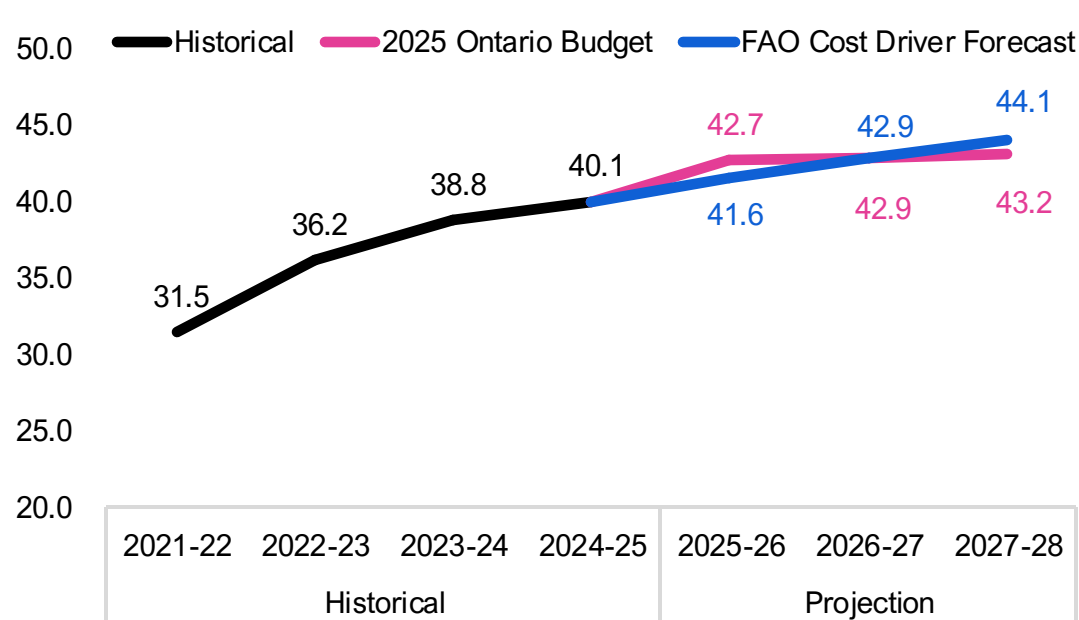
- The FAO estimates that Ministry of Education spending would need to grow by an average annual rate of 3.2% over the next three years to maintain 2024-25 ministry service levels.
- By 2027-28, the 2025 budget plan is below the FAO's cost driver projection by \$0.9 billion.

Comparing Ministry of Education spending growth, FAO cost driver forecast vs. 2025 Ontario Budget, 2024-25 to 2027-28

Average Annual Spending Growth (Per Cent)



Annual Spending (\$ Billions)



Note: Historical values are not restated for program transfers or reclassifications, if any.
Source: Ontario Public Accounts, 2025 Ontario Budget and FAO analysis of information provided by the Province.



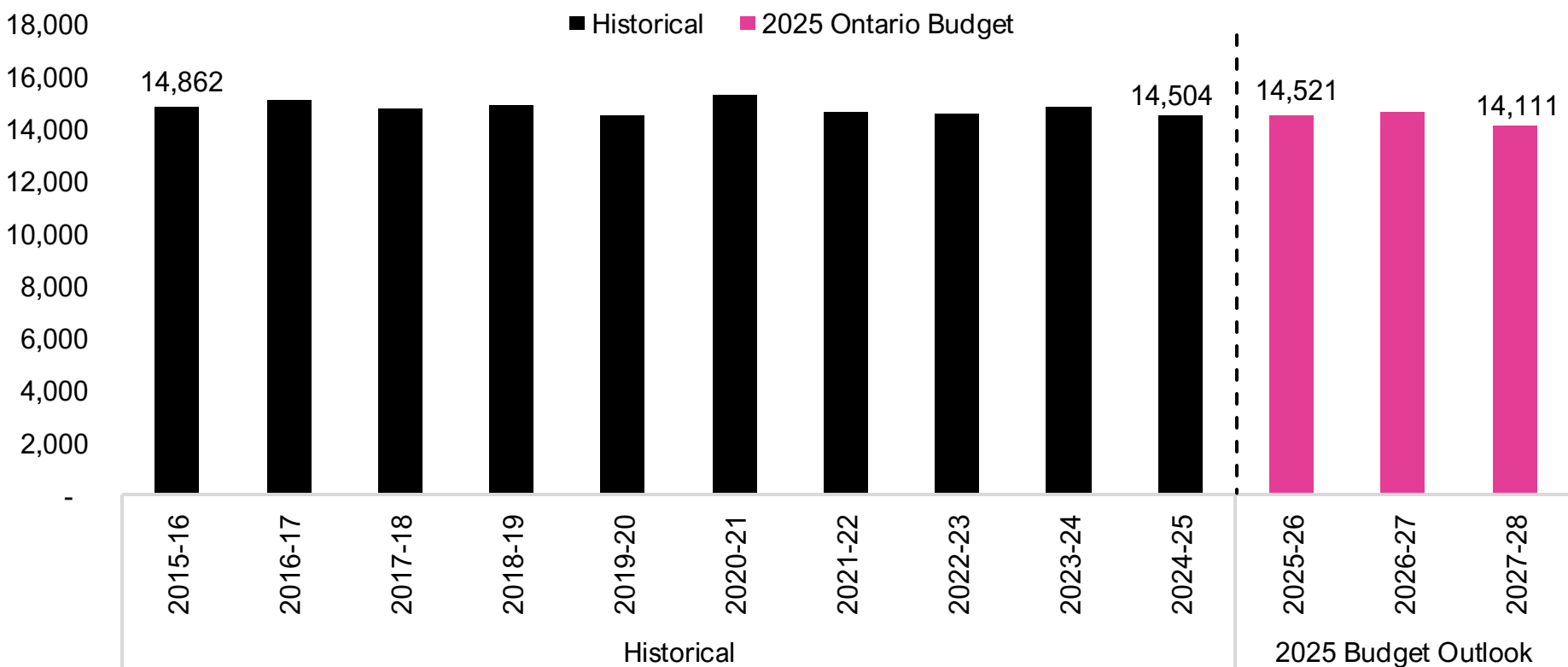
Spending Plan Analysis

The FAO analyzed the potential impact of the ministry's spending plan in the 2025 Ontario Budget on two key program areas: school board operations and child care.



Provincial School Board Operating Funding

Historical and projected real per-student provincial school board operating funding, 2015-16 to 2027-28
2024-25 Constant Dollars

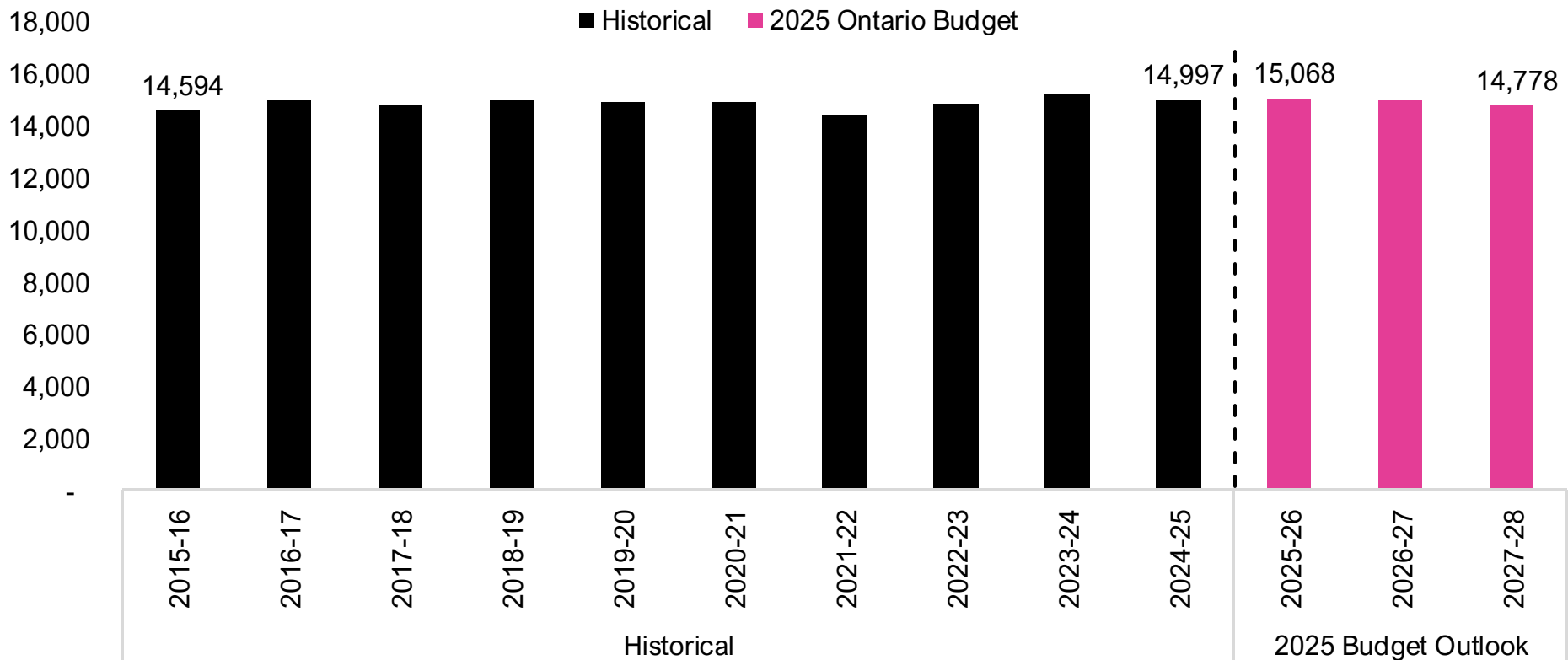


Source: FAO analysis of information provided by the Province.



School Board Operating Spending

Historical and projected real per-student school board operating spending, 2015-16 to 2027-28
2024-25 Constant Dollars

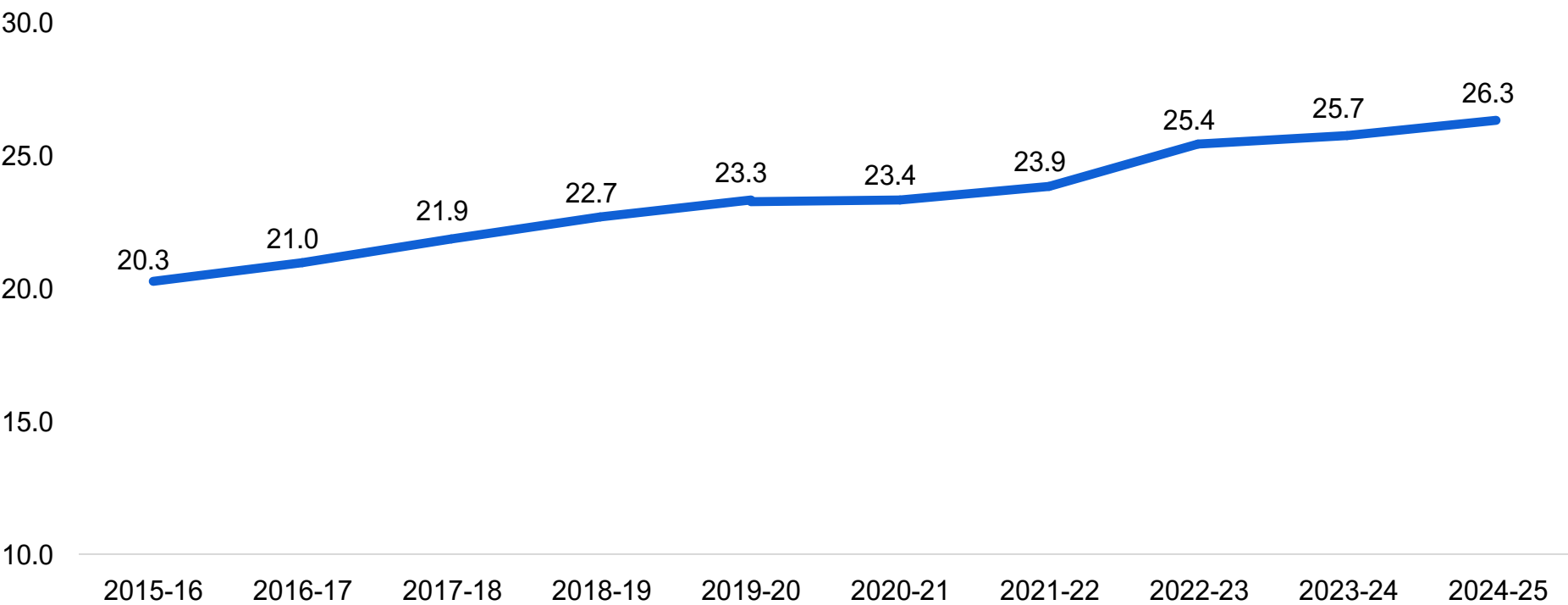


Source: FAO analysis of information provided by the Province.



Licensed Child Care Spaces

Licensed child care spaces in centres as a share of the Ontario population aged zero to 12, 2015-16 to 2024-25
Spaces as a Share of 0-12 Population (Per Cent)



Note: Licensed child care in Ontario is also provided through home agencies. In 2023-24, there were 22,215 children aged 0 to 12 enrolled in licensed child care home agencies.
Source: FAO analysis of information provided by the Province.



Canada-Wide Early Learning and Child Care (CWELCC) Program

- Under the CWELCC program, the Province committed to:
 - reduce the cost of licensed child care for children under the age of six to an average of \$10 per day by September 2025, which was subsequently revised to the end of March 2026; and
 - create 86,000 new child care spaces for children under the age of six relative to the end of 2018-19, for a total of 375,111 spaces that would be enrolled in the new CWELCC program by the end of 2026.
- The FAO estimates that the CWELCC program will cost \$4.2 billion in 2025-26, \$5.2 billion in 2026-27 and \$5.4 billion in 2027-28.
- Under the current CWELCC agreement, which is scheduled to expire in March 2026, the FAO estimates that there are sufficient funds remaining to support the cost of the program in 2025-26.
- In March 2025, the federal government announced a funding commitment of \$16.8 billion over five years to support the renewal of the Canada-Ontario CWELCC agreement, including an estimated \$3.2 billion in 2026-27 and \$3.3 billion in 2027-28.
 - Based on the federal government's proposed funding levels, the FAO estimates that there would be a federal funding shortfall for the CWELCC program of \$1.9 billion in 2026-27 and \$2.0 billion in 2027-28.



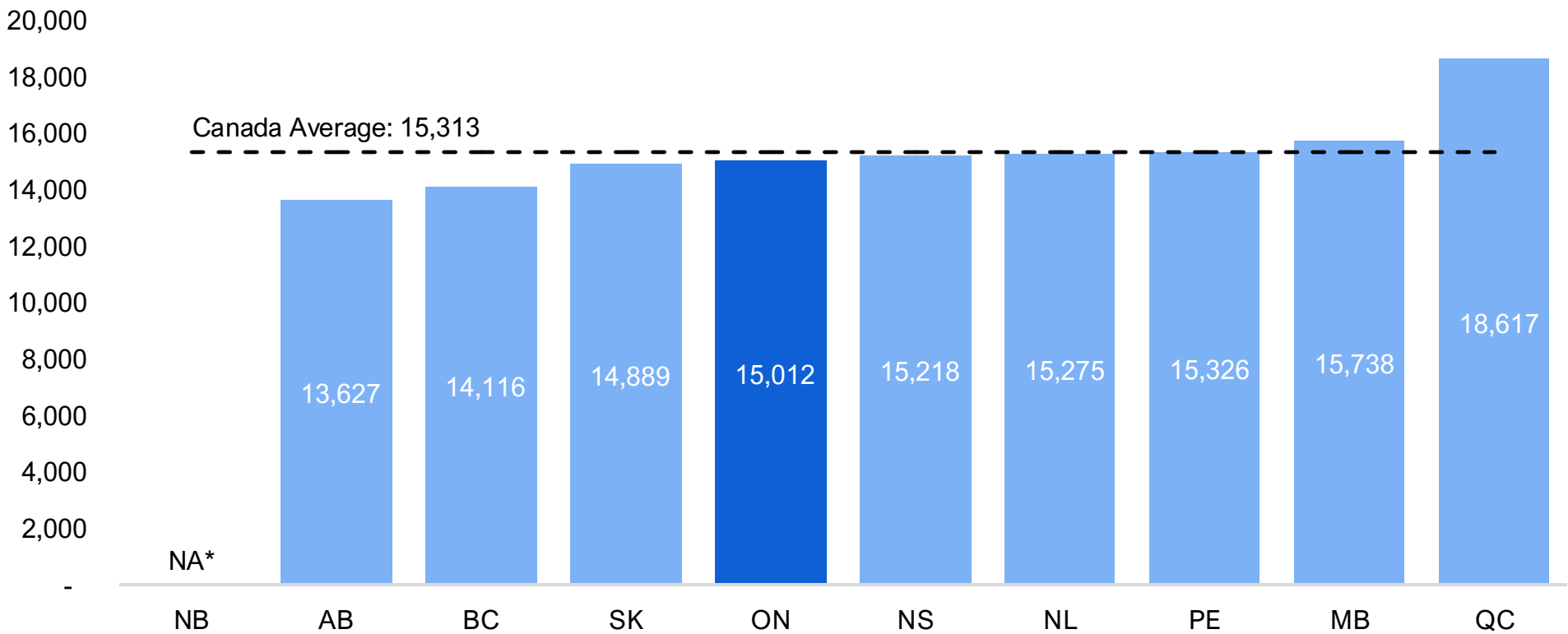
Interprovincial Comparison

The FAO compared Ontario's per-capita school board and child care spending with spending in other provinces.



School Board Spending

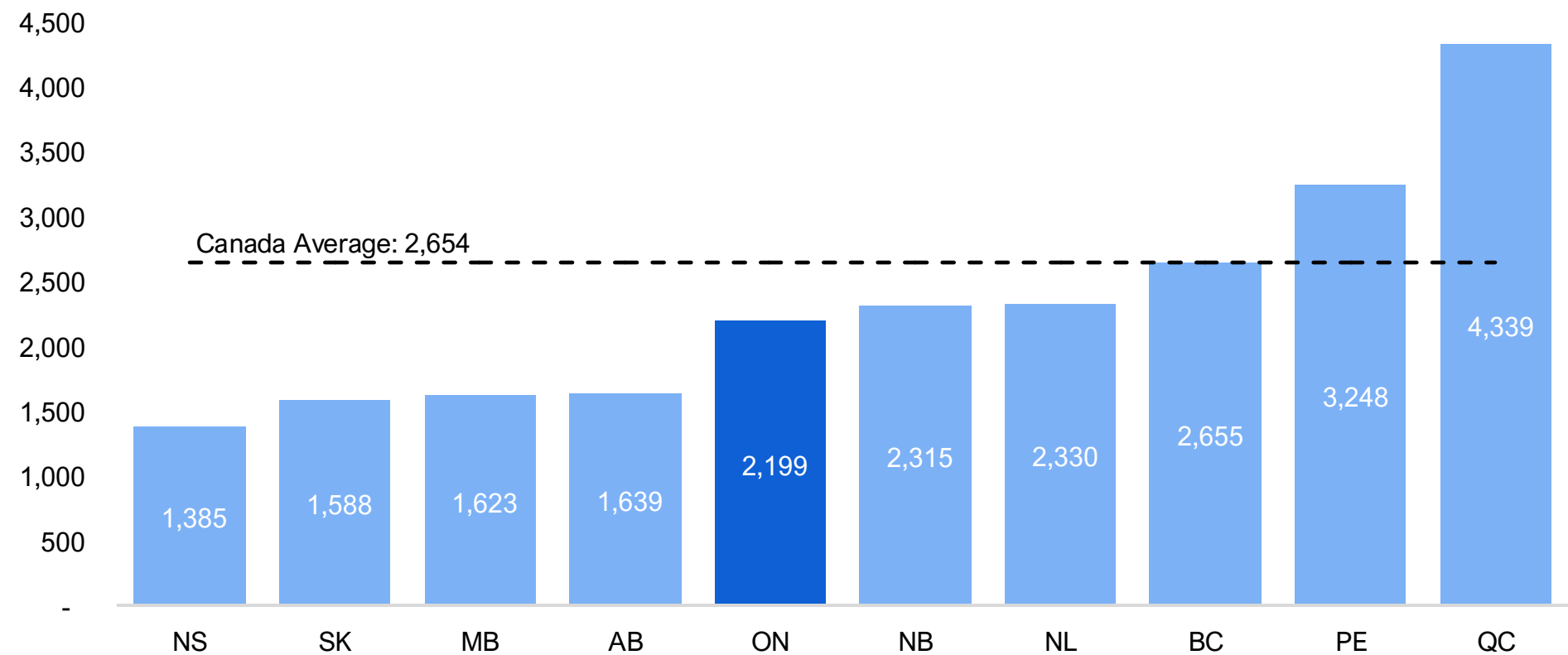
School board spending per student by province, 2022-23
Dollars per Student



Note: Canada average excludes territories. Ontario total differs from Figure 4.2, which shows school board operating spending only, as reported in Ontario's 2022-23 Public Accounts, in 2024-25 dollars.
* Comparable data not available.
Source: Statistics Canada, Table 10-10-0019-01 and Table 37-10-0007-01 and FAO analysis.

Child Care Spending

Child care spending per child aged zero to 12 by province, 2023-24
Dollars per Person Aged Zero to 12



Note: Information compiled directly from provincial public accounts. No adjustments were made to improve comparability across provinces. Canada average excludes territories.
Source: FAO analysis based on provincial public accounts and the Atkinson Centre's 2023 Early Childhood Education Report.



Thank you!



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