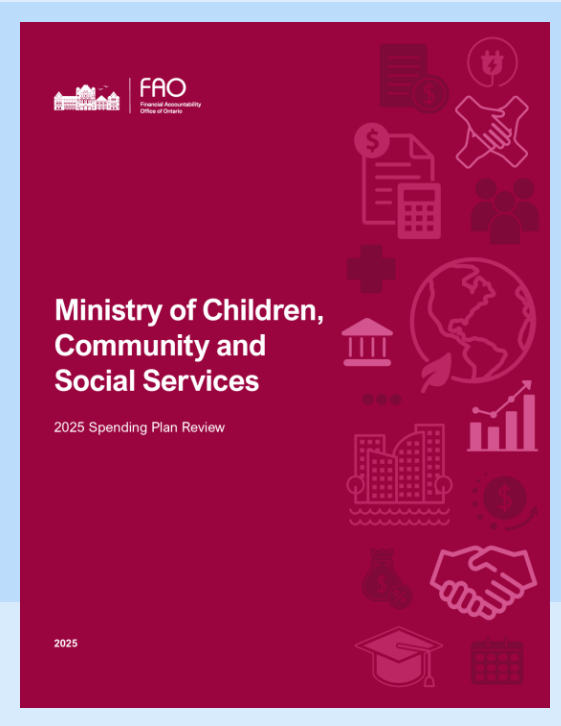
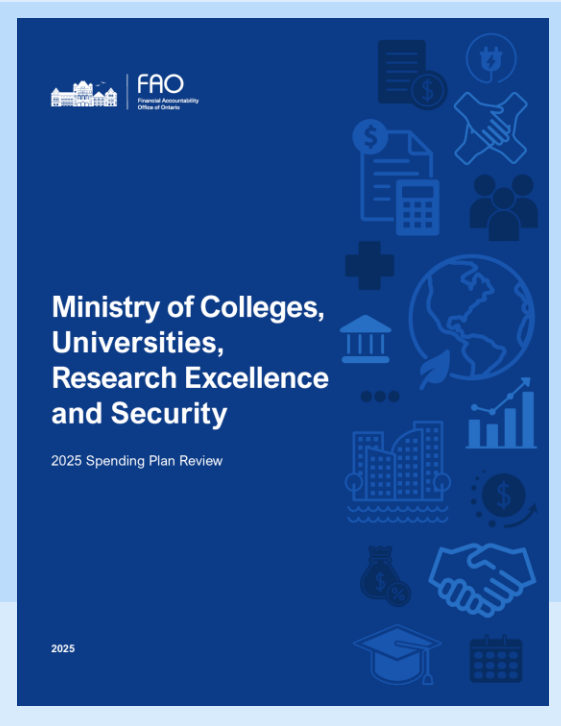
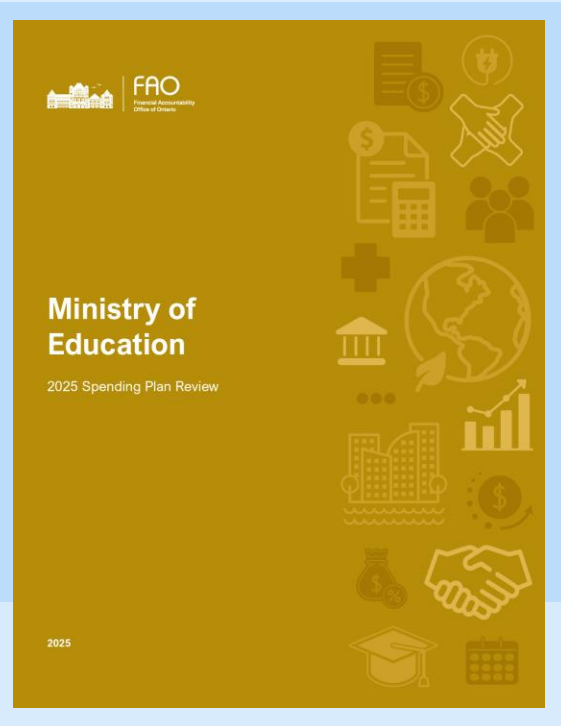
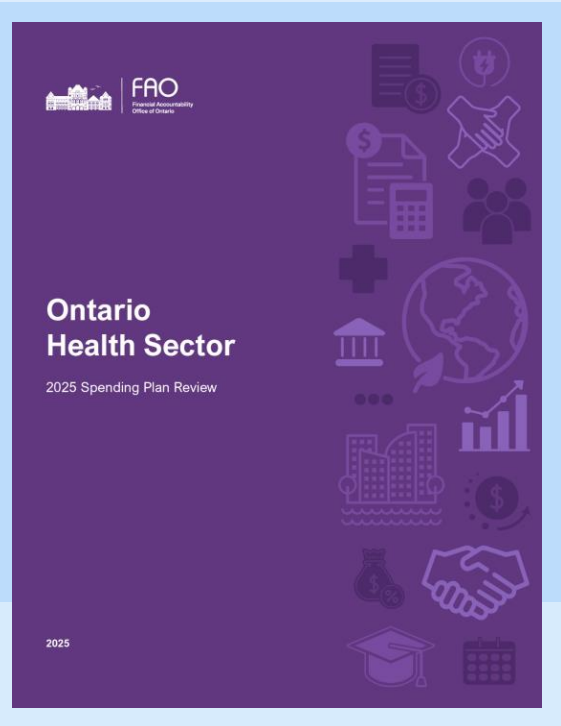




Summary of 2025 Spending Plan Reviews

Presentation

Overview

- Today, the FAO released four reports that review the Government of Ontario's (the Province's) 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

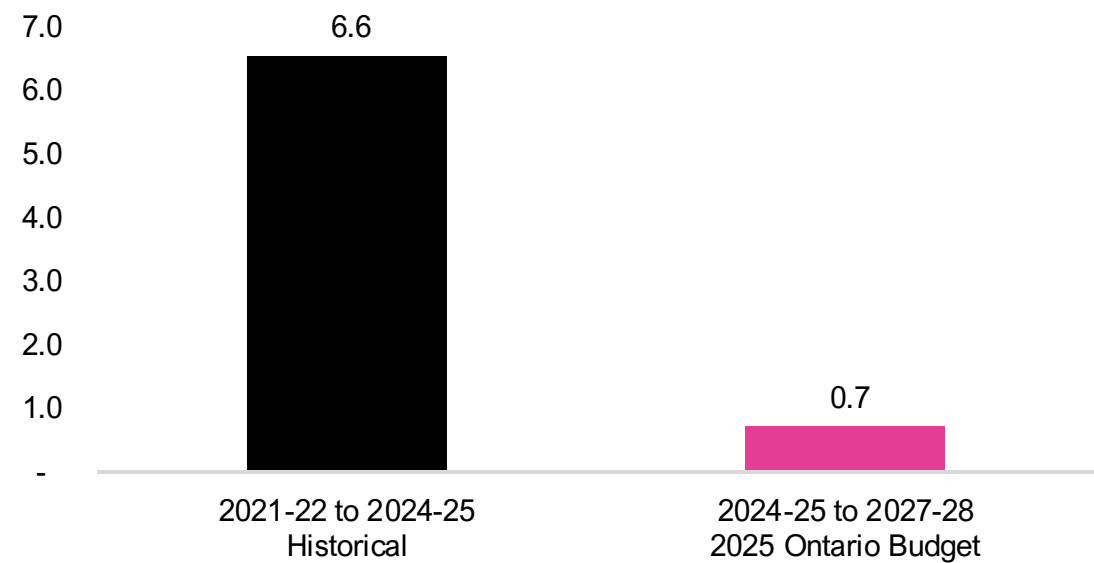


Health Sector Spending Plan

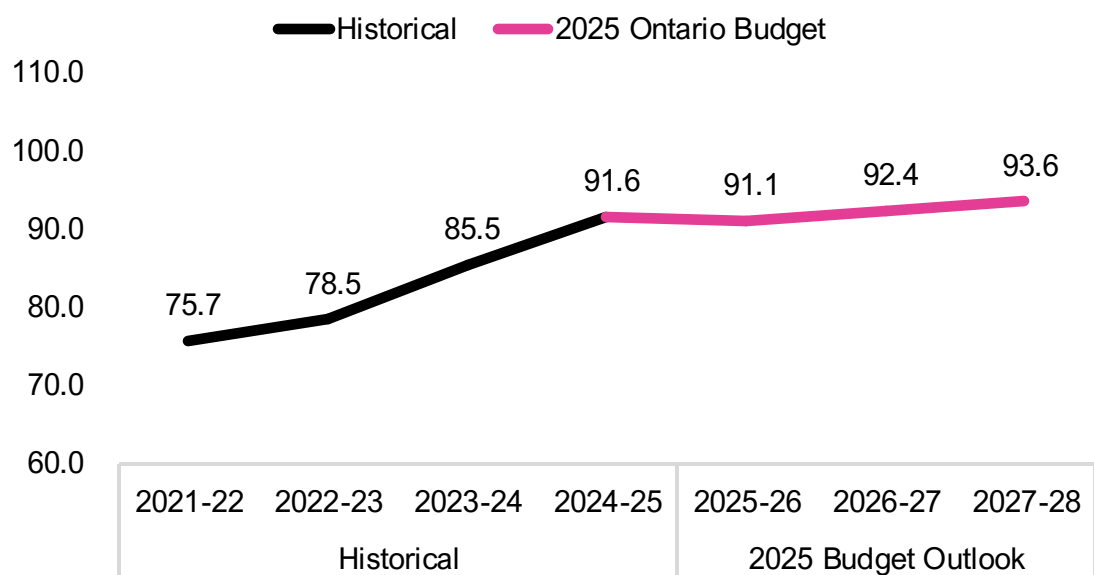
- In the 2025 Ontario Budget, the Province projects that health sector spending will grow at an average annual rate of 0.7%, from \$91.6 billion in 2024-25 to \$93.6 billion in 2027-28.
- This is a significantly slower pace than the 6.6% average annual growth over the previous three years.

Health sector 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.

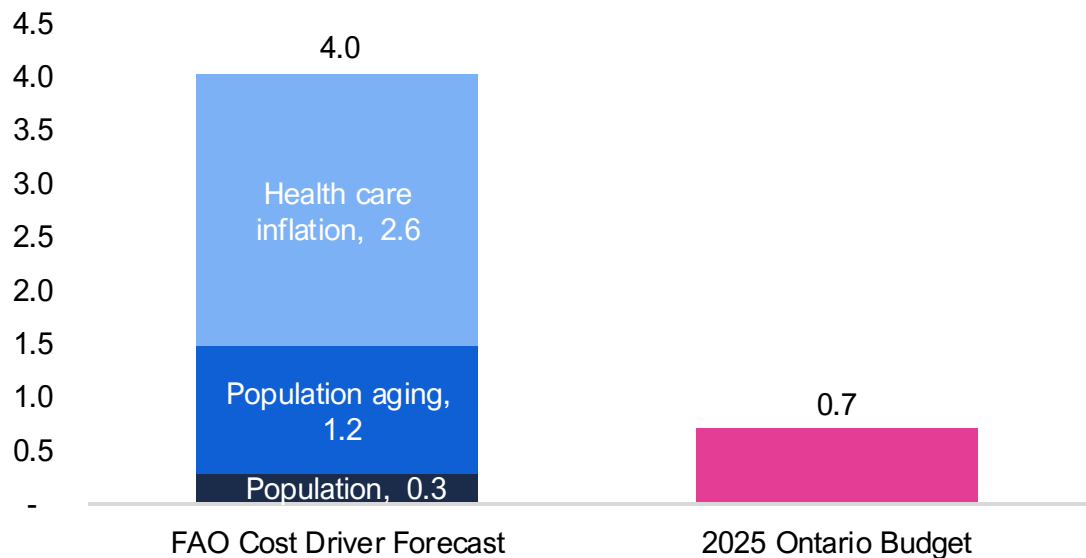


Health Sector Spending Plan

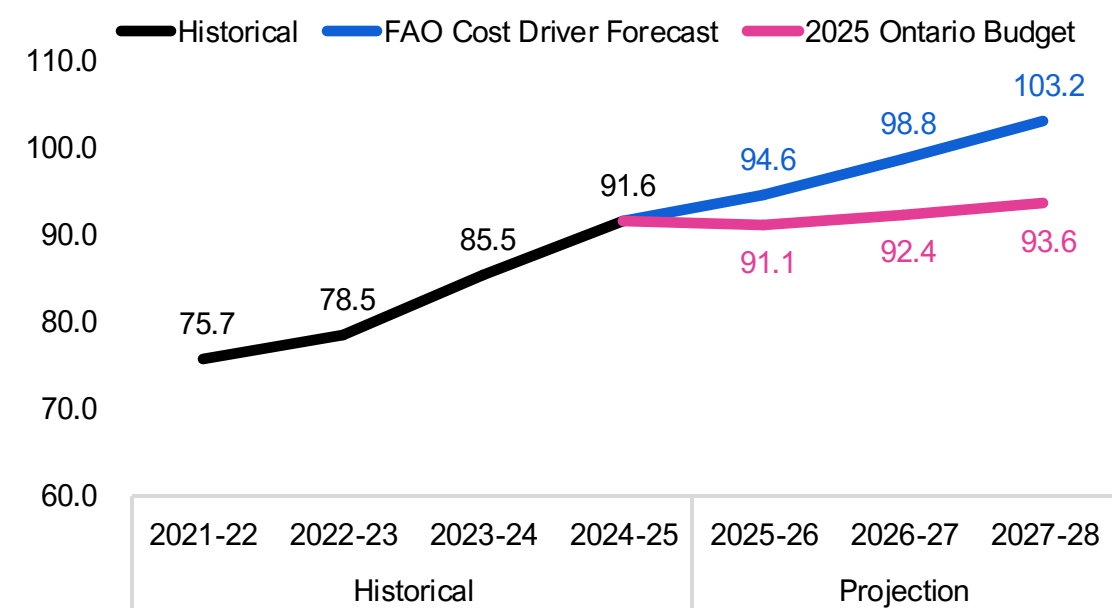
- The FAO estimates that health sector spending would need to grow by an average annual rate of 4.0% over the next three years to maintain 2024-25 health sector service levels.
- Compared to the FAO's cost driver projection, the 2025 budget spending plan has a funding shortfall of \$3.4 billion in 2025-26, \$6.4 billion in 2026-27 and \$9.6 billion in 2027-28.

Comparing health sector 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 and the 2025 Ontario Budget.

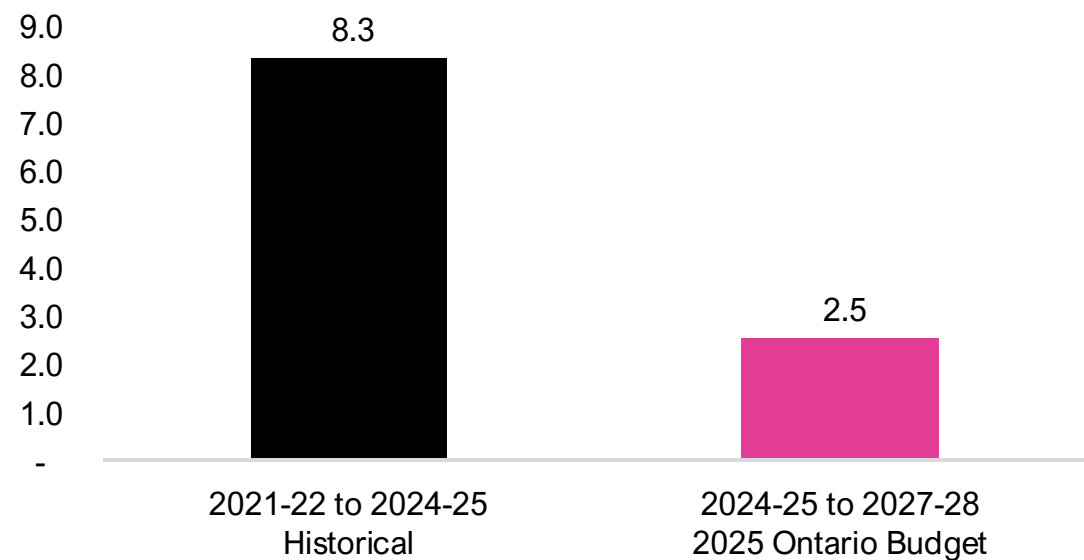


Ministry of Education Spending Plan

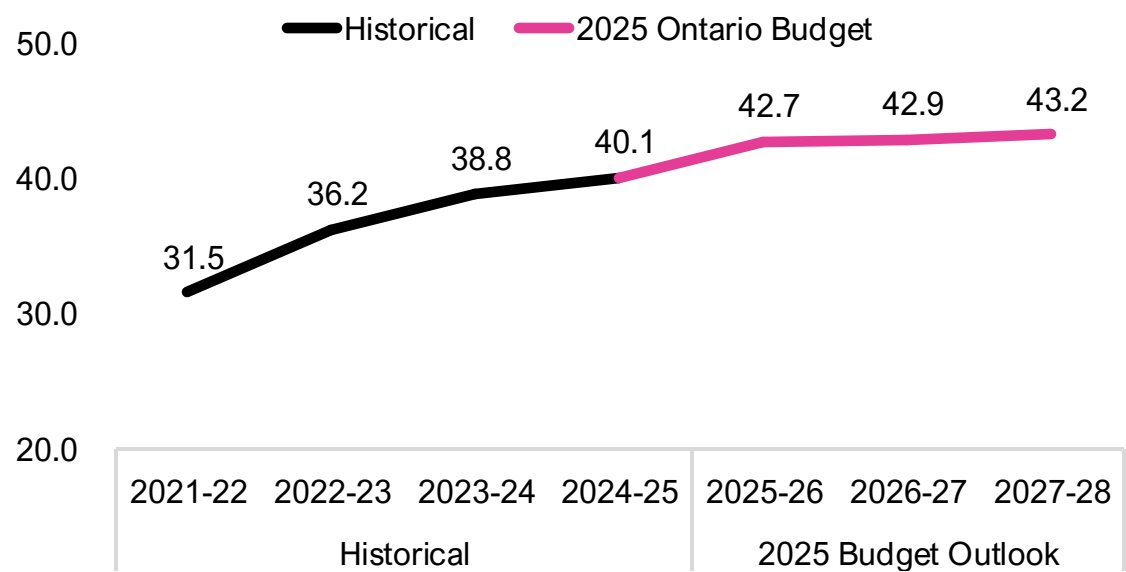
- In the 2025 Ontario Budget, the Province projects that Ministry of Education spending will grow at an average annual rate of 2.5%, from \$40.1 billion in 2024-25 to \$43.2 billion in 2027-28.
- This is a significantly slower pace than the 8.3% average annual growth over the previous three years.

Ministry of Education spending plan in the 2025 Ontario Budget

Average Annual Spending Growth (Per Cent)



Annual Spending (\$ Billions)



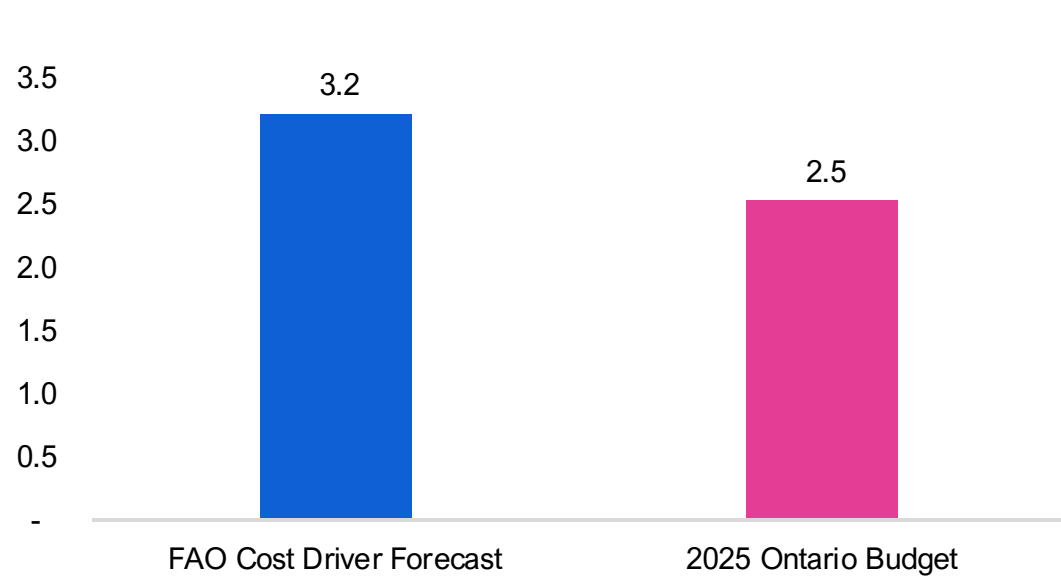
Note: Historical values are not restated for program transfers or reclassifications, if any.
Source: Ontario Public Accounts and the 2025 Ontario Budget.

Ministry of Education Spending Plan

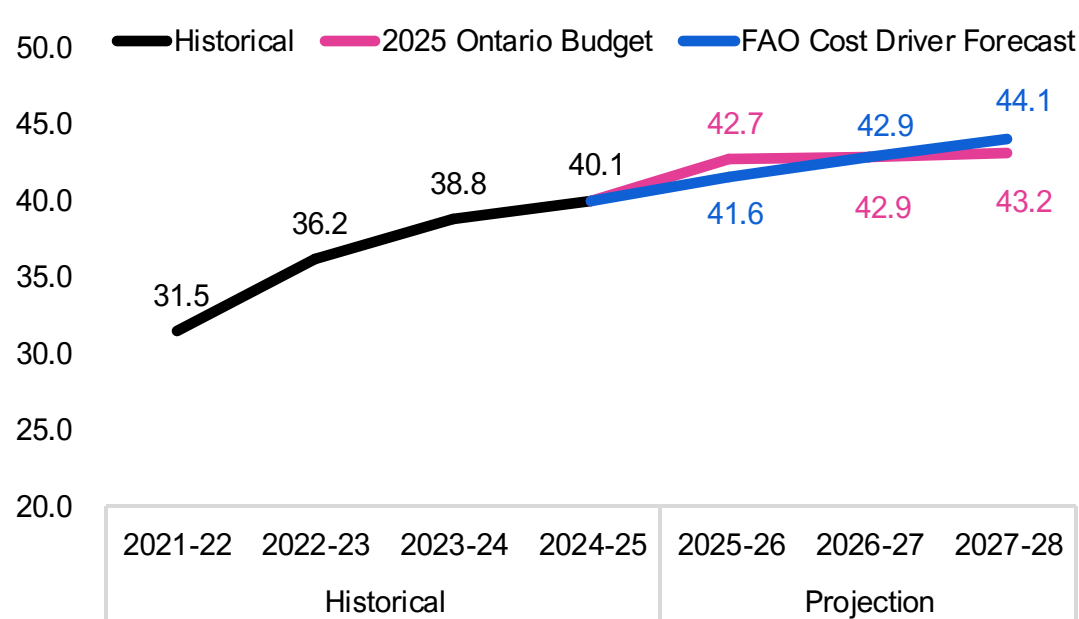
- The FAO estimates that Ministry of Education spending would need to grow by an average annual rate of 3.2% over the next three years to maintain 2024-25 ministry service levels.
- By 2027-28, the 2025 budget plan is below the FAO's cost driver projection by \$0.9 billion.

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.

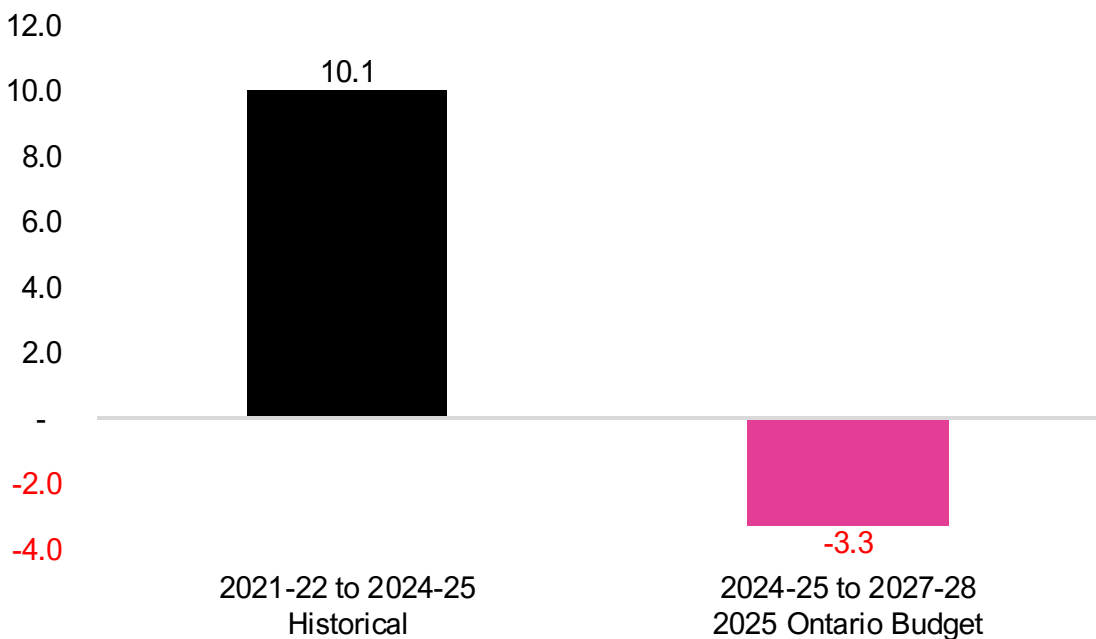


MCURES Spending Plan

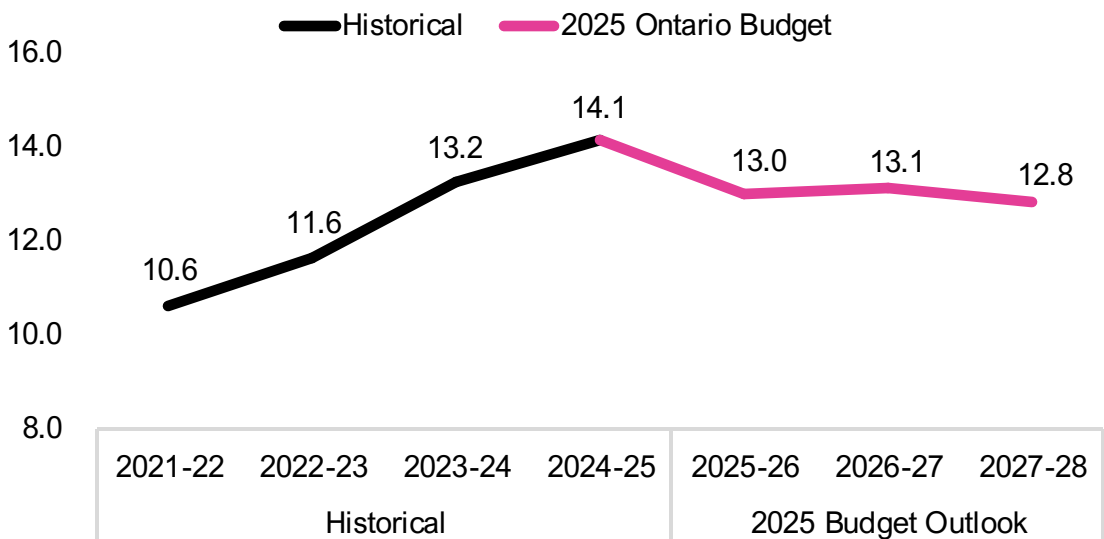
- In the 2025 Ontario Budget, the Province projects that MCURES spending will decrease at an average annual rate of -3.3%, from \$14.1 billion in 2024-25 to \$12.8 billion in 2027-28.
- This is a significantly slower pace than the 10.1% average annual growth over the previous three years.

Ministry of Colleges, Universities, Research Excellence and Security 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.

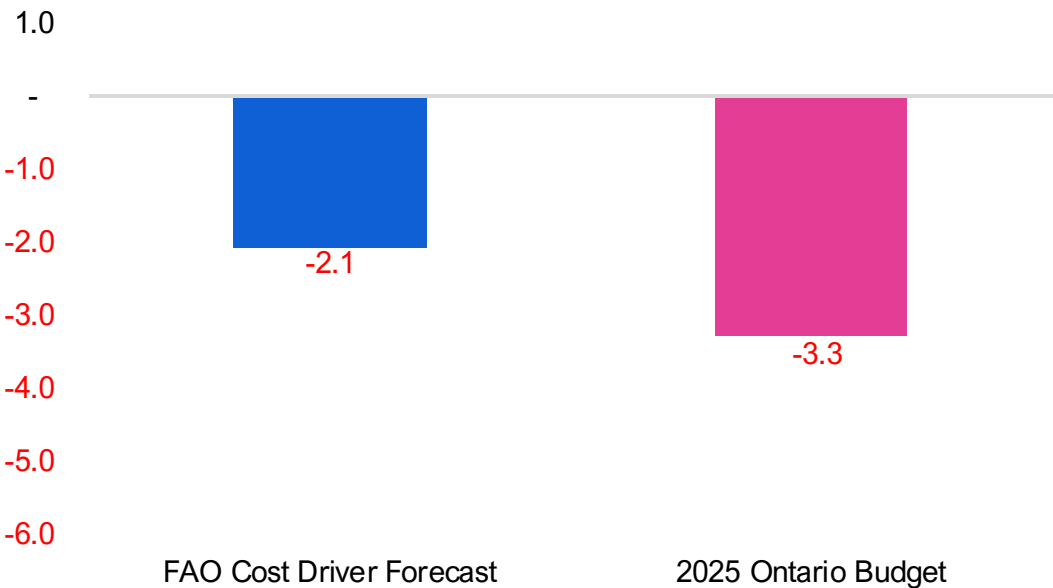


MCURES Spending Plan

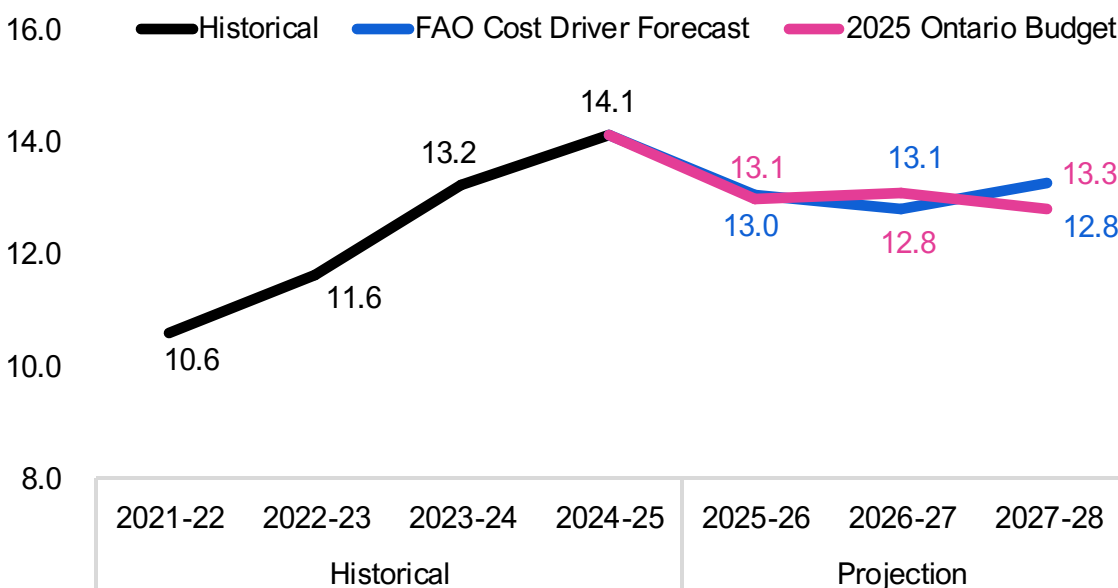
- The FAO estimates that spending consistent with maintaining 2024-25 ministry service levels would result in an average annual decline of -2.1% over the next three years.
- In 2026-27, the 2025 budget spending plan exceeds the FAO's cost driver projection by \$0.3 billion, and in 2027-28, the 2025 budget spending plan is below the FAO's cost driver projection by \$0.5 billion.

Comparing Ministry of Colleges, Universities, Research Excellence and Security 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 and the 2025 Ontario Budget.

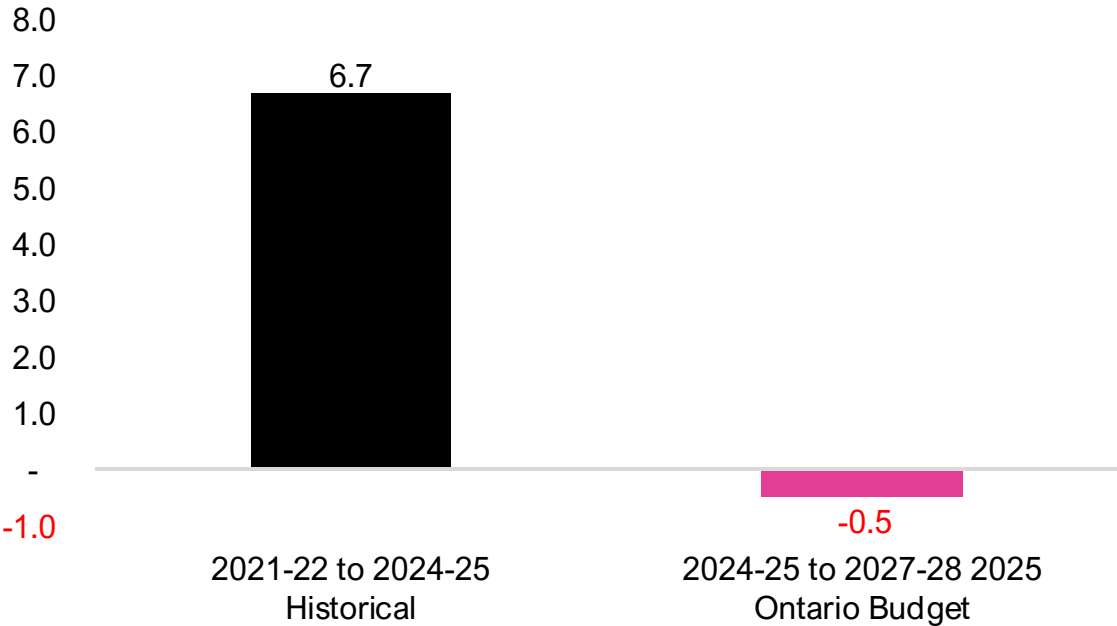


MCCSS Spending Plan

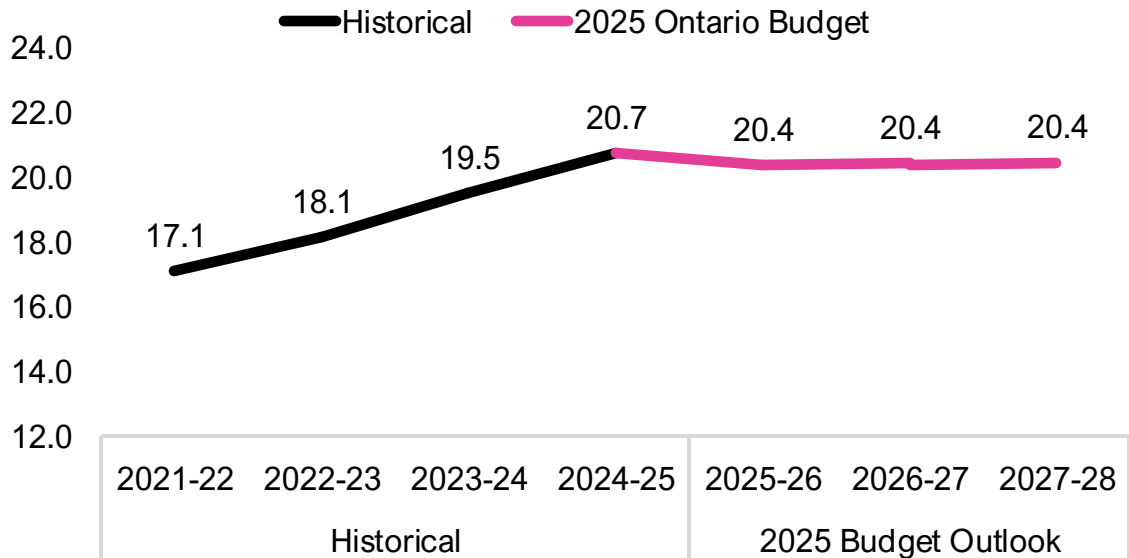
- In the 2025 Ontario Budget, the Province projects that MCCSS spending will decline at an average annual rate of -0.5%, from \$20.7 billion in 2024-25 to \$20.4 billion in 2027-28.
- This is a significantly slower pace than the 6.7% average annual growth over the previous three years.

Ministry of Children, Community and Social Services 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.

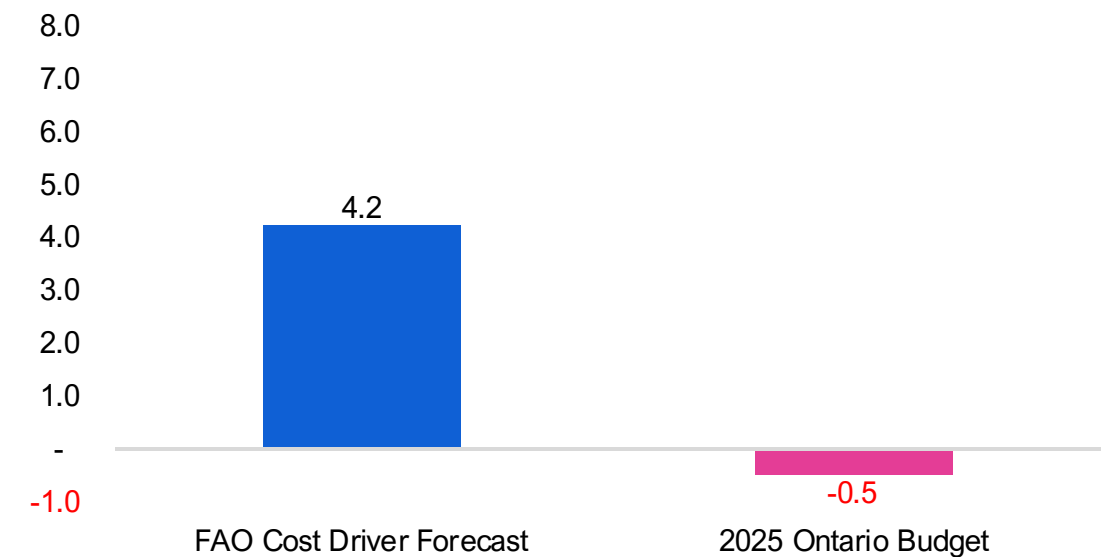


MCCSS Spending Plan

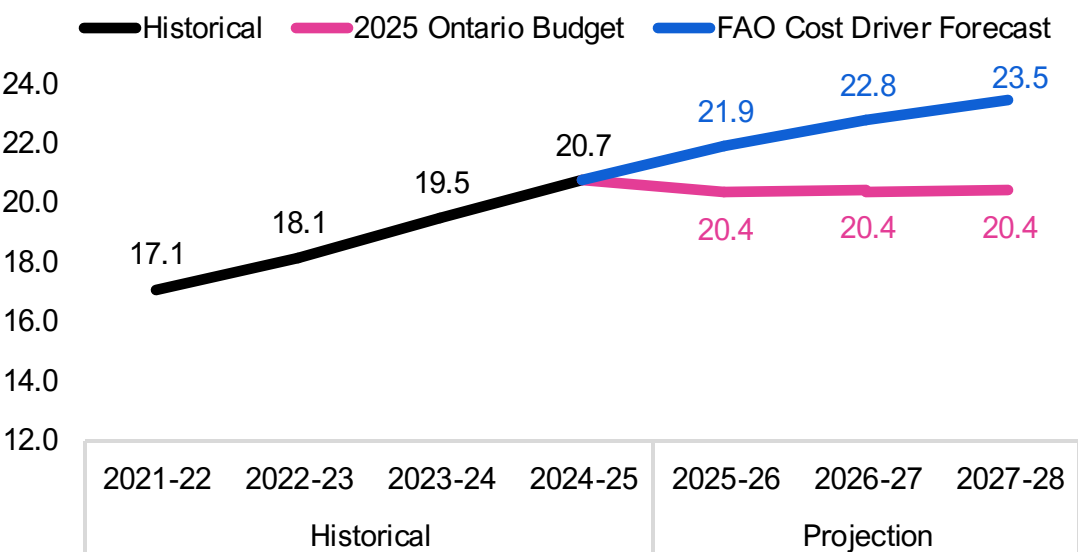
- The FAO estimates that MCCSS spending would need to grow by an average annual rate of 4.2% over the next three years to maintain 2024-25 ministry service levels.
- Compared to the FAO's cost driver projection, the 2025 budget spending plan has a funding shortfall of \$1.5 billion in 2025-26, \$2.4 billion in 2026-27 and \$3.1 billion in 2027-28.

Comparing MCCSS 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 and the 2025 Ontario Budget.



Spending Plan Analysis



Summary of Select Service Levels

Sector / Ministry	Service Level Metric
Health	Number of funded hospital beds per 100,000 Ontarians
Health	Number of long-term care beds per 1,000 Ontarians aged 75 and over
Health	Number of provincially funded nurses per 100,000 Ontarians
Health	Number of provincially funded personal support workers per 100,000 Ontarians
Health	Number of physicians per 100,000 Ontarians
Education	Real per-student provincial school board operating funding
Education	Real per-student school board operating spending
Education	Licensed child care spaces in centres as a share of the Ontario population aged zero to 12
Education	Canada-wide Early Learning and Child Care (CWELCC) spaces
Education	Cost of the CWELCC program
MCURES	Provincial operating funding to public colleges per FTE domestic student, inflation-adjusted
MCURES	Public colleges operating spending per FTE student, inflation-adjusted
MCURES	Provincial operating funding to public universities per FTE domestic student, inflation-adjusted
MCCSS	Average monthly Ontario Disability Support Program cases
MCCSS	Average annual Ontario Disability Support Program allowance , inflation-adjusted
MCCSS	Annual Ontario Disability Support Program spending
MCCSS	Average monthly Ontario Works cases
MCCSS	Average annual Ontario Works allowance , inflation-adjusted
MCCSS	Annual Ontario Works program spending



Interprovincial Comparison



Summary of Interprovincial Comparison of Select Indicators

Sector / Ministry	Service Level Metric
Health	Age-standardized per capita total provincial health sector funding
Health	Age-standardized per capita provincial funding for hospitals
Health	Age-standardized per capita spending on physicians
Health	Age-standardized per capita public drug spending
Health	Age-standardized number of hospital beds per 100,000 population
Health	Age-standardized number of physicians per 100,000 population
Education	School board spending per student
Education	Child care spending per child aged zero to 12
MCURES	Provincial funding to public colleges per FTE domestic college student
MCURES	Colleges spending per FTE student
MCURES	Provincial funding to public universities per FTE domestic university student
MCURES	Universities spending per FTE student
MCURES	Average tuition and additional compulsory fees for undergraduate full-time domestic students in public postsecondary education programs
MCCSS	Average annual social assistance payments per recipient, adjusted for provincial price differences
MCCSS	Social assistance recipients as a share of population aged 15 and over



Thank you!



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Office of Ontario

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Toronto, Ontario, M4W 3E2
416.644.0702

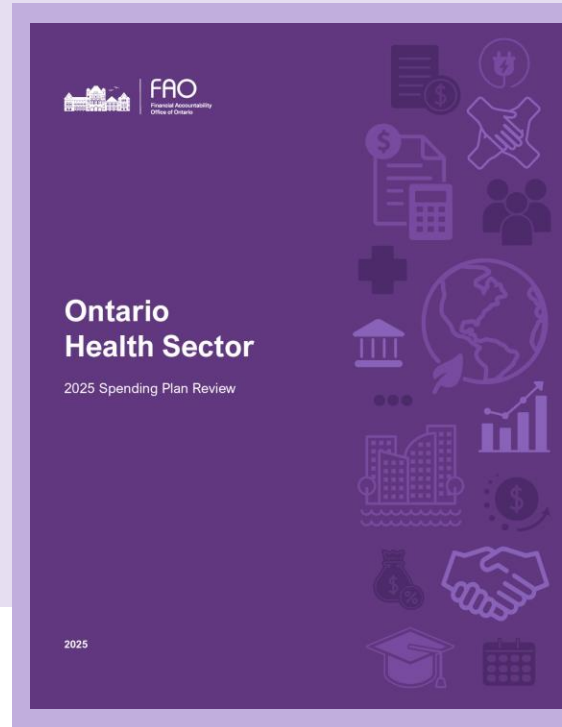
info@fao-on.org

fao-on.org



Appendix





Ontario Health Sector

2025 Spending Plan Review

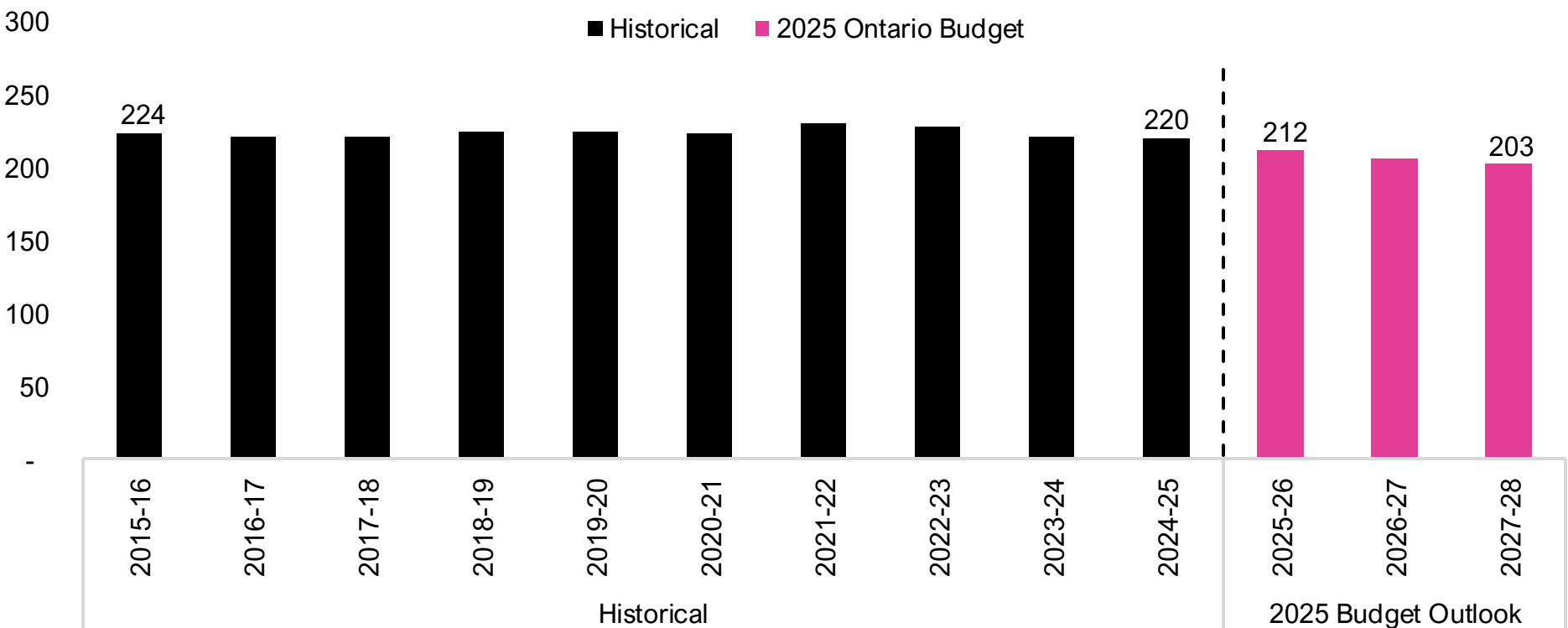
Briefing Deck



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Funded Hospital Beds

Number of funded hospital beds per 100,000 Ontarians, 2015-16 to 2027-28
Hospital Beds per 100,000 Ontarians



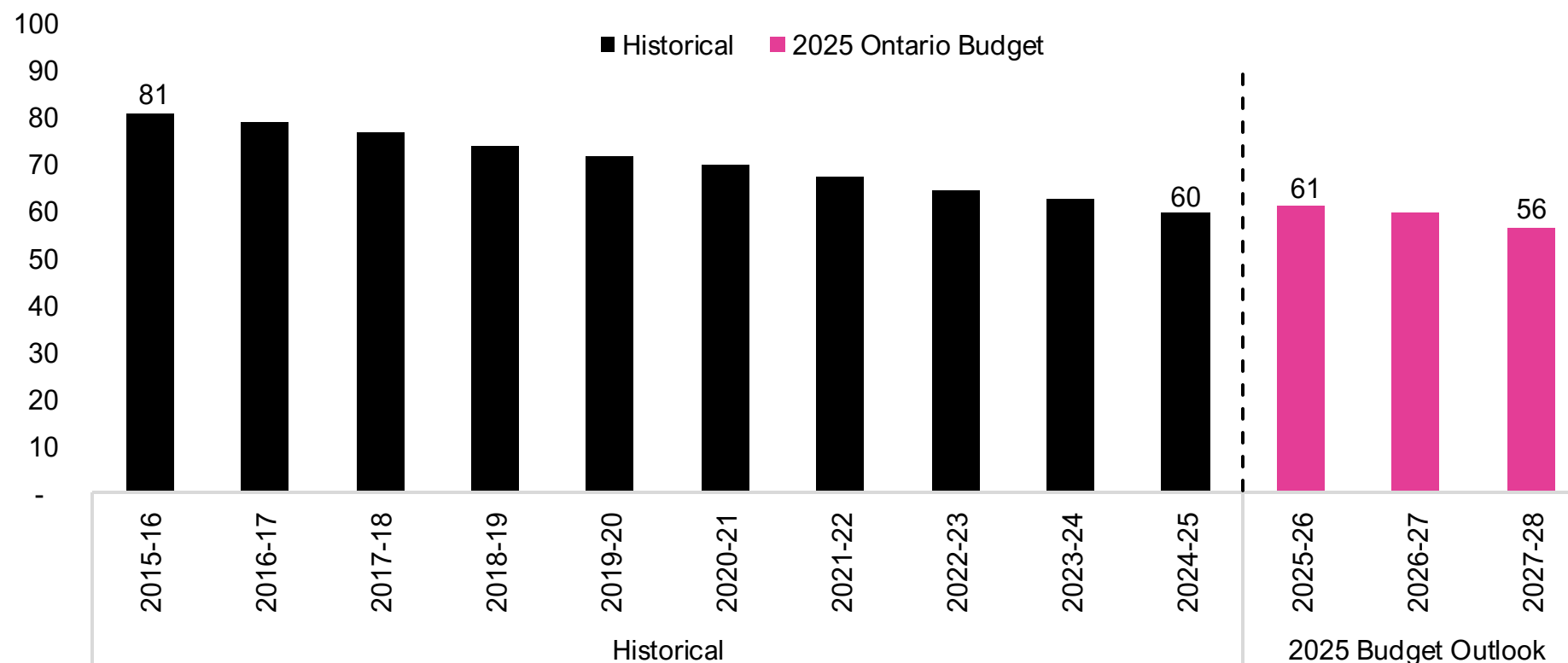
Note: “2025 Budget Outlook” is the FAO’s projection based on the health sector spending plan in the 2025 Ontario Budget. Funded hospital beds represent hospital beds that have been allocated operating funding by the Province and are actively staffed and available to patients.
Source: FAO analysis of information provided by the Province, CIHI Trends in Hospital Spending, 2009-2010 to 2022-2023 - Data Tables - Series D: Beds Staffed and In Operation by Functional Centre, and Ontario Health Coalition hospital beds staffed and in operation Ontario 1990 to 2014.



Long-Term Care Beds

Number of long-term care beds per 1,000 Ontarians aged 75 and over, 2015-16 to 2027-28

Long-Term Care Beds per 1,000 Ontarians Aged 75 and Over



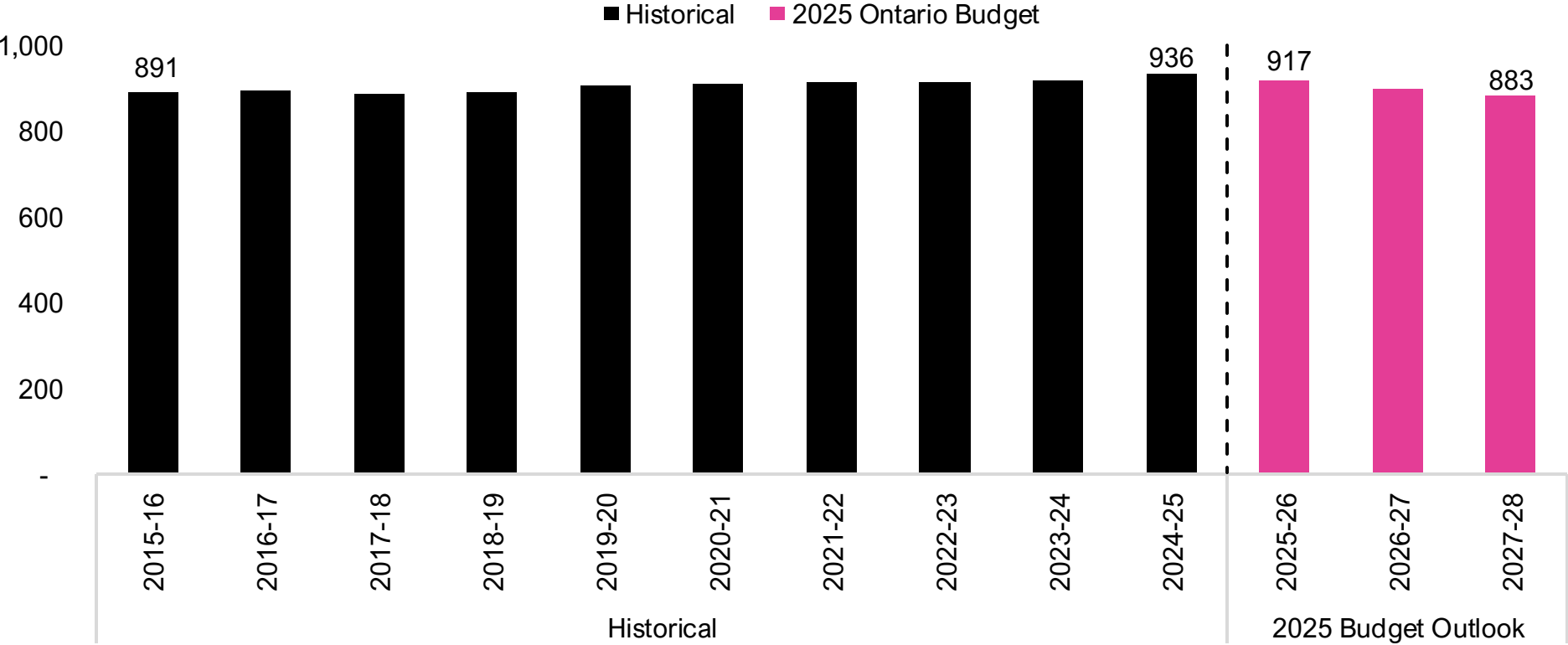
Note: "2025 Budget Outlook" is the FAO's projection based on the health sector spending plan in the 2025 Ontario Budget.

Source: FAO analysis of information provided by the Province.



Provincially Funded Nurses

Number of provincially funded nurses per 100,000 Ontarians, 2015-16 to 2027-28
Provincially Funded Nurses per 100,000 Ontarians

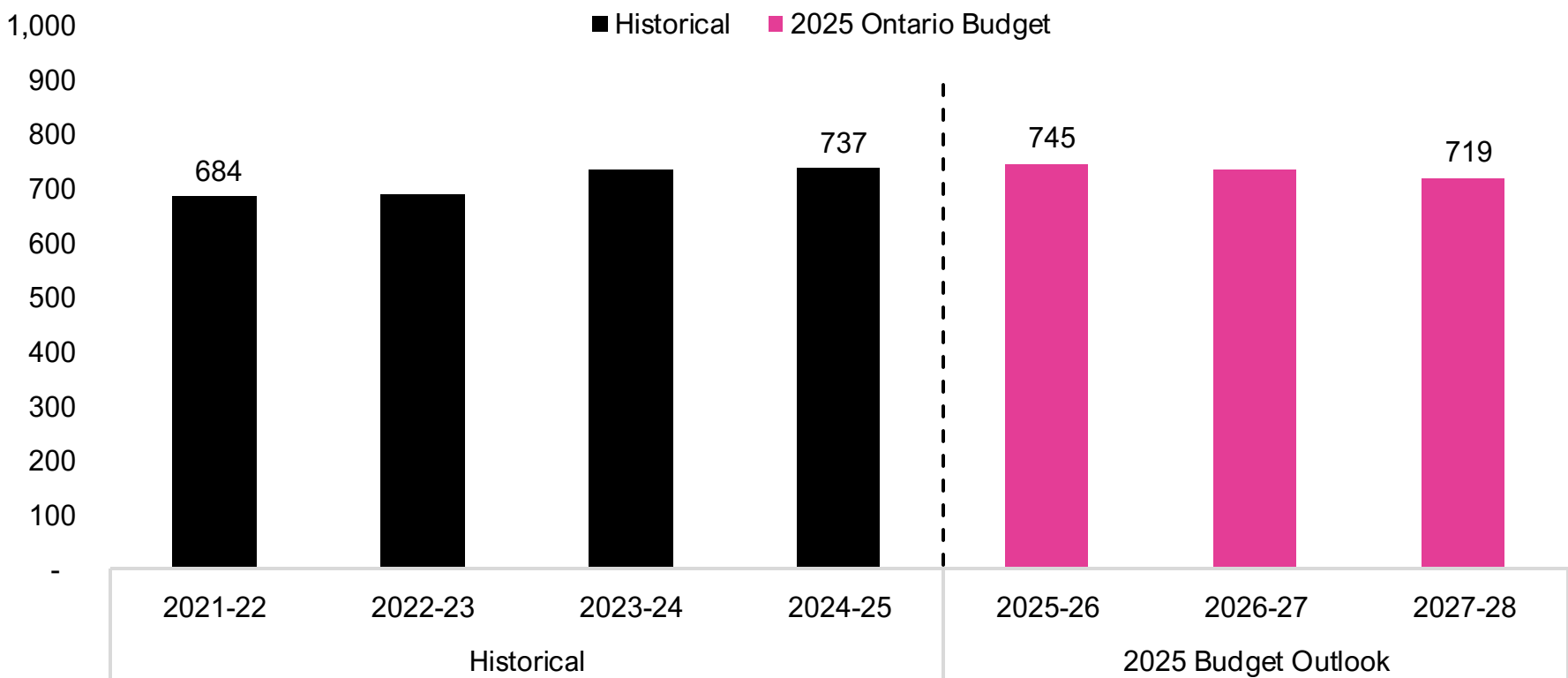


Note: “2025 Budget Outlook” is the FAO’s projection based on the health sector spending plan in the 2025 Ontario Budget.
Source: FAO analysis of information provided by the Province and CIHI Registered Nurses - Workforce of regulated nurses, by jurisdiction and type of professional, 2015 to 2024.



Personal Support Workers

Number of provincially funded personal support workers per 100,000 Ontarians, 2021-22 to 2027-28
Provincially Funded PSWs per 100,000 Ontarians



Note: “2025 Budget Outlook” is the FAO’s projection based on the health sector spending plan in the 2025 Ontario Budget.
Source: FAO analysis of information provided by the Province.

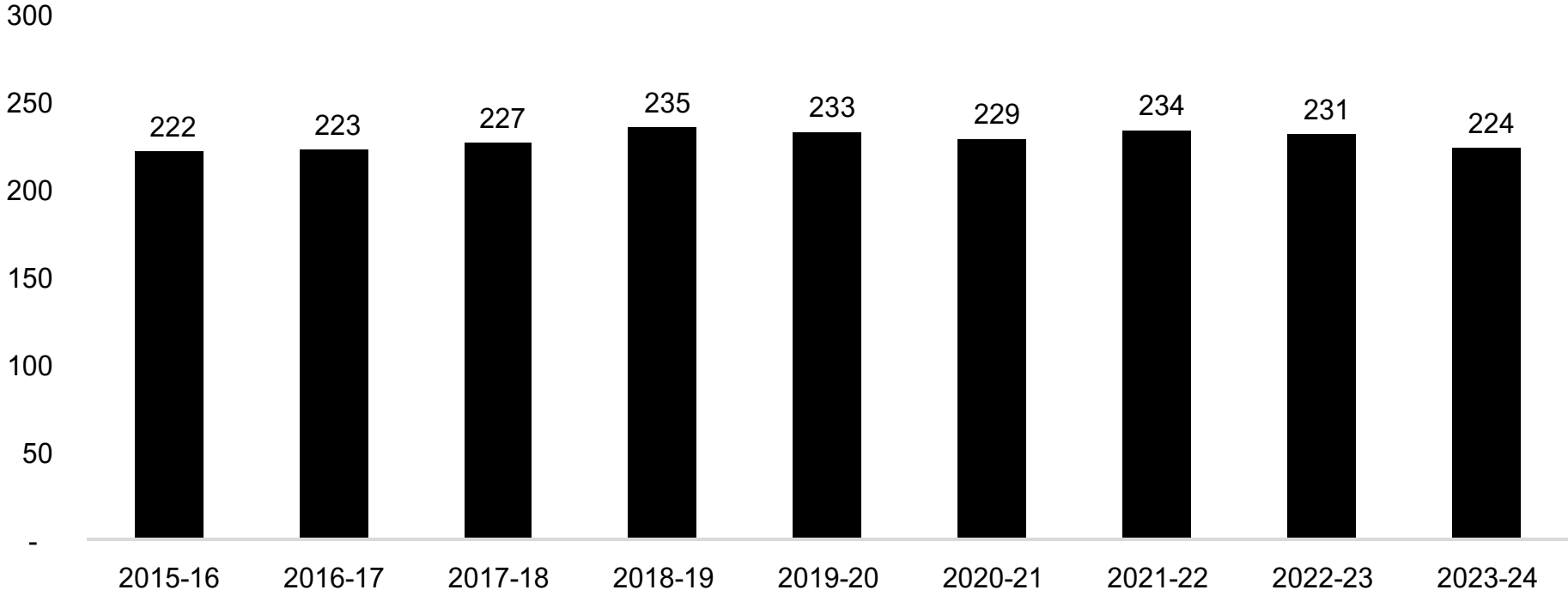


Physicians

- The FAO is unable to project the number of physicians in Ontario based on the 2025 budget health sector spending plan as most physicians are not directly employed by the Province and all physician services delivered through OHIP are funded irrespective of the spending targets in the 2025 budget.

Number of physicians per 100,000 Ontarians, 2015-16 to 2023-24

Physicians per 100,000 Ontarians

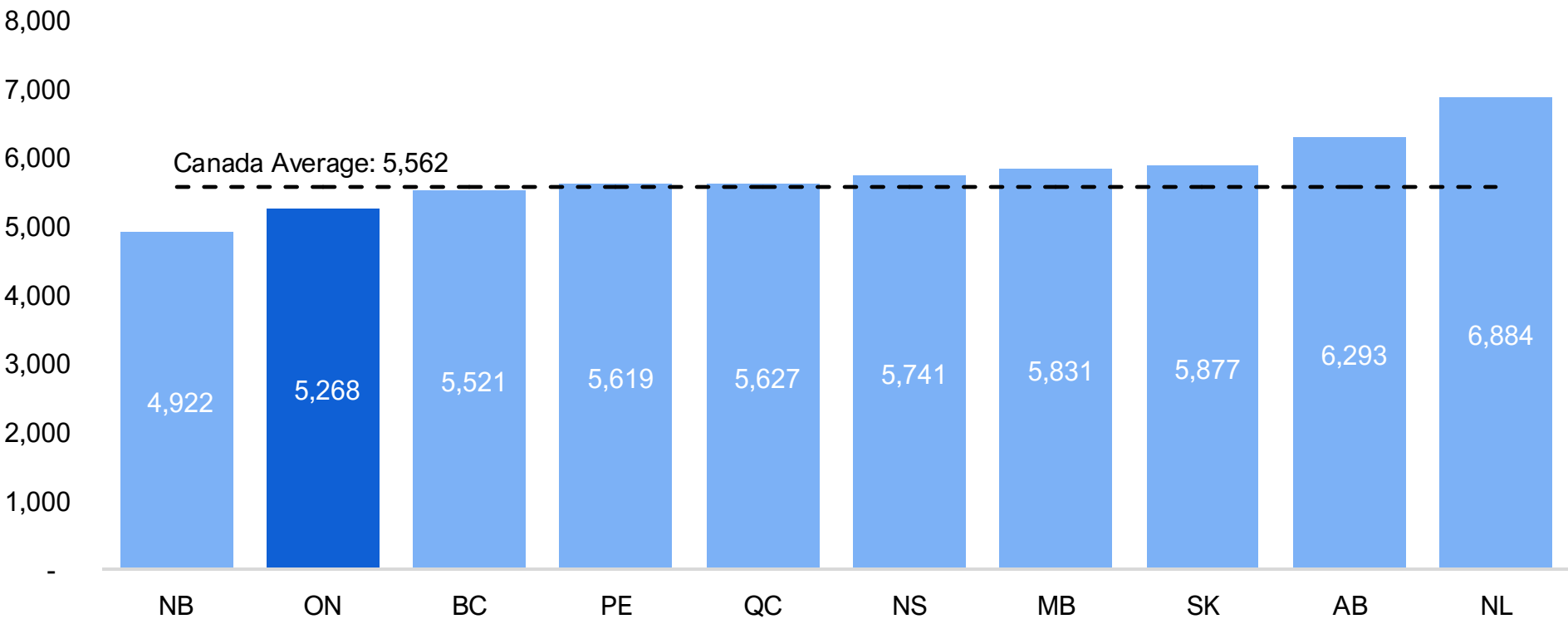


Source: FAO analysis of CIHI Supply, Distribution and Migration of Physicians in Canada, 2023- Historical Data.



Total Provincial Health Sector Funding

Age-standardized per capita total provincial health sector funding by province, 2022
Dollars per Person, Adjusted for Population Age

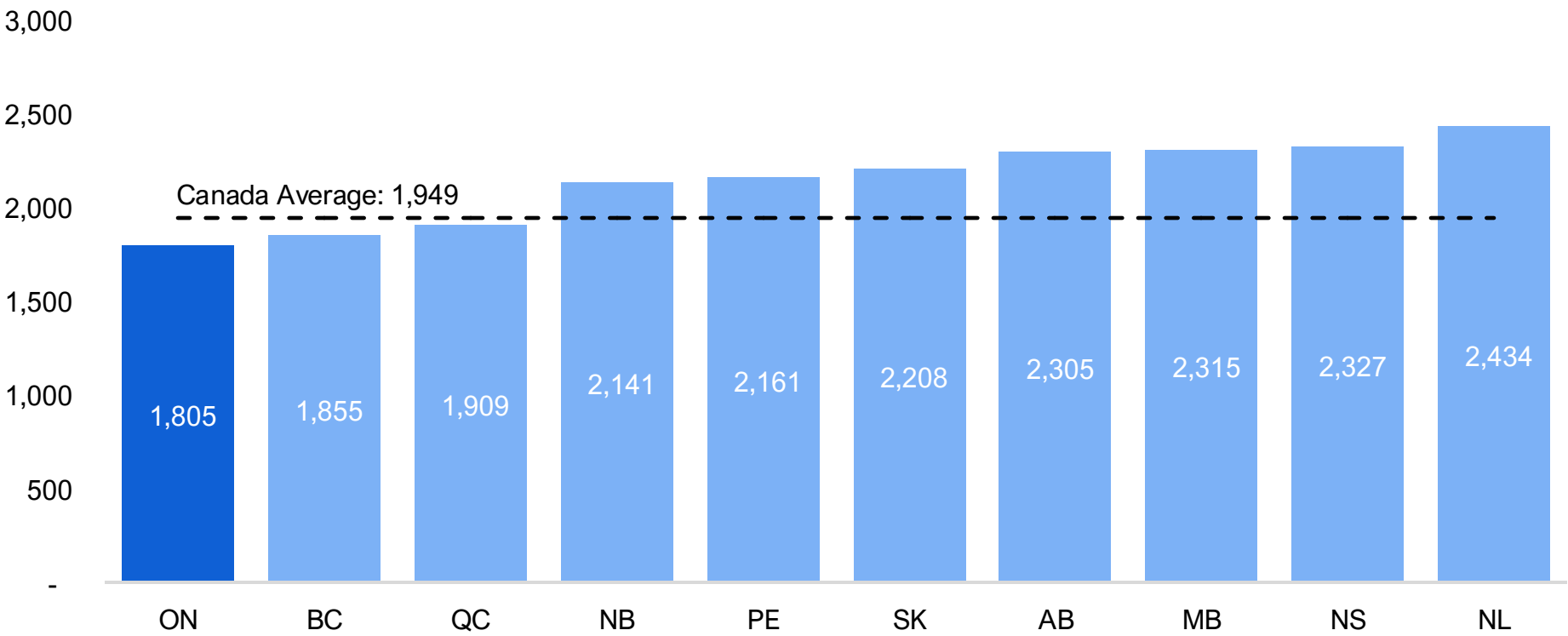


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E1.



Provincial Funding for Hospitals

Age-standardized per capita provincial funding for hospitals by province, 2022
Dollars per Person, Adjusted for Population Age

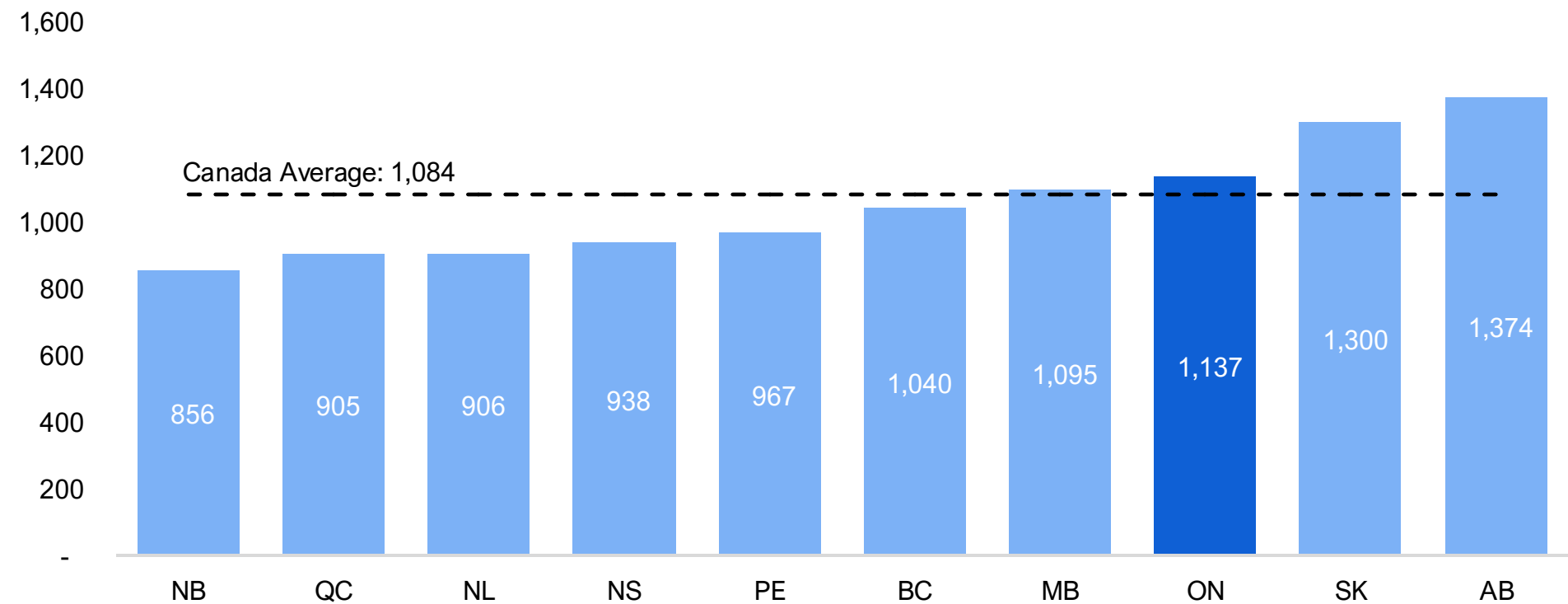


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E2.



Spending on Physicians

Age-standardized per capita spending on physicians by province, 2022
Dollars per Person, Adjusted for Population Age

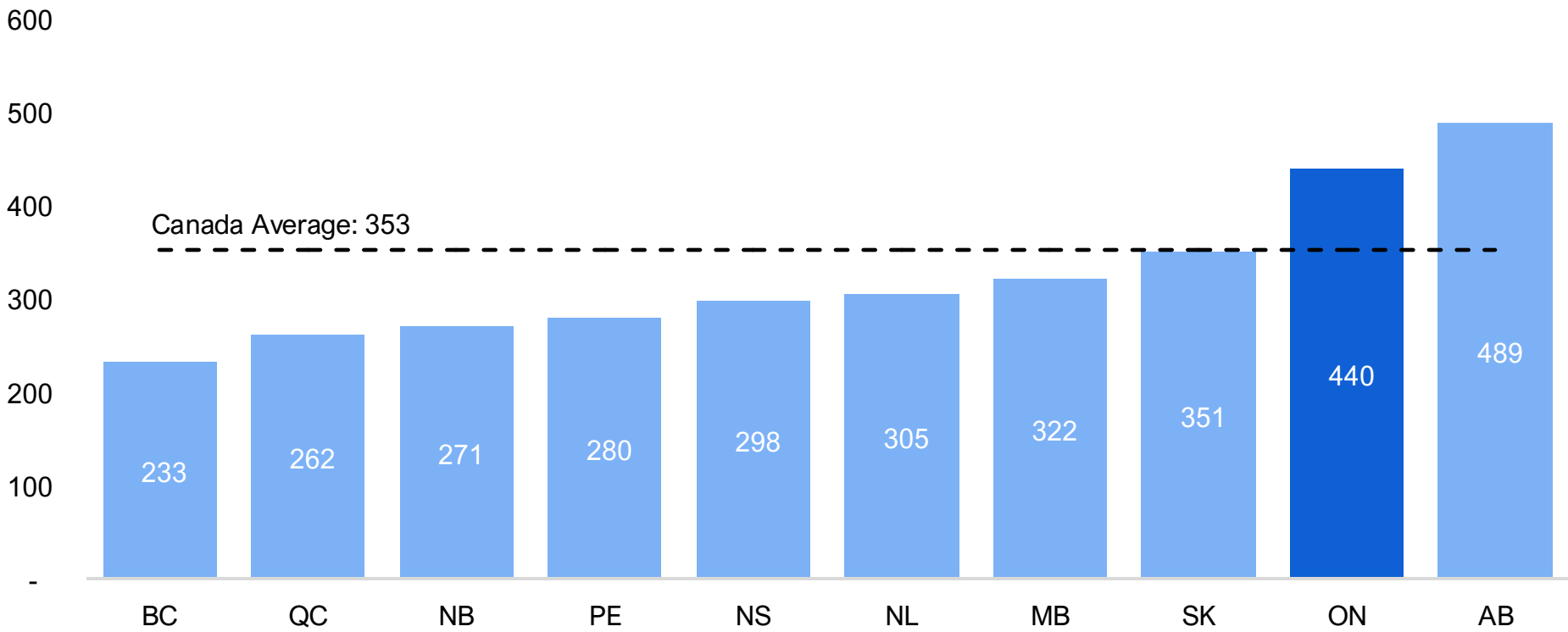


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E4.



Public Drug Spending

Age-standardized per capita public drug spending by province, 2022
Dollars per Person, Adjusted for Population Age

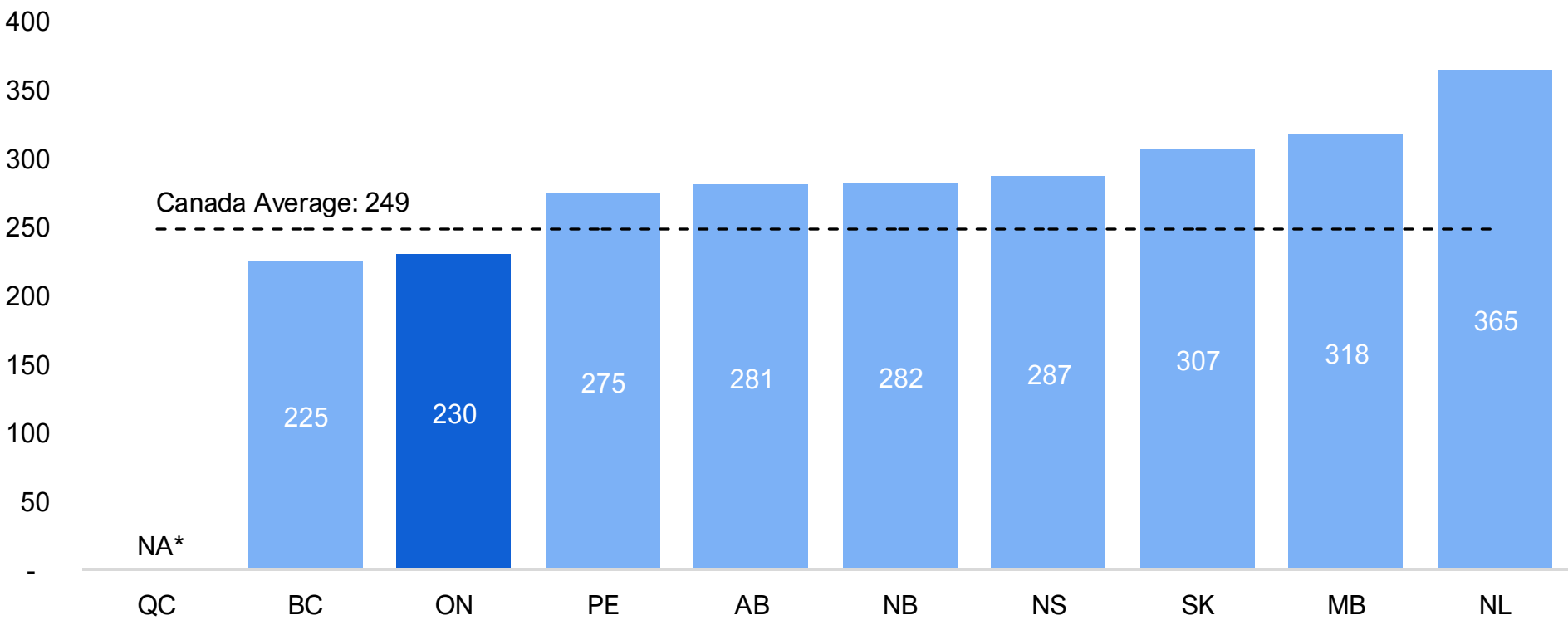


Note: Canada average excludes territories.
Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables - Series E6.



Hospital Beds

Age-standardized number of hospital beds per 100,000 population by province, 2022
Beds per 100,000 Population, Adjusted for Population Age

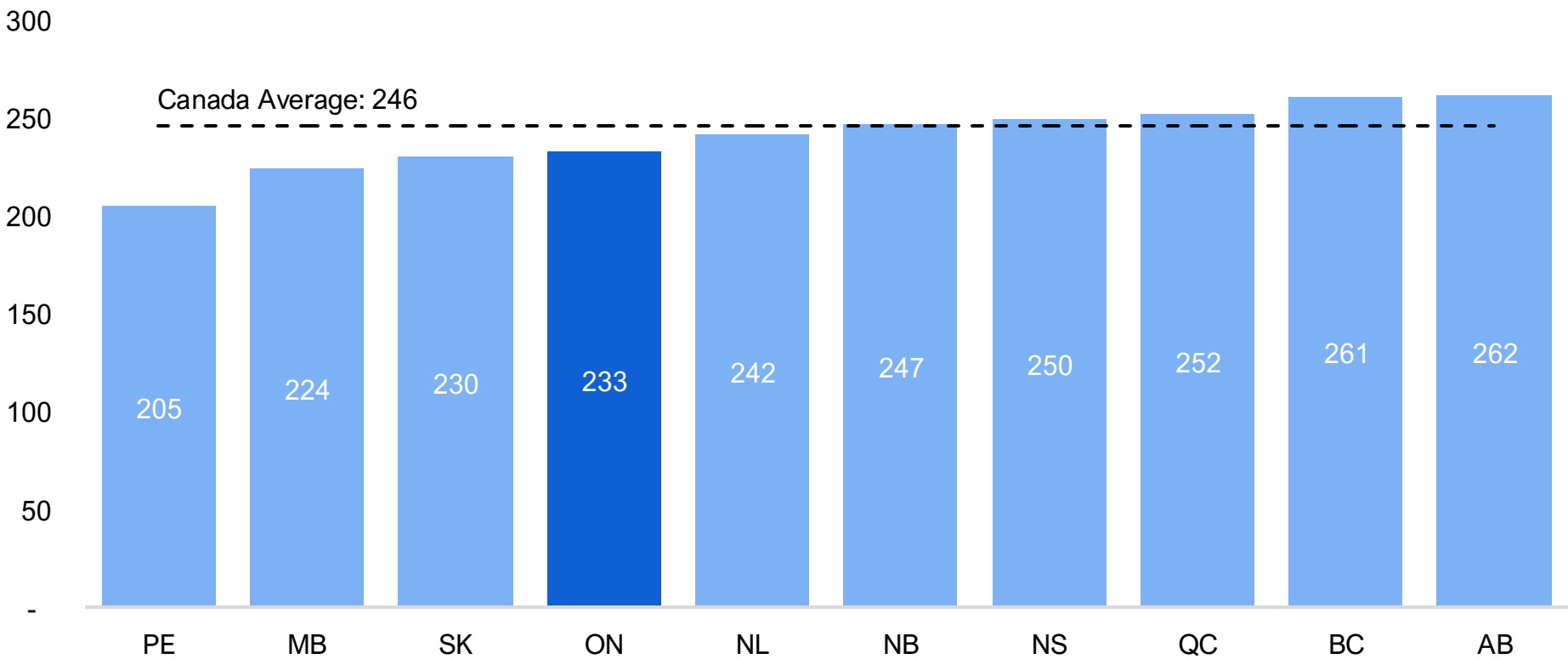


Note: *Quebec is excluded from the comparison because it does not report to CIHI hospital-based long-term care beds (referred to as chronic care beds in Ontario). These beds are distinct from long-term care beds in residential facilities. Canada average excludes territories.
Source: FAO analysis of CIHI Trends in Hospital Spending, 2009-2010 to 2022-2023 - Data Tables - Series D: Beds Staffed and In Operation by Functional Centre.



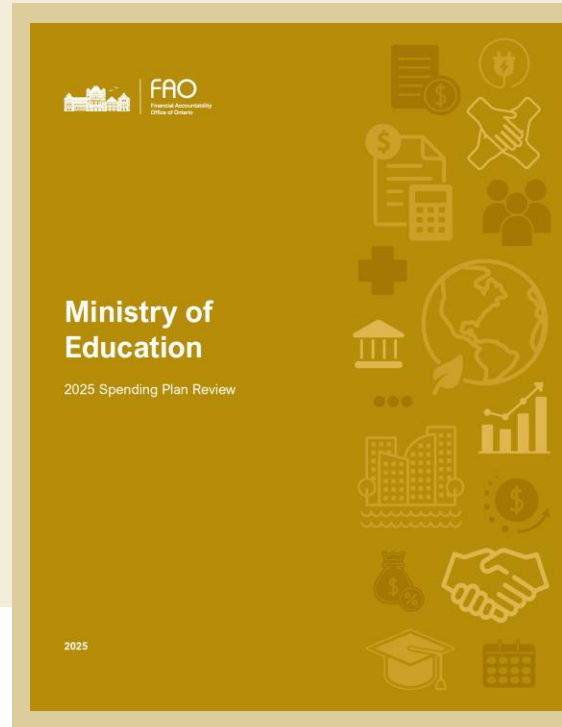
Physicians

Age-standardized number of physicians per 100,000 population by province, 2022
Physicians per 100,000 Population, Adjusted for Population Age



Note: Canada average excludes territories.
Source: FAO analysis of CIHI Supply, Distribution and Migration of Physicians in Canada, 2023 - Historical Data.





Ministry of Education

2025 Spending Plan Review

Briefing Deck

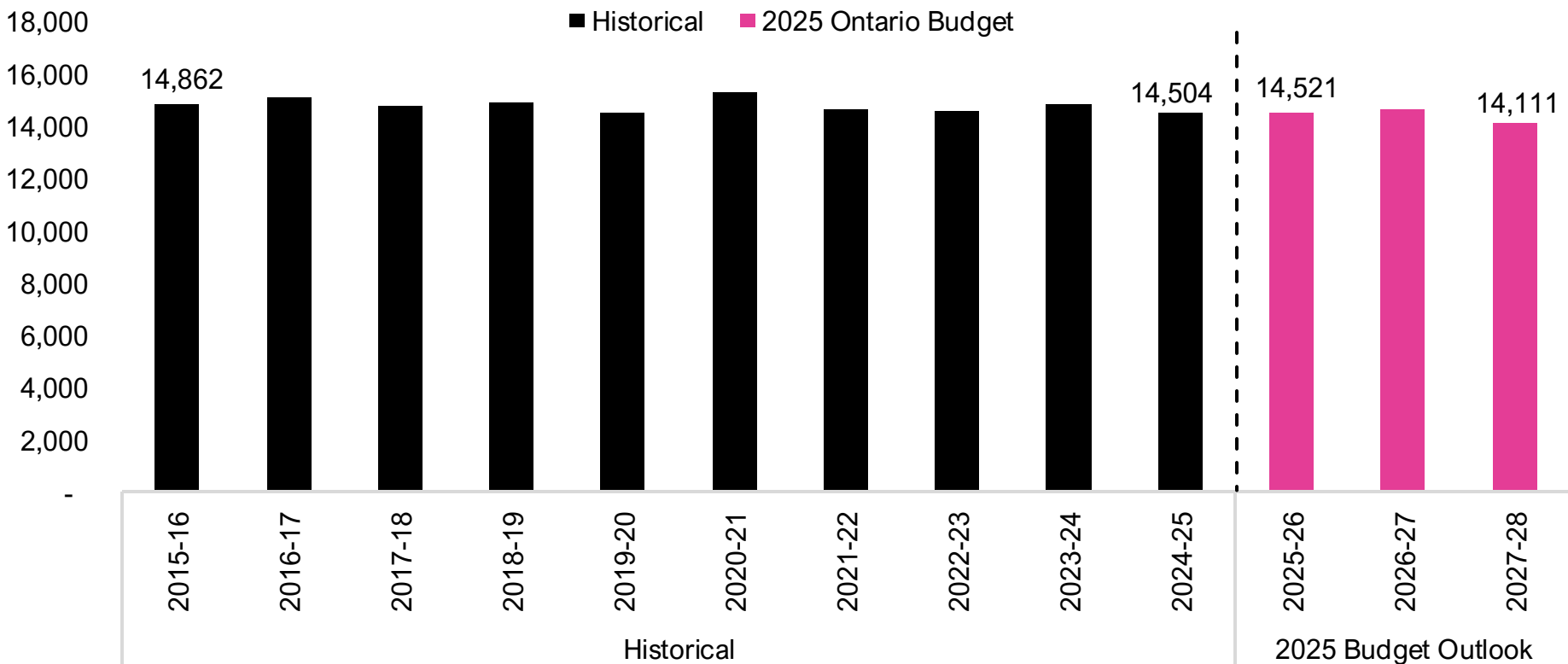


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Provincial School Board Operating Funding

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

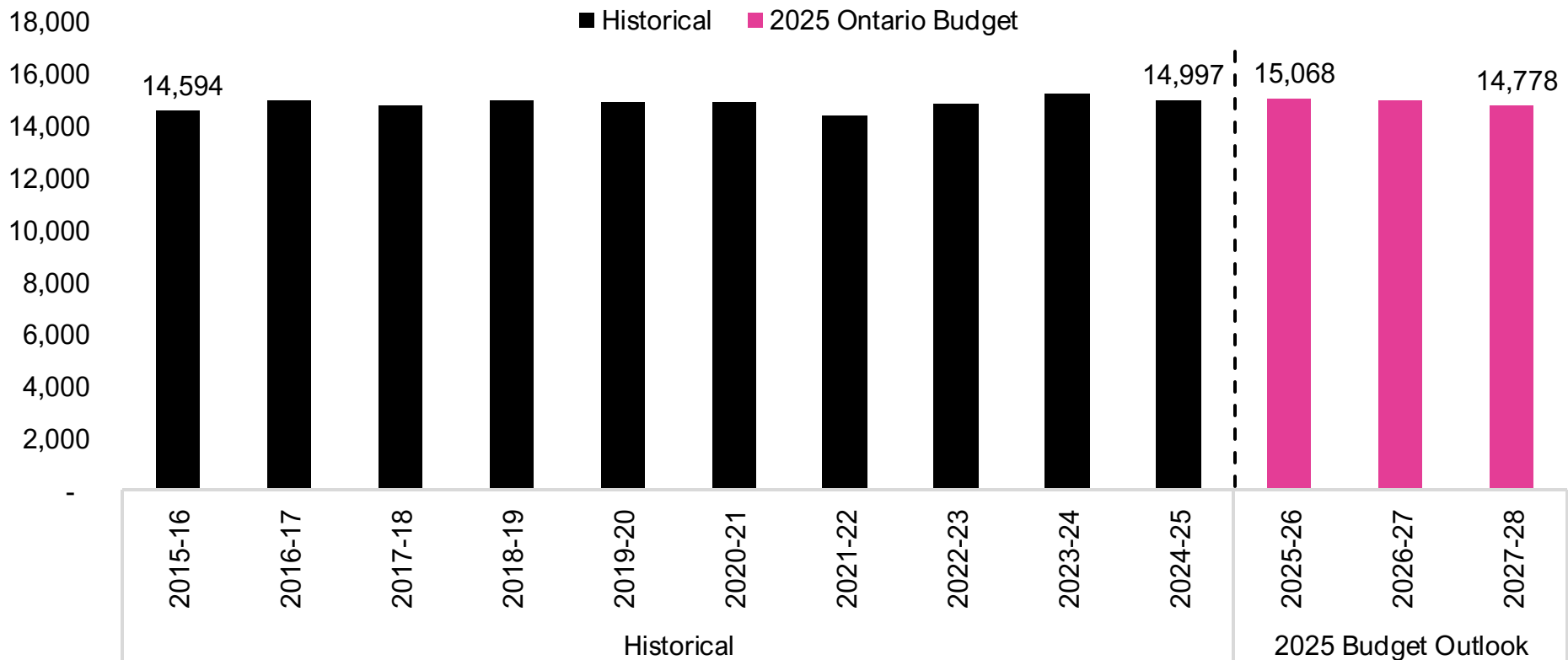


Source: FAO analysis of information provided by the Province.



School Board Operating Spending

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

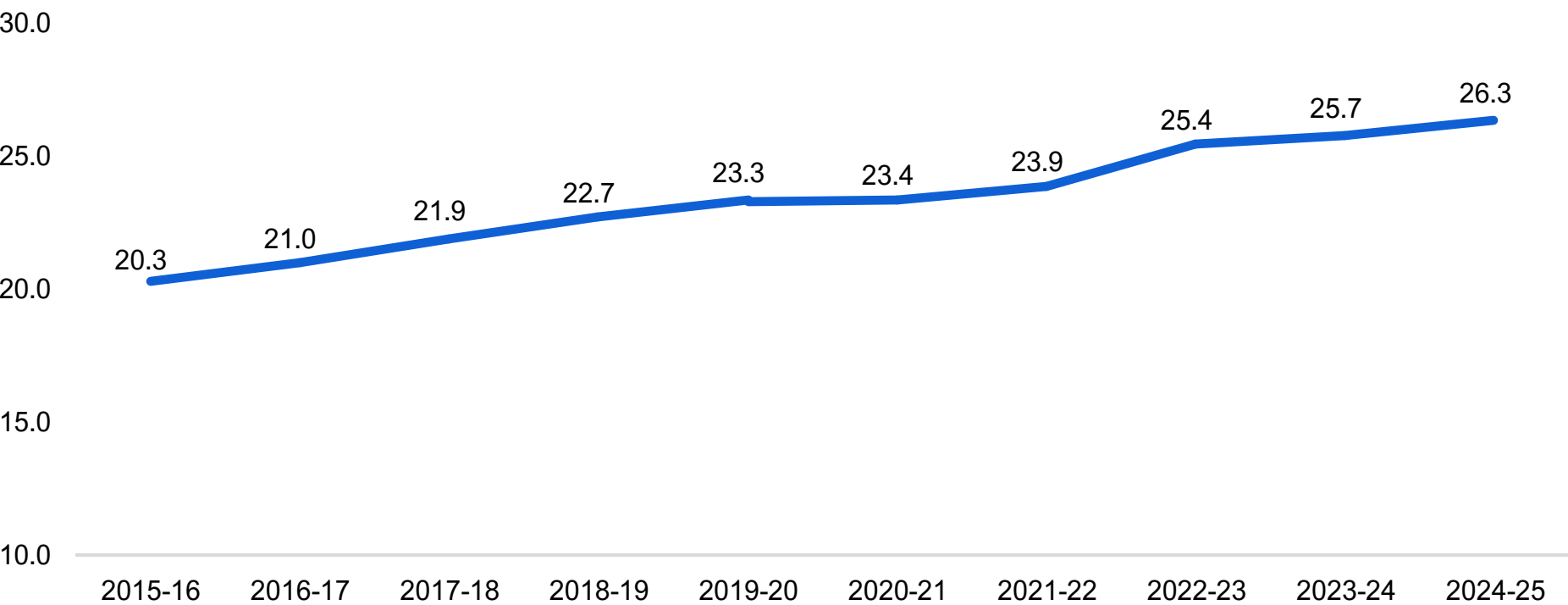


Source: FAO analysis of information provided by the Province.



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.



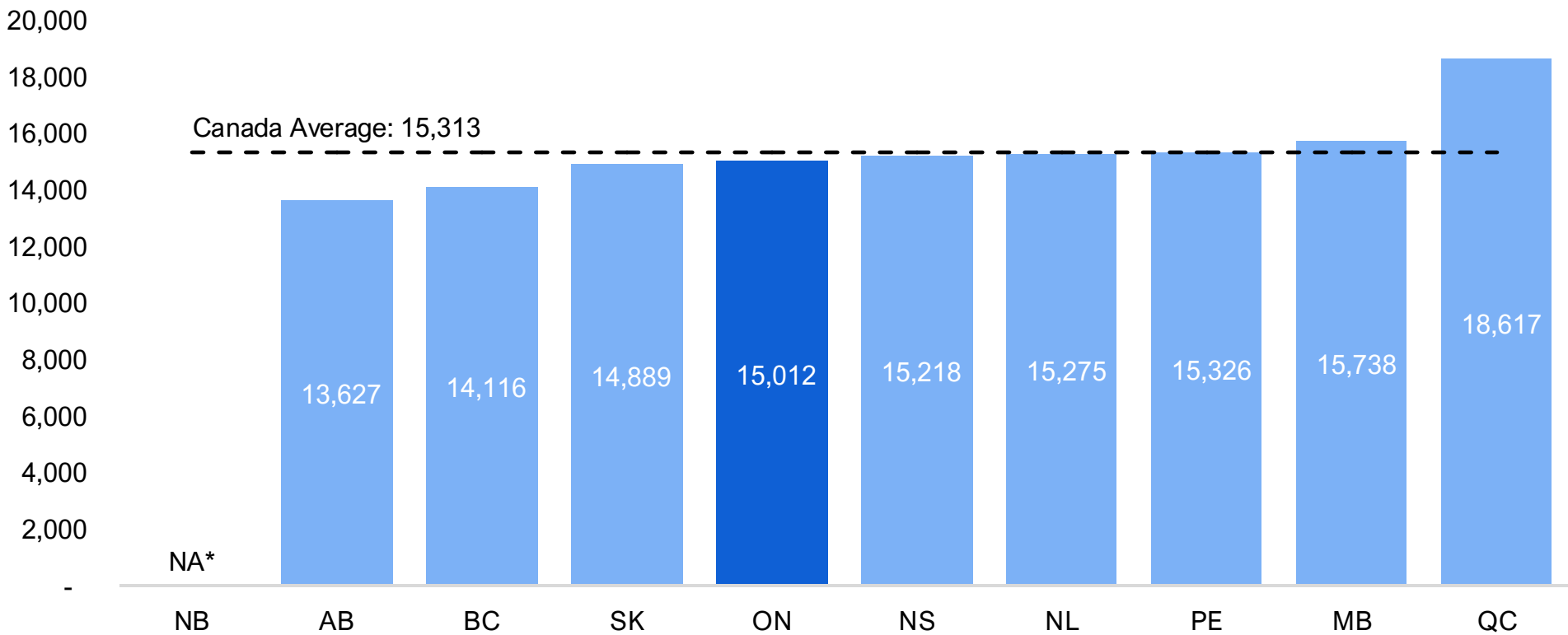
Canada-Wide Early Learning and Child Care (CWELCC) Program

- 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.



School Board Spending

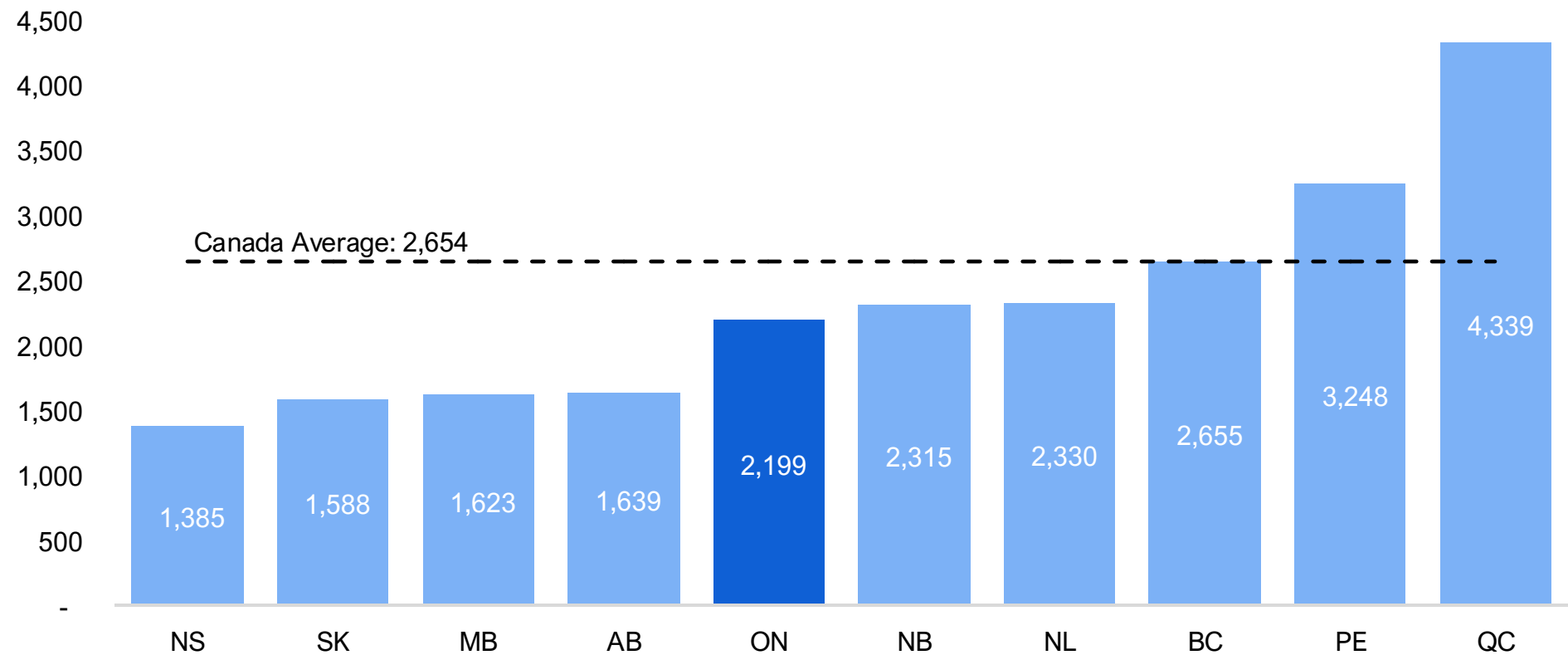
School board spending per student by province, 2022-23
Dollars per Student



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.

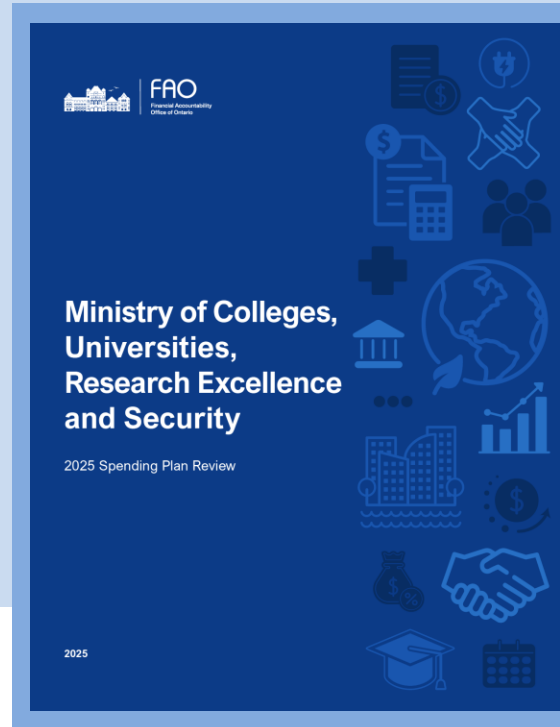
Child Care Spending

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.





Ministry of Colleges, Universities, Research Excellence and Security

2025 Spending Plan Review

Briefing Deck

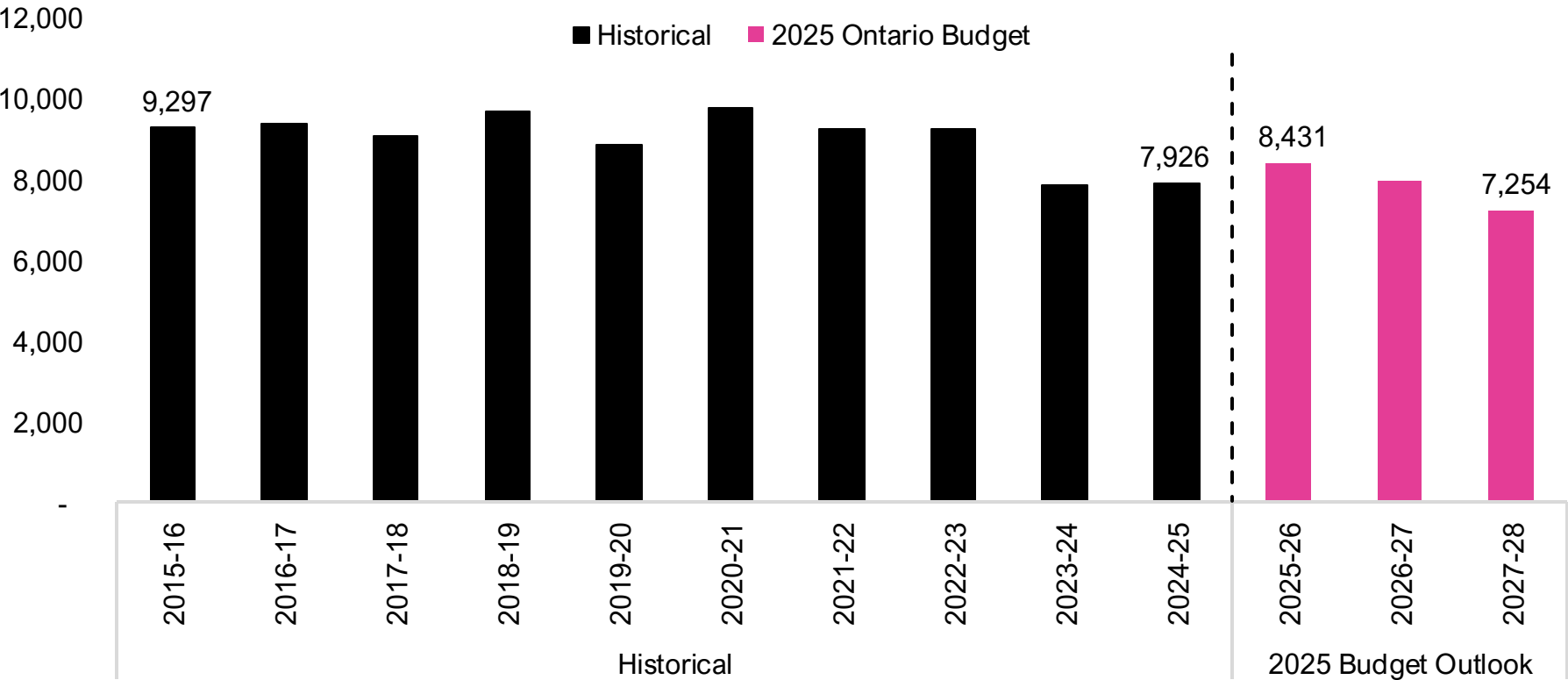


FAO

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Funding to Colleges

Provincial operating funding to public colleges per FTE domestic student, inflation-adjusted, 2015-16 to 2027-28
2024-25 Constant Dollars

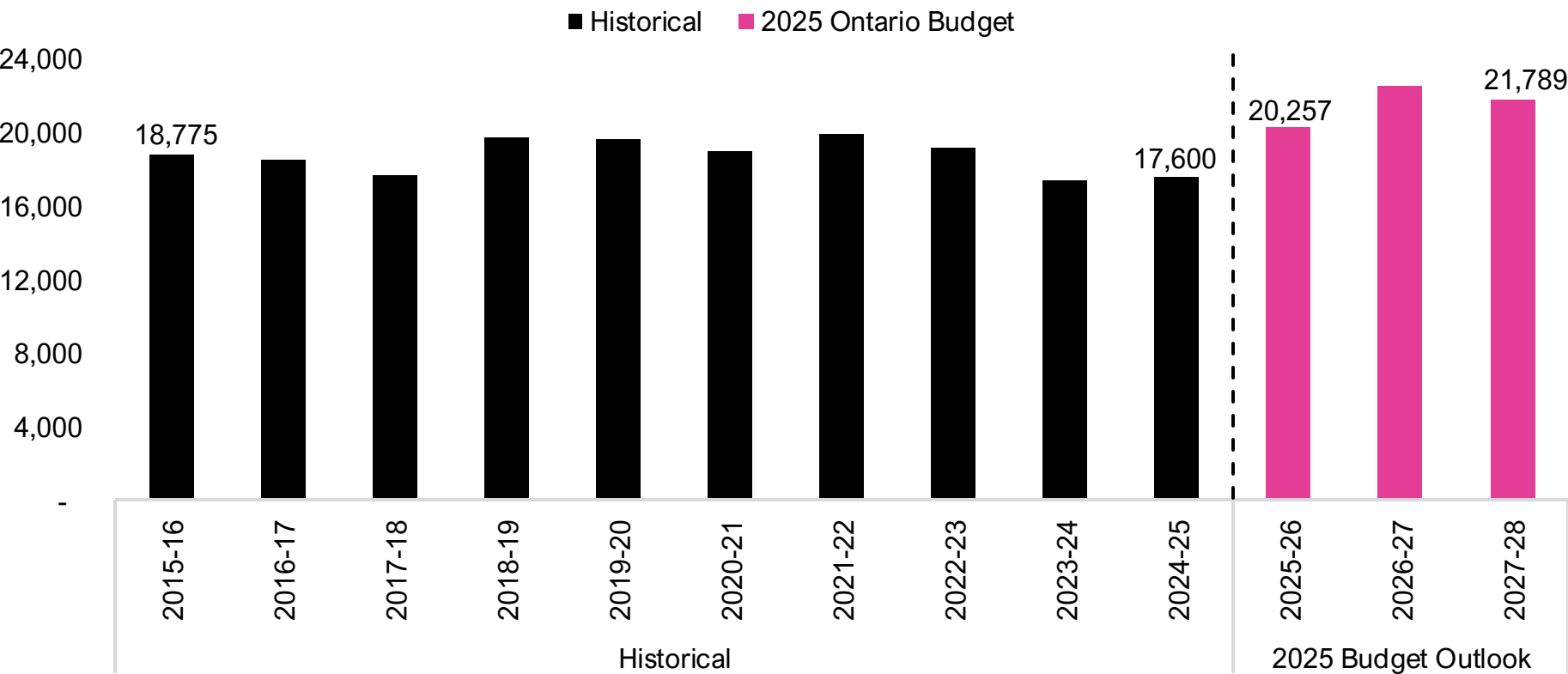


Note: The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5.
Source: Statistics Canada, “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 37-10-0018-01, and FAO analysis of information provided by the Province.



Colleges Spending

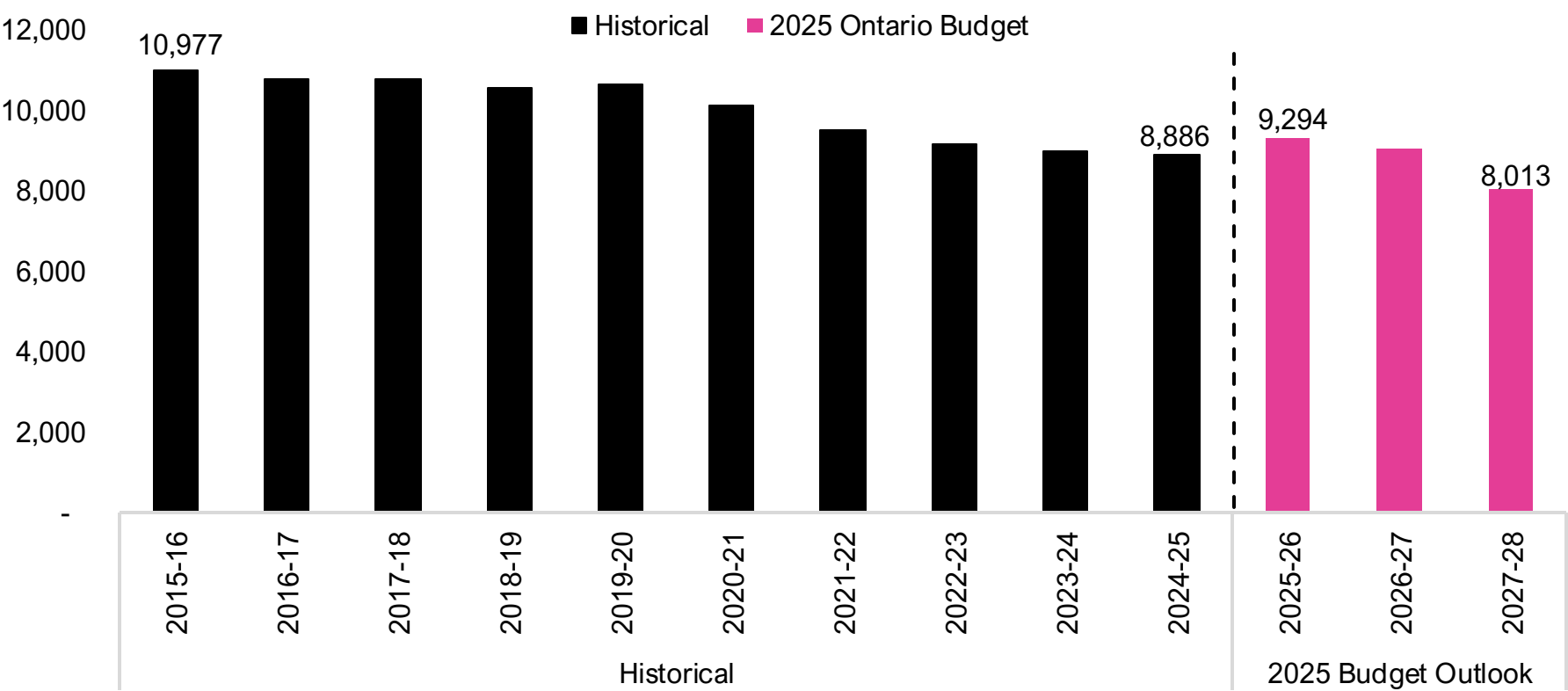
Public colleges operating spending per FTE student, inflation-adjusted, 2015-16 to 2027-28
2024-25 Constant Dollars



Note: Excludes spending and enrolment related to public college-private partnerships. The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5.
Source: Statistics Canada, “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 37-10-0018-01, and FAO analysis of information provided by the Province.

Funding to Universities

Provincial operating funding to public universities per FTE domestic student, inflation-adjusted, 2015-16 to 2027-28
2024-25 Constant Dollars

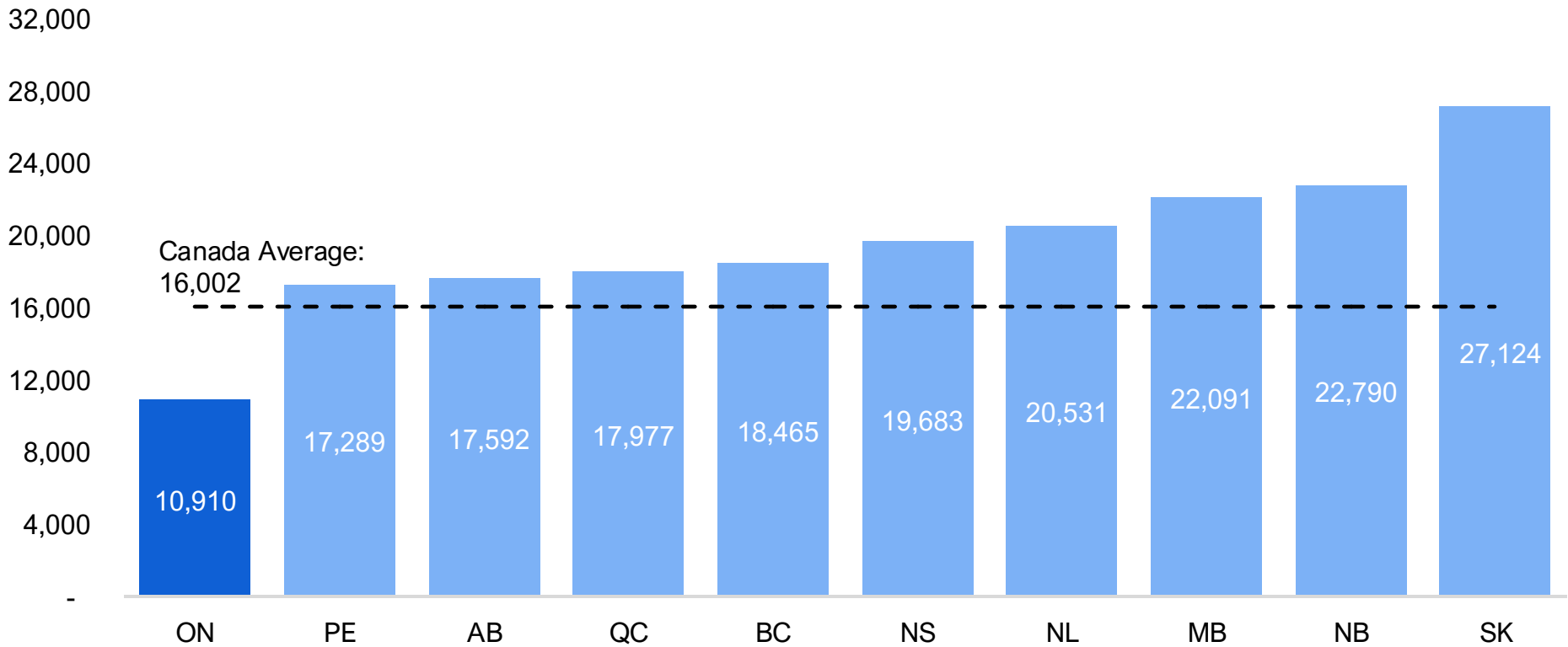


Note: The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5.
Source: Statistics Canada, “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 37-10-0018-01, and FAO analysis of information provided by the Province.



Funding to Colleges

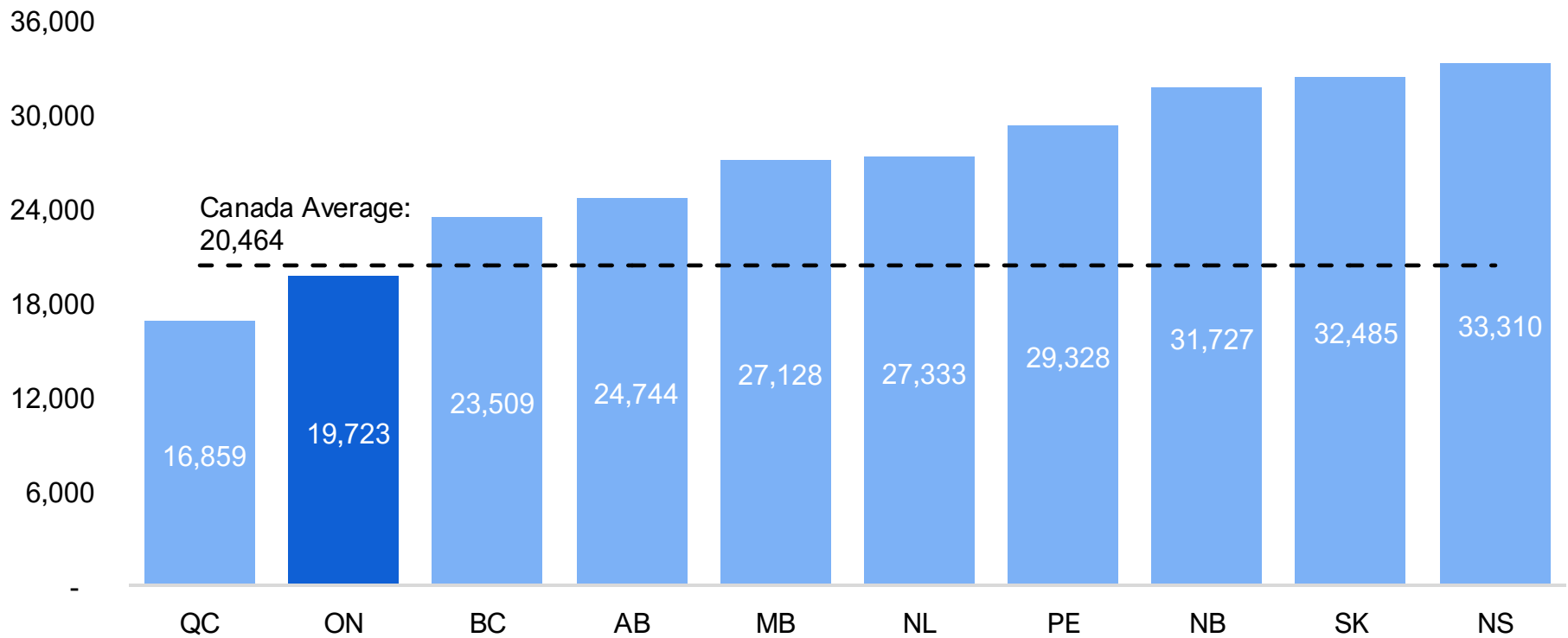
Provincial funding to public colleges per FTE domestic college student by province, 2022-23
Dollars



Note: The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5. Canada average does not include territories. Quebec college funding includes direct subsidies to lower “in province” domestic student tuition fees.
Source: Statistics Canada, “Revenues of colleges by type of revenues and funds”, Table: 37-10-0028-01 and “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 37-10-0018-01.

Colleges Spending

Colleges spending per FTE student by province, 2022-23
Dollars

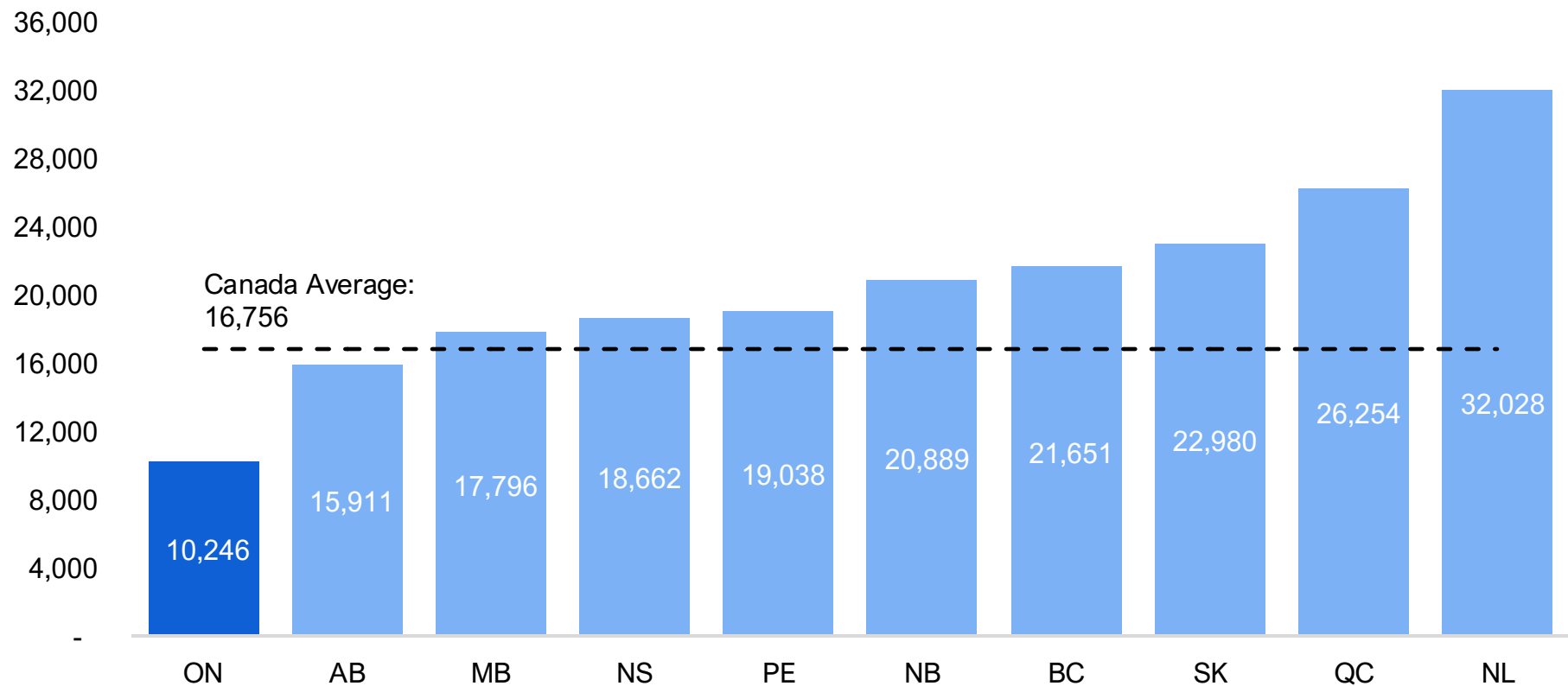


Note: The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5. Canada average does not include territories.
Source: Statistics Canada, “Canadian Classification of Functions of Government (CCOFOG) by consolidated government component,” Table: 10-10-0005-01 and “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 3710-0018-01.



Funding to Universities

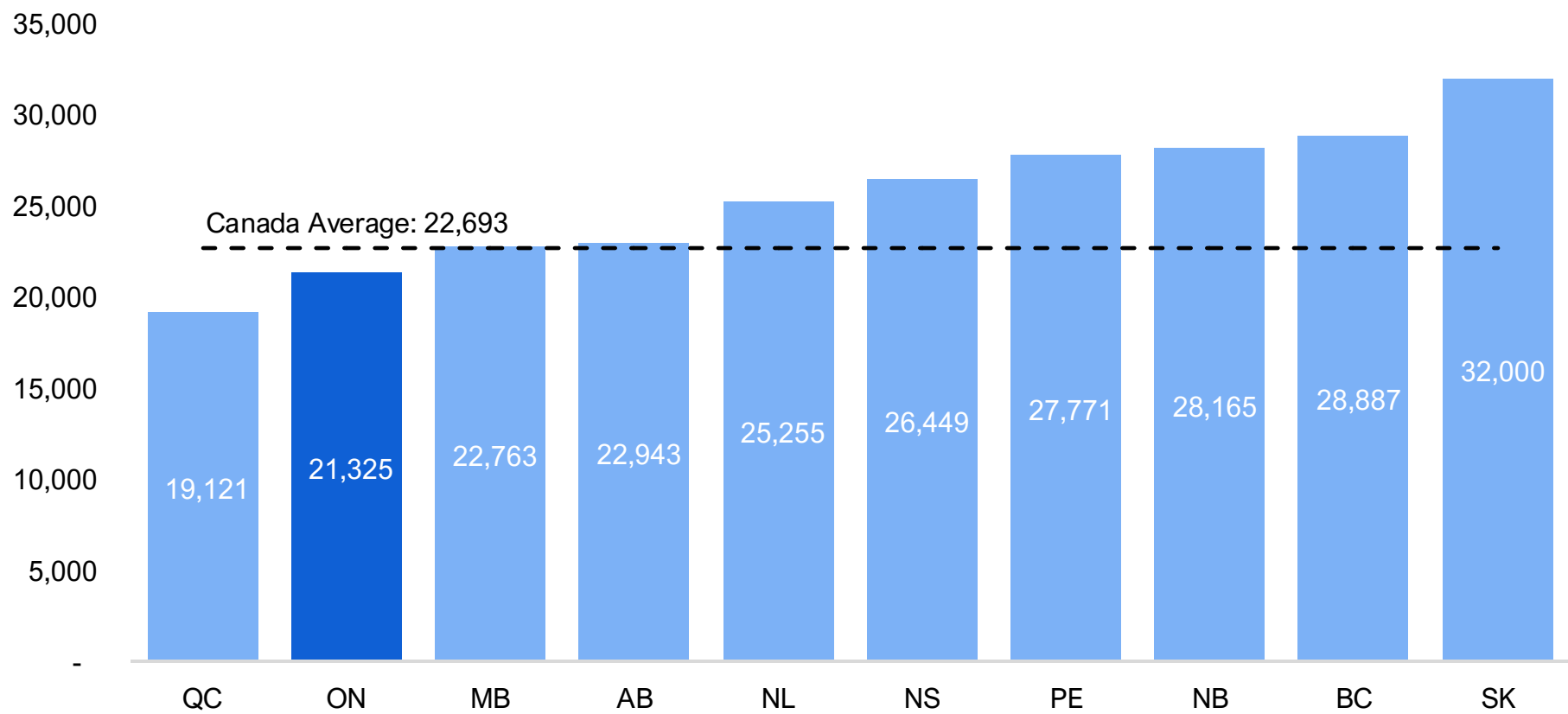
Provincial funding to public universities per FTE domestic university student by province, 2022-23
Dollars



Note: The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5. Canada average does not include territories. Quebec and Nova Scotia university funding includes direct subsidies to lower “in province” domestic student tuition fees.
Source: Statistics Canada, “Revenues of universities by type of revenues and funds”, Table: 37-10-0026-01 and “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 37-10-0018-01.

Universities Spending

Universities spending per FTE student by province, 2022-23
Dollars

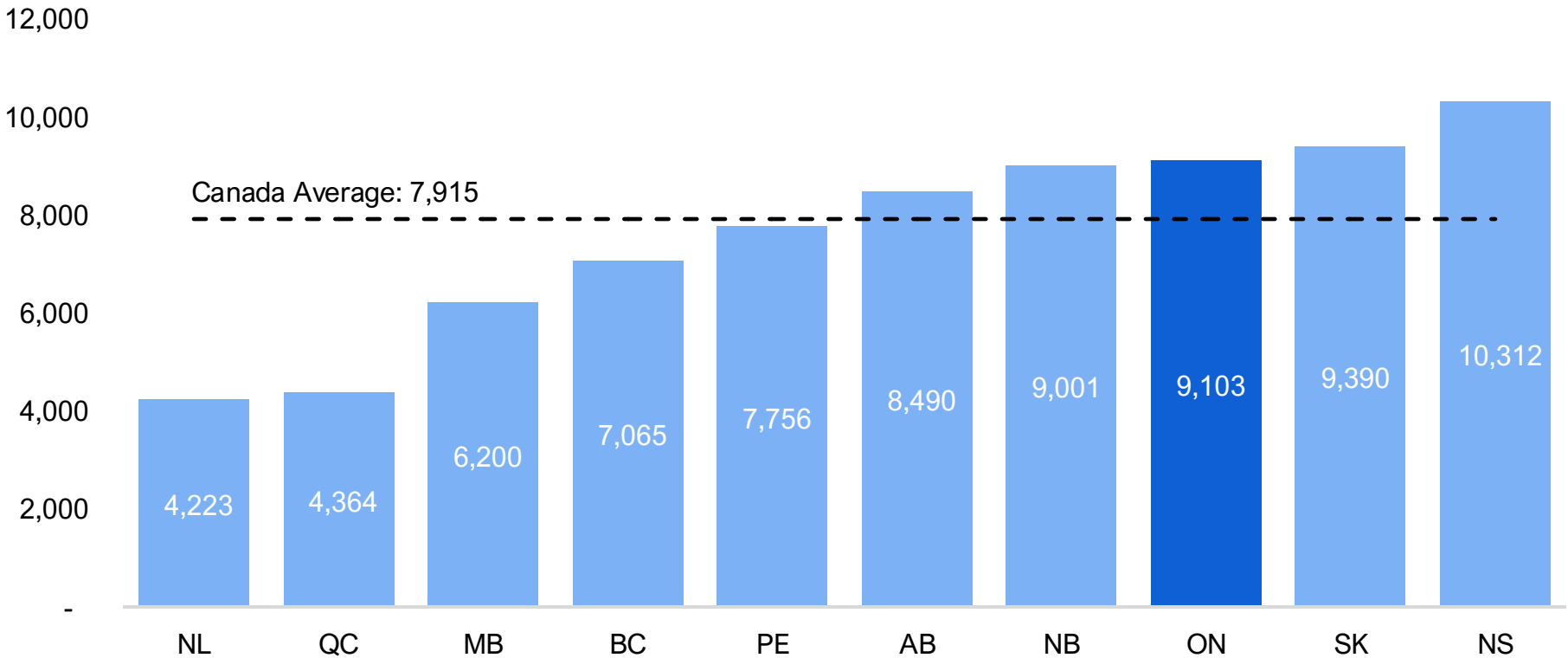


Note: The FAO estimates full-time equivalent enrolment as full-time enrolment, plus part-time enrolment divided by 3.5. Canada average does not include territories.
Source: Statistics Canada, “Canadian Classification of Functions of Government (CCOFOG) by consolidated government component”, Table: 10-10-0005-01 and “Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender”, Table: 37-10-0018-01.

Domestic Tuition Fees

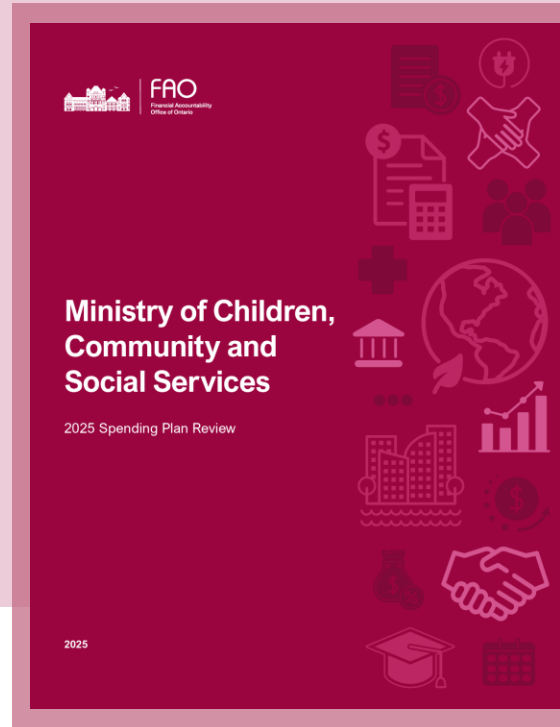
Average tuition and additional compulsory fees for undergraduate full-time domestic students in public postsecondary education programs by province, 2022-23

Dollars



Note: Additional compulsory fees are the fees paid by all full-time students, which include general fees (admission, registration, etc.), technology fees, student association fees, fees for athletics and recreational activities, etc. Canada average excludes all territories except Yukon. Quebec and Nova Scotia average tuition accounts for different fees paid by "in province" and "out of province" Canadian students. Quebec average excludes tuition fees for students enrolled in CEGEP.
Source: Statistics Canada, "Canadian students, tuition and additional compulsory fees, by level of study", Table: 3710-0121-01.





Ministry of Children, Community and Social Services

2025 Spending Plan Review

Briefing Deck



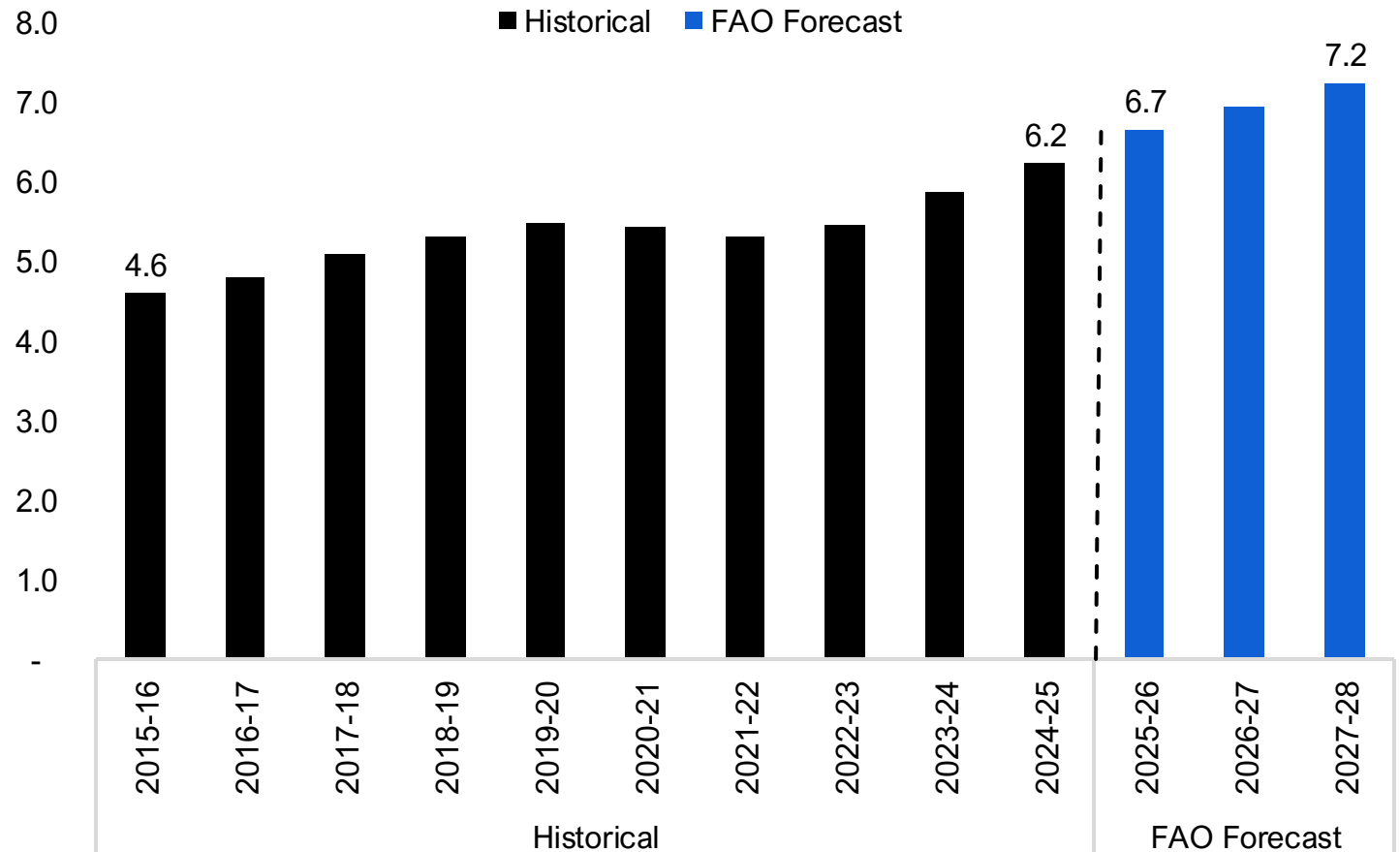
FAO

Financial Accountability
Office of Ontario

ODSP Spending

- The FAO estimates that the average monthly number of ODSP cases will increase from 372,681 in 2024-25 to 402,639 in 2027-28.
- Based on prescribed increases in ODSP allowances, the FAO estimates that the average inflation-adjusted (i.e., real) allowance will grow from \$15,981 in 2024-25 to \$16,073 in 2027-28.
- Based on the projected increase in cases and prescribed increases in allowances, the FAO estimates that ODSP spending will increase from \$6.2 billion in 2024-25 to \$7.2 billion in 2027-28.
- This increase in spending is higher than the funding allocated to the ODSP in the 2025 budget.

Annual Ontario Disability Support Program spending, 2015-16 to 2027-28
Annual Spending (\$ Billions)



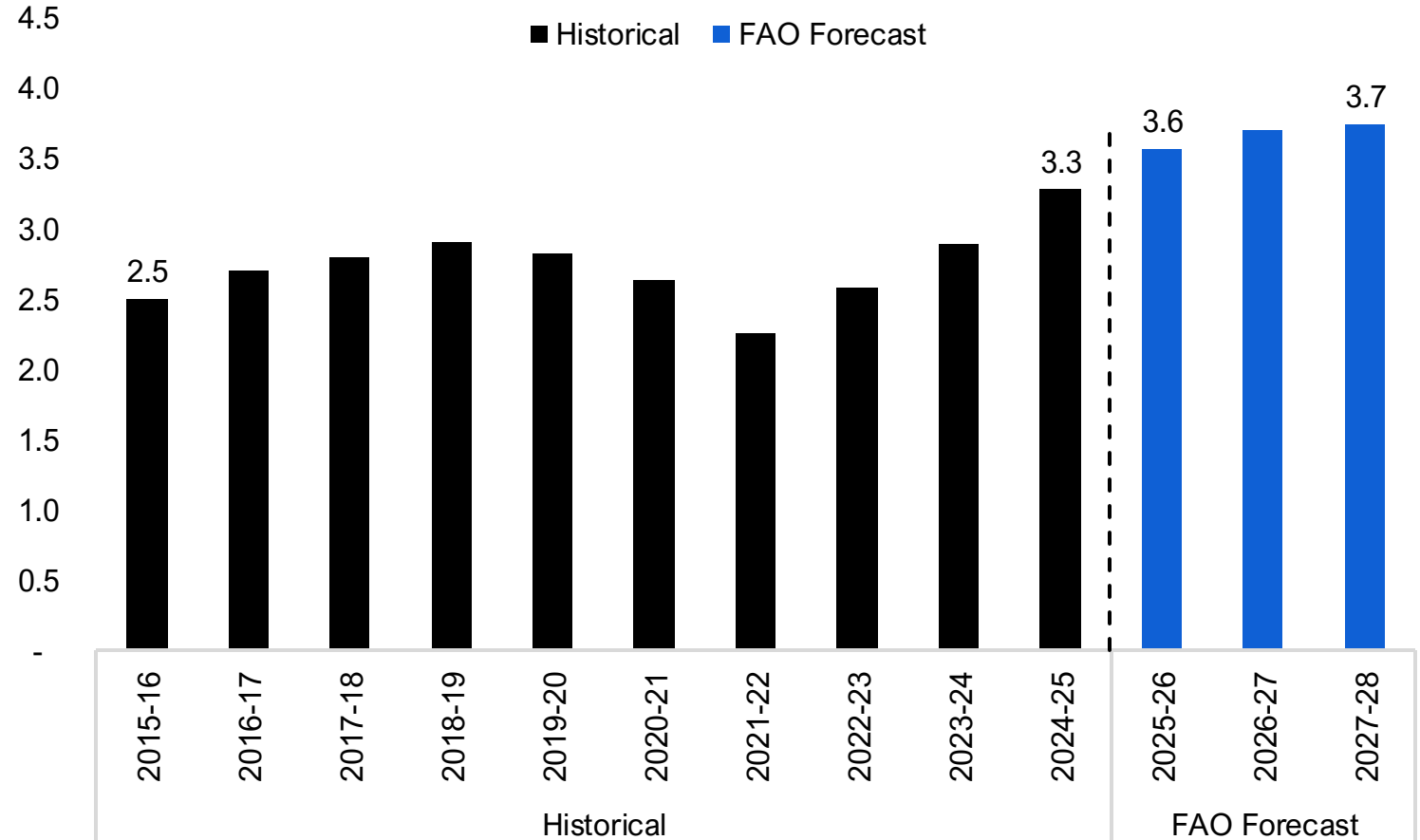
Source: Ontario Public Accounts, Government of Ontario Open Data, 2025 Ontario Budget and FAO analysis.



OW Program Spending

- The FAO estimates that the average monthly number of OW cases will increase from 282,011 in 2024-25 to 330,684 in 2027-28.
- As OW allowance rates are currently frozen, the FAO estimates that the average inflation-adjusted (i.e., real) allowance will decline from \$9,455 in 2024-25 to \$8,891 in 2027-28.
- Based on projected increase in cases and assuming no change in allowance rates, the FAO estimates that OW spending will increase from \$3.3 billion in 2024-25 to \$3.7 billion in 2027-28.
- This increase in spending is higher than the funding allocated to the OW program in the 2025 budget.

Annual Ontario Works program spending, 2015-16 to 2027-28
Annual Spending (\$ Billions)

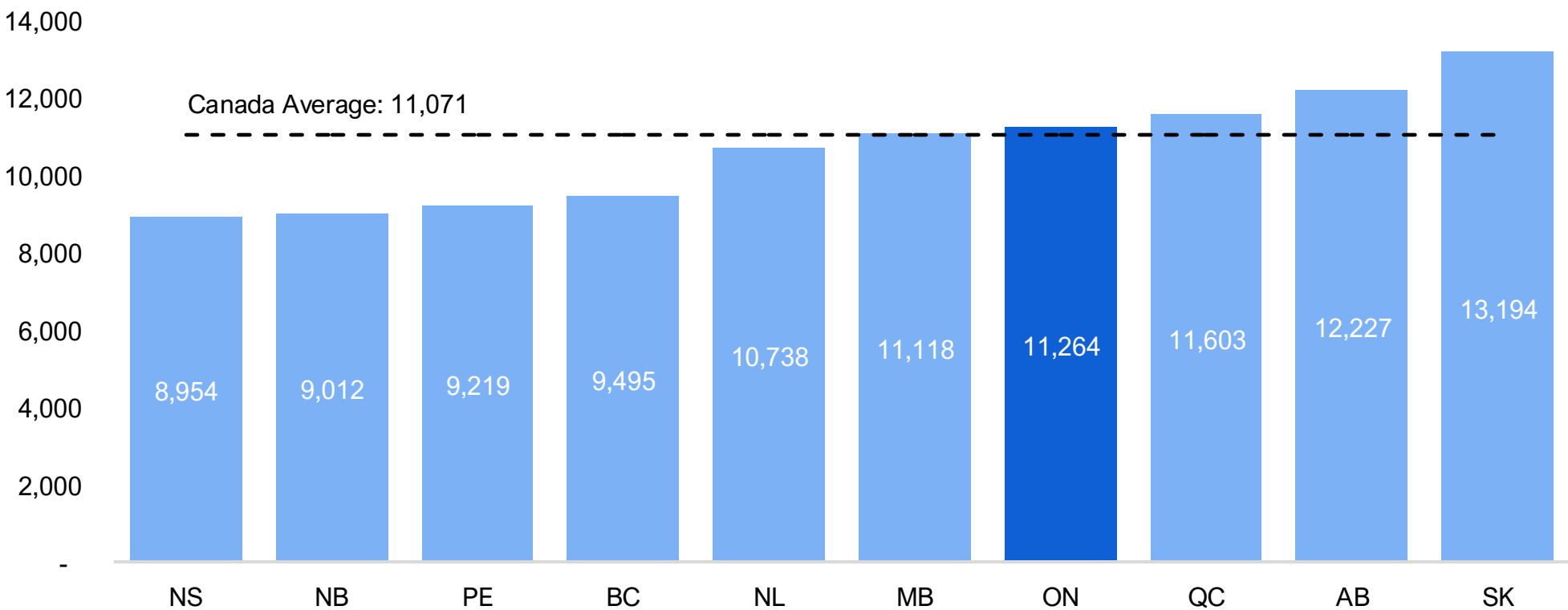


Source: Ontario Public Accounts, 2025 Ontario Budget and FAO analysis.



Social Assistance Payments

Average annual social assistance payments per recipient by province, adjusted for provincial price differences, 2023
Dollars per Person, Adjusted for Provincial Price Differences

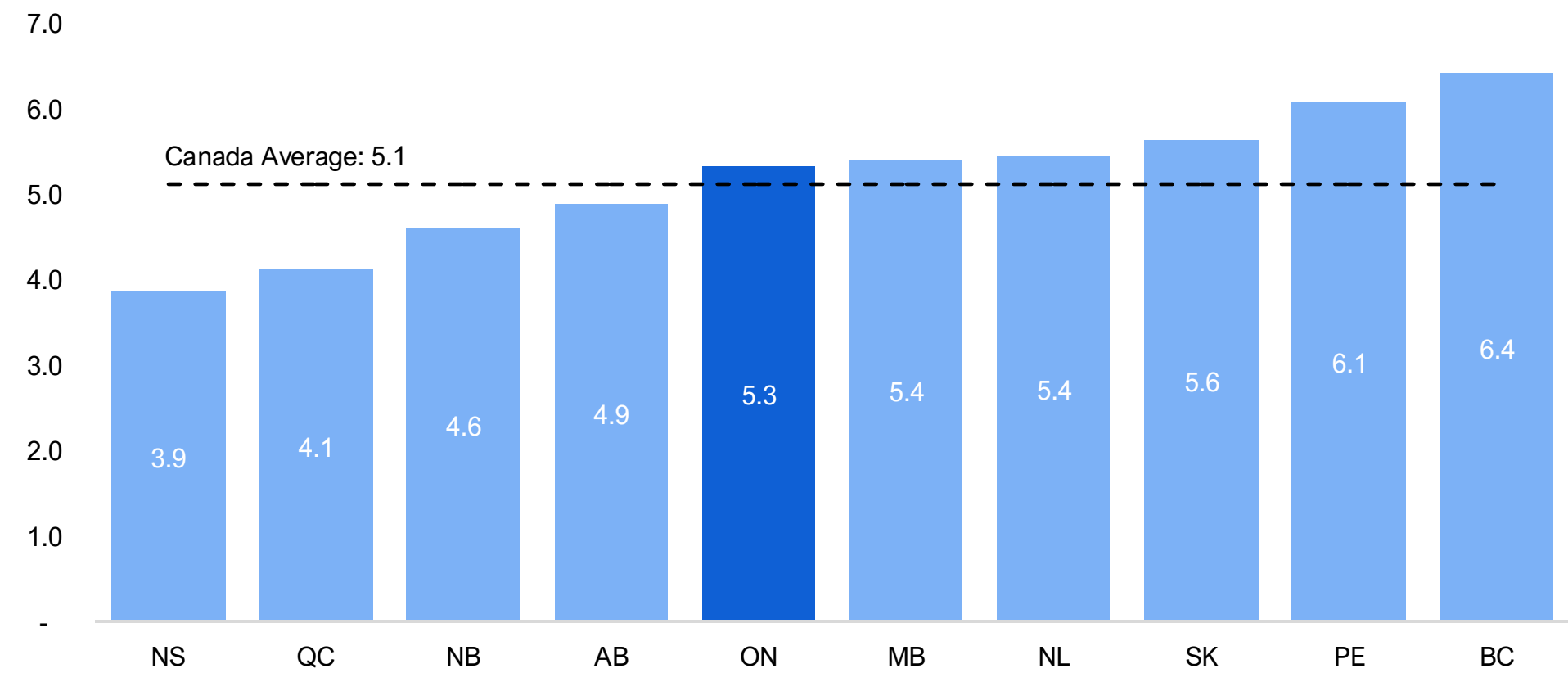


Note: Social assistance payments are adjusted for provincial differences in prices, using purchase power parity indices, to provide a comparison of the purchasing power of social assistance payments (i.e., the amount of shelter, food, clothing and other goods/services that each province's social assistance benefits could purchase). Canada average excludes territories. A recipient is an individual aged 15 and over who reported receiving social assistance income in Statistics Canada's Canadian Income Survey.
Source: Statistics Canada Canadian Income Survey (2023); Purchasing Power Parities for Consumption and Household Income Across the Canadian Provinces and Territories; and FAO.



Social Assistance Recipient Share

Social assistance recipients as a share of population aged 15 and over by province, 2023
Per Cent



Note: Canada average excludes territories.
Source: Statistics Canada Canadian Income Survey (2023) and FAO.

