ABOUT THE AUTHORS

Catching Up Together is produced by the Ontario office of the Canadian Centre for Policy Alternatives (CCPA). Ricardo Tranjan is a CCPA Ontario political economist and senior researcher; Tania Oliveira served as assistant economist with the office for the writing of this report; and Randy Robinson is CCPA Ontario Director.

ACKNOWLEDGMENTS

The authors would like to thank all individuals and organizations who participated in the consultations for this research project, as well as Beyhan Farhadi, Erika Shaker, and Sheila Block, who provided helpful comments on an earlier draft.

The opinions and recommendations in this report, and any errors, are those of the authors, and do not necessarily reflect the views of the publishers or funders of this report.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>7</td>
</tr>
<tr>
<td>Pre-pandemic and pandemic-related education inequality</td>
<td>11</td>
</tr>
<tr>
<td>Pre-pandemic education inequality</td>
<td>12</td>
</tr>
<tr>
<td>Pandemic-related education inequality</td>
<td>13</td>
</tr>
<tr>
<td>Pandemic-driven socio-economic inequality</td>
<td>16</td>
</tr>
<tr>
<td>Strong foundations, wrong policy choices</td>
<td>19</td>
</tr>
<tr>
<td>The schools Ontarians need and deserve</td>
<td>22</td>
</tr>
<tr>
<td>Improving classroom learning</td>
<td>22</td>
</tr>
<tr>
<td>Supporting children with special needs and mental health needs</td>
<td>25</td>
</tr>
<tr>
<td>Putting technology back in the hands of educators</td>
<td>27</td>
</tr>
<tr>
<td>Supporting marginalized student populations</td>
<td>29</td>
</tr>
<tr>
<td>Fixing our schools</td>
<td>31</td>
</tr>
<tr>
<td>Funding the schools Ontarians need and deserve</td>
<td>34</td>
</tr>
<tr>
<td>Finding the money for better public education</td>
<td>38</td>
</tr>
<tr>
<td>Revenue measures</td>
<td>39</td>
</tr>
<tr>
<td>Increasing the progressivity of the personal income tax system</td>
<td>41</td>
</tr>
<tr>
<td>Reallocating infrastructure dollars</td>
<td>42</td>
</tr>
<tr>
<td>Catching up together</td>
<td>44</td>
</tr>
<tr>
<td>Notes</td>
<td>46</td>
</tr>
</tbody>
</table>
Executive summary

The COVID-19 pandemic has been hard on all elementary and secondary students in Ontario, but not all students have had the same experience. Households with higher incomes and more resources have, on the whole, managed to manage. Households with lower incomes and fewer resources have had a much more difficult time. Socio-economic status has always affected educational outcomes, but COVID-19 has exacerbated education inequities between lower- and higher-income students in Ontario. Unless the provincial government immediately invests in a plan to help all students catch up from the disruptions the pandemic has imposed on their educational experience, a generation of students will be left behind.

This report does three things: (1) it reviews recent analysis of the impact of COVID-19 on education and children’s well-being; (2) it puts forward 13 recommendations for a public-sector-driven recovery for public schooling in Ontario, providing a rationale for each and estimating the cost of implementation; and (3) it shows how Ontario has the resources required to pay for this once-in-a-generation investment in the future of the province’s children at a time when they need it most.

Ontario has been underfunding public education for far too long. There is a $16.8 billion school repair backlog, and more needs to be done to address ventilation issues in the era of an airborne virus pandemic. Even during the pandemic, the provincial government increased classroom sizes, cut teaching staff, and cut back funding to the school system. In November
In 2021, the government announced a further $500-million cut to Ministry of Education funding for the 2021–22 school year.

The authors advance a 13-point plan to help students catch up during, and after, the COVID-19 pandemic. This plan calls on the province to:

1. Increase teaching staff for Grades 9 to 12 to allow smaller class sizes with a 22:1 student/teacher ratio and more educational supports for those students

2. Increase teaching staff for Grades 4–8 to allow smaller class sizes (24:1) and more educational supports for those students

3. Increase teaching staff for Grades 1–3 to increase educational supports for those students

4. Increase teaching staff for kindergarten

5. Give early childhood educators a pay raise to recognize their essential and challenging work and ensure that they’re no longer working poor

6. Deploy mental health and well-being teams in all schools

7. Eliminate mandatory e-learning

8. Terminate hybrid learning and mandatory full-time synchronous remote learning

9. Return to a decentralized approach to technology application

10. Increase the Learning Opportunities Grant Demographic Allocation to $630 million, index it to inflation, and then revamp the funding calculation

11. Increase school maintenance spending to $2 billion a year

12. Address the $16.8 billion repair backlog within the next 10 years

13. Create transparent state-of-good-repair criteria for assessing schools, and make the information publicly available on an ongoing basis

The total annual cost of the 13 measures is $4.3 billion, representing a 13% increase in total education spending over the amount budgeted in the province’s November 2021 fall economic statement. The authors recommend that the province review and undo some, or all, of the government’s recent tax changes to free up hundreds of millions of dollars for other priorities, including public
education. The authors also note that not proceeding with cuts to personal income taxes and corporate income taxes that were promised in the 2018 election campaign would keep at least $3.8 billion available for public services.

When it comes to raising revenue to fund public services, the Ontario government has many options, but one very straightforward option is to increase the Personal Income Tax rate in a way that makes the overall system more progressive and increases taxes for those who are most able to pay. In 2019 dollars, the after-tax income gap between economic families in Ontario in the top 10% of the economic distribution and those in the bottom 30% remained relatively stable from the mid-1970s to the mid-1990s, but it has shot up since then. The gap was $136,733 in 1976; it had grown to $203,733 in 2019—a 49% increase in real terms.

The authors propose a modest increase in income taxes. In their proposal, annual income taxes paid by those in the fourth, fifth, and sixth income deciles would increase by an average of $20, $50, and $110 respectively. Above that income level, the proposed personal income tax increases would reach an average of $1,300 in the ninth decile before rising substantially to an average of $6,500 for those in the top 1% of the income distribution—those earning $435,294 yearly and above. With these changes, two-thirds of the overall increase in taxes would be paid by those in the highest-earning 10% of Ontarians. One-sixth of the overall increase would be paid by those in the top 1%.

Taken together, these changes would raise an estimated $2.6 billion per year to fund improvements to education for all. To complete funding for the plan will require an additional $1.7 billion in annual funding. The authors propose that some of that funding would come from a review of recent tax reductions and tax credits; the remainder would come from reallocating dollars within the existing provincial infrastructure budget, for example by cancelling the proposed Highway 413, which the Globe and Mail has called “a $6 billion sprawl accelerator.”

The report concludes that there are reasons to worry about Ontario students, but that there are also reasons to be hopeful: the province’s education system is built on a strong foundation. When it comes to public education, we can afford to care: Ontario is a rich province in a rich country. The provincial government has the authority and the mechanisms to raise revenues to pay for the policies and programs proposed here, and more, if it so desires. Ontario spends less per capita on public programs than any other province in Canada. There’s room for improvement, for all of the right reasons: the students of today are the workers of tomorrow. The time to invest resources to help them catch up is now.
Introduction

YEARS FROM NOW, even young children will remember what school was like during COVID-19.

It was not easy. Students lost face-to-face contact with educators and school staff for months on end. They missed the excitement of learning together, of playing and socializing with friends. They missed the school concerts and fairs, the sports events, and all of the extra activities that put children at the heart of their communities.

Their learning suffered. Endless days on screens were a poor two-dimensional substitute for real life with classmates. Masks interfered with breathing, talking, eating. High school classes stretched on for hours and “quadmesters” robbed the days of variety.

The pandemic has been hard on all students, but not all students have had the same experience. Households with higher incomes and more resources have, on the whole, managed to manage. Households with lower incomes and fewer resources have had a much more difficult time. Socio-economic status has always affected educational outcomes, but COVID-19 has magnified differences.

The pandemic is far from over, yet with vaccination of younger school-age children under way, the day-to-day struggle to learn during the pandemic will soon be replaced, hopefully, by the enormous challenge of dealing with its aftermath.

Ontarians have a choice to make. In the years ahead, the province can use its provincial education system to support all children in overcoming the
negative impacts of the COVID-19 pandemic and put them back on a healthy path to growth, development, and learning. Alternatively, the province can sit on the sidelines and watch as schools struggle to provide the programs children need while parents with resources abandon the public system to find costly alternatives in the private market.

In the first option, Ontario’s public education infrastructure would serve its original role of mitigating socio-economic inequality by providing all children with similar opportunities to access the learning, programs, and activities they need and want. It has never been a perfect system—numerous barriers have made access more difficult for some population groups—but overall, public education has helped to narrow the opportunity gap. It is widely known that low- and moderate-income families have borne the brunt of COVID-19 and its economic impacts. A public-sector-driven educational recovery would ensure that children from these families don’t bear the consequences for the rest of their lives.

The second option makes children and parents compete for limited resources. In this scenario, some will be fortunate to receive the support they need, get into the classes they want to get into, and practise the sport they excel at; meanwhile, others will be placed on ever-growing waitlists for spots that rarely become available in time. Worried that their kids are being denied the opportunities enjoyed by other children, parents will look for alternatives. Some will pay for private sector options, doing what they judge best for their kids but inadvertently undermining the public system. Other parents will have no choice but to wait. In this second scenario, low- and moderate-income parents will look back at the time before COVID-19 as that time when their children still had a chance.

Ontarians can choose the first option. Over many decades, the people of this province built one of the best education systems in the world. It was a gradual, contested, and incomplete process, but by 2010, Ontarian children had access to free, universal, full-day education, from kindergarten to grade 12, including transportation, and in English or French, as desired. It is good quality education, too: Ontario students score near the top in national and international education rankings. It is no small matter to provide quality universal education to two million children and teenagers. To do so, Ontario counts on more than 230,000 school board workers who ensure not only children’s academic development, but also their psychological, social, and physical well-being. In addition, municipal governments offer a range of before- and after-school programs,
day camps, and athletic and recreational activities that complement the learning and development taking place at schools.

It is an elaborate and multifaceted network, and the best part is that Ontarians own all of it. The province’s education system was built through the hard work of generations of Ontarians—for their children, and for the children of their children. Each generation leaves a better education system for the next. That’s the vision. That’s how it is supposed to work.

Before COVID-19 struck, children with learning and physical disabilities, children who lived in rural areas or low-income neighbourhoods, and children from racialized communities didn’t have equal access to what the Ontario education system offers. Multiple barriers existed to participate in everyday programs and receive specialized supports. There was a tonne of work to be done on the equity front.

The evidence reviewed in this report suggests that that work has piled up since March 13, 2020, in a big way. Children who were already struggling have likely fallen further behind. Those whose special needs had not yet been identified are still suffering in silence, perhaps on assessment waitlists that grow by the day. Others, who may have been on a stable path before the pandemic but have since been negatively impacted by it, may now need extra time with their teachers or other education workers but are not able to get it.

The needs have grown more than we can fully assess at this time. But we do know that children are suffering, that school staff are putting out fires every day, and that help is definitely not on the way. The current provincial government is actually cutting education funding.

Ontario needs a plan to support all children at this generational crossroads, and we need the resources to back that plan. This report proposes such a plan.

The first section reviews recent analysis of the impact of COVID-19 on education and children’s well-being and also reviews the more established literature on educational achievement gaps. It argues that there are reasons to worry about Ontario students, but that there are also reasons to be hopeful: the province’s education system is built on a strong foundation.

The second section of the report puts forward 13 recommendations for a public-sector-led recovery for public schooling in Ontario. It provides a rationale for each recommendation, and estimates the cost of implementation.

The final section discusses financing. When it comes to public education, we can afford to care: Ontario is a rich province in a rich country. The provincial government has the authority and the mechanisms to raise revenues to pay for the policies and programs proposed here, and much more, if it so desires.
Ontario must make the right choice and support all children through the post-pandemic recovery. The province has everything it needs to do it. At this point, the only thing missing is the political will.
Pre-pandemic and pandemic-related education inequality

Several interrelated factors affect the academic performance and overall development of students throughout their school career. Researchers have investigated the effect of teaching practices, school resources (e.g., infrastructure, materials), the overall organization of educational systems (e.g., streaming, curriculum standards), the geographical location of schools, students’ cognitive abilities and skills, periods of non-school time (e.g., summer vacations), parent involvement (availability and level of support), severe trauma (e.g., domestic violence), and the socio-economic status of students’ families. This report focuses on socio-economic status (SES).4

All of the factors listed above have important impacts on academic achievement and well-being, but the underlying rationale and expectation for public education systems is that they can serve as socio-economic equalizers, mitigating the inequities that follow students into the classroom. This is a core function of Ontario’s public schools, and one that is all the more relevant in the context of a global pandemic that affected—and continues to affect—lower- and higher-income families differently.5

A caveat is in order before moving ahead. In education research, more is known about gaps in measurable academic outcomes than about inequality of opportunity. Some Ontario educators advocate for an education system...
that pays deliberate attention to the latter. Though the next sections draw heavily on the literature on academic achievement, the authors hope the report as a whole supports this advocacy effort.

**Pre-pandemic education inequality**

Before COVID-19 struck, the achievement gap between high-socio-economic status and low-socio-economic status students was already a cause for concern. Economically secure families have more financial resources to invest in educational resources such as books, private tutors, technological supplements, and extracurricular activities. These resources are positively correlated with higher parent expectations, higher student motivation and aspiration, and ultimately higher achievement.

Lower-income households may offer some, but not all, of these resources. For instance, parents in low-income households may have a high involvement in their children’s learning, but they may also have limited availability due to working hours and longer commutes. Electronic devices may have to be shared among siblings. Extra-curricular activities may be limited to those available through local governments and not-for-profit providers.

Periods of non-school time intensify students’ exposure to their home environments, where learning opportunities and resources greatly diverge. This phenomenon is well documented. In 1966, an American study, widely known as the Coleman report, contended that a student’s family background was the biggest determinant of school performance. The report’s most lasting contribution was that it “shifted attention from disparities in schooling ‘inputs’ as problematic in themselves to disparities in inputs that had bearing on educational ‘outcome’—notably achievement test scores—and to achievement differences across social lines as markers of unequal opportunity.”

Following the Coleman report, some researchers questioned the ability of schools to counteract the effects of socio-economic disparities at home. By the 2020s, following decades of academic debate, a more balanced perspective had become prevalent.

For example, a study from 2013 on the relationship between socio-economic status and early literacy development for school-age children in English-speaking countries concluded that the relationship between socio-economic status and literacy is attributable also to other variables, both at the individual level and the school level. “That the relationship between
[socio-economic status] and literacy is attributable, at least in part, to other variables does not negate its impact, it merely explains the process by which [socio-economic status] influences educational performance. Identifying the multiple, cumulative and interactive effects of factors associated with socio-economic disadvantage and understanding the processes by which they work to increase the risk of poor literacy, is the key to reducing its impact.”

In other words, socio-economic status was not the only factor influencing literacy development in these countries, but it is an important variable whose impact may be heightened or mitigated by other variables, like school resources. These results are likely generalizable to other academic learnings beyond literacy.

Before the COVID-19 pandemic, international experts were already sounding the alarm about the growing achievement gap between students with low- and high-socio-economic status. A 2019 analysis compared data from 30 international large-scale assessments from 1964 to 2015, including 100 countries and 5.8 million students. The results suggested that over this period, socio-economic status-related achievement gaps had significantly increased. These results led education researchers to compare home environments that foster high academic achievement to households with inheritances, as both provide the foundation for persistent social stratification.

**Pandemic-related education inequality**

One of the major ways in which socio-economic status affects academic performance is through non-school learning. On average, higher-income children learn more academic-related content and skills while at home than lower-income children. This gap is attenuated during in-school learning periods, where children have access to similar resources.

Learning supplements found to varying degrees in households of different socio-economic levels include: physical resources like reading material, crayons, tablets, printers; adults’ ability and availability to help children with schoolwork; extracurricular activities, like sports, arts and crafts clubs, and music lessons; access to experiences, such as visiting museums, travelling, and attending cultural events; and a physically and emotionally safe environment in which to learn and develop. One study in the United States found that “by the age of six, children from higher-income homes spend 400 more hours in literacy-related activities and 1,300 more
hours with their parents outside of the home in ‘non-routine’ contexts such as parks or libraries.”

Summer vacations, the most prolonged span of non-school learning, provide researchers with a window into what happens with children of different socio-economic statuses when they are not in school. Over the past 40 years, U.S. researchers have studied this topic extensively and have found that “many children experience summer learning losses, that socio-economic and racial achievement gaps tended to grow in the summertime, and that a sizeable portion of accumulated achievement gaps by high school could be traced to previous summers. Further, they concluded that achievement gaps tend to widen as students age, with disadvantaged students falling further behind as they progress through school.”

The first large-scale Canadian study on summer learning, published in 2013, reviewed data from literacy improvement in Ontario. Consistent with the U.S.-based research findings, this study found strong disparities by family socio-economic status: affluent children gained literacy while those from lower-income families lost literacy. The study attributed 25% of the gap between the top and bottom socio-economic status quartiles at the start of the school year to the previous summer.

This is what happens after two months away from school. The effects of the COVID-19 pandemic, with its two years of school closures, online learning, and the cancellation of many school programs, can only be greater.

Lockdown measures and the closure of schools meant that children spent much more time at home, where some students had access to large amounts of learning resources, others had much less, and still others had very little.

Some high-income parents created “learning pods” for their children by hiring private tutors to assist their children full-time, five days a week. At the end of the day, these parents would be able to help their children with any additional schoolwork or take them to private, one-on-one extra-curricular activities. In the meantime, other children attended online school from their parents’ workplace, often unable to fully hear the teacher’s instructions or unmute their microphones without disturbing other students with the background noise. They were moved around according to workplace needs and received very little, if any, assistance with school content. By the time they got home, children and parents were exhausted and likely unable to do additional school-related work.

Academic and development gaps have grown by the day. While it will take years to fully assess the impact of COVID-19 on children’s academic
performance, two Canadian-focused analyses have begun to document this impact. The picture they paint is already disconcerting.

The authors of COVID-19 School Closures and Educational Achievement Gaps in Canada extrapolated the findings from their analysis of the Ontario summer learning program, predicting “learning losses of 3.5 and 6.5 months among typically-performing and lower performing students respectively, and achievement gaps that grow up to 1.5 years among same grade peers.” These projections might exaggerate or underestimate the true impact of the COVID-19 school closures, depending on other variables. For example, the study doesn’t account for pandemic-related stress and trauma that children, youth, and parents may have experienced in this period, and which could have a further negative impact on learning and development.

Another recent study estimated that the socio-economic-status-related skills gap of 15-year-olds in Canada could increase by more than 30% as a result of the pandemic. This study uses OECD’s Programme for International Student Assessment (PISA) data from a triennial survey of the skills of 15-year-olds in reading, mathematics, and science.

Students from low-income families may see their overall reading score decline by an additional 2 months (or -8 points), while other children may gain 3.2 months (or +12.8 points). This would increase the score gap between Q1 (bottom) and Q5 (top) students by 20.8 points, an increase of more than 30 percent relative to the actual [socio-economic status] gap in Canada.

A 40-point difference in these test scores is equivalent to nearly one additional year of schooling. Absent COVID-19, the socio-economic status-related learning gap in Canada is estimated to be over one year of equivalent schooling for students from the bottom income quintile versus the top quintile. According to this study, then, students from low socio-economic status have fallen behind their peers an additional half-year of schooling during the pandemic.

In-school learning resumed in the fall of 2021 across Ontario, but some important activities provided at schools have been partially or completely cancelled for the year, e.g., music classes that require students taking off their masks indoors. Though less visible than school closures, these measures continue to add to pandemic-related learning and development loss. “Extracurricular activities in Ontario schools and the fundraising that supports them, have plummeted because of COVID-19, leaving students without a crucial component of their learning. The impact is particularly
hard on students from low-income families, because often school provided their only point of access to these vital experiences."

On a good day, children from low- and moderate-income households have less access to educational resources than their wealthier counterparts. The COVID-19 pandemic exacerbated this inequality as at-home resources became crucial for continued learning.

Students are not out of the woods yet. Even with the return of in-class attendance, important activities and programs are still not available to all students. Children who can only access those supports at school are suffering the most and continue to fall behind their classmates.

---

**Pandemic-driven socio-economic inequality**

So far, we have focused on the fact that higher-income families are better equipped to deal with lockdown measures and school closures than lower-income families, further widening academic and development gaps that existed before COVID-19. Unfortunately, that is only half of the story.

The other half of the story is that low- and moderate-income households were significantly more likely to have been affected by the virus itself during the pandemic. Low-socio-economic status students not only had fewer resources at their disposal when they were first sent home; the ground kept shifting for them as their families were more exposed to the virus and more susceptible to the economic impact of the measures put in place to contain it.

A CCPA report explained that “for low-wage workers, the pandemic meant widespread hour and job losses. In fact, in April and May of 2020, the first few months of pandemic lockdowns, half of all workers making $17 an hour or less had lost their jobs or the majority of their hours. As of June 2021, they still haven’t fully recovered. In contrast, those making over $35 an hour, the top quarter of workers, saw a complete recovery in jobs and hours by July 2020. Pay increases for top executives were even rosier between 2019 and 2020.”

Several research reports and news articles documented the unequal impact of COVID-19 on low-wage workers. In the first quarter of 2020, while the shareholders of the biggest Canadian grocer, Loblaw, were enjoying a COVID-19 gold rush arising from higher revenues, the wages for workers in the industry, who risked exposure to COVID-19 at work, remained lower than the average industrial wage.
Even though federal policies were created and adapted daily to try and head off the worst financial impacts of COVID-19, many unemployed Canadians were still falling through the cracks, receiving nothing or less than the maximum Employment Insurance (EI) or Canadian Emergency Response Benefit (CERB) amount. Millions who were covered by the CERB are now worse off because it has ended.24-25

Housing insecurity for low- and moderate-income tenant families continues to grow. Between October 2019 and October 2020, average rent for a two-bedroom unit in Canada went up by 3.5%. This was five times higher than the inflation rate for the same period, which was 0.7%.26

COVID-19 and lockdown measures also disproportionately affected racialized communities living in the epicentre of the pandemic. For example, racialized Torontonians are more likely to live in lower-income neighborhoods where per capita cases were much higher than elsewhere. “Families with household incomes of greater than $150,000 per year account for 21 per cent of the city’s population but only 6 per cent of COVID-19 cases. In contrast, those earning less than $30,000 per year account for 14 per cent of the population and 27 per cent of cases,” according to a study by the Royal Society of Canada.27

Unemployment rates in many lower-wage sectors remain stubbornly high yet the federal government’s emergency income support programs have been scaled back dramatically. Meanwhile, a newly discovered COVID-19 variant (Omicron) is creating new pressures because of its ease of transmission. For many families, the economic shock brought by this pandemic is not over. It may actually be getting worse.

When the pandemic began, some people who had worked in offices transitioned fairly quickly to working from home. This wasn’t possible for the significant number of Ontarians who were employed as essential frontline workers through the various waves of the pandemic. Workers in frontline jobs are disproportionately racialized,28 and in addition to the stress related to working in precarious jobs with high exposure to the virus, Black Canadians in particular “likely experience higher levels of anxiety and depression insofar as they have to cope with anti-Black racism as an additional mental health stressor,”29 according to York University professor Carl James.

In the fall of 2020, when parents had to choose between in-person schooling or online learning, “a number of reports from the Greater Toronto Area analyzed the demographics of schooling choice and showed that families living in neighborhoods with lower incomes and with more racialized residents were more likely to choose online schooling.”30 This decision was most likely driven by fear of sending children to schools with very high infection
rates, taking crowded public transportation to get to and from schools, and exposing elderly or immunocompromised members of the extended family who live in the same households to the COVID-19 virus.

Learning that lower-income and racialized families were opting for online learning was cause for concern for many education experts, given the existing knowledge of socio-economic status reviewed above. The children who had fewer resources at home were most likely to stay at home.

Students from lower-socio-economic status families not only started the pandemic behind other students; their families were more likely to get sick, experience economic hardship, or both.
Strong foundations, wrong policy choices

In the most recent edition of the United Nations Children’s Fund (UNICEF) report card on child and youth well-being, Canada’s education system ranked among the most equitable systems in high-income countries. In Canada, education inequality narrows as children progress through their school career. This is true in Ontario schools, which also excel in quality of education.

Our schools are providing top-quality education while also fulfilling one of their fundamental roles: mitigating socio-economic inequality. This is thanks to generations of Ontarian educators, parents, students, and activists who fought for ever better and more inclusive schools.

But the work is far from finished. While overall education inequities decrease over the course of a student’s school years, children from specific population groups are overrepresented among those who are still being allowed to fall behind. The UNICEF report card noted that our schools are not an equalizer for all Canadian children as “children from less affluent families and communities, particularly First Nations, Inuit and Black children, are disproportionately being left behind.”

Canada doesn’t perform as well in all spheres of learning and development. Among 38 wealthy nations, Canada ranks higher in children’s academic performance (18th), but lower in children’s mental health (31st) and physical health (30th). The 2020 UNICEF report card observed that “Canada’s public
policies are not bold enough to turn our higher wealth into higher child well-being.”

In Ontario, public policies are going in the opposite direction of what’s needed. Funding decisions made in the years preceding the pandemic weakened the province’s schools. The amounts made available during the pandemic were not sufficient to address the enormous needs on the ground. And even as the pandemic continues, the provincial government has already announced planned funding cuts for the years ahead. Highlights of this disconcerting and chronic underfunding of Ontario schools include:

• The estimated school repair backlog for 2020–21 is $16.8 billion. Under the capital investment plan put forward by the current government, the backlog will continue to grow.

• For the 2019–20 school year, the Ontario government transferred $430 million less (adjusted for inflation) to school boards than the amount transferred in 2017–18. That represented a real 2% cut in total operating funding.

• During the 2019–20 school year, the Ontario government announced a plan to increase class sizes in both elementary and secondary schools and cut 10,000 teachers. After public outcry from education workers and parent groups, the government moved forward with a revised plan that still included the elimination of at least 6,000 present and future positions.

• COVID-19 emergency funding for the first year of the pandemic enabled Ontario’s 72 school boards to add, on average, the equivalent of only 1.5 staff members per school to deal with all of the pressures from school closures, online learning, preventive health measures, additional mental health challenges, and growing learning gaps.

• In the 2020–21 school year, the Ministry of Education spent $1.1 billion more than in the previous year (including on child care), of which nearly $1 billion was federal funding. In the worst academic year in living memory, the Ontario government tipped in only an additional $50 per student.

• In November 2021, the government announced a $500 million cut to Ministry of Education funding for the 2021–22 school year.
At present, Ontario’s post-pandemic plan for public schools is to provide less money, bigger classes, and fewer resources to support children coming out of the pandemic. This plan will not equip schools to facilitate an equitable recovery, nor will it provide assistance to children and families who need it most. Ontario can do better. Much better.
The schools Ontarians need and deserve

In this section, we put forward 13 recommendations for improving Ontario’s schools and providing students with the supports they need to overcome current and future challenges.

A number of other important changes could be made: for one, as pointed out below, Ontario’s flawed education funding formula is overdue for a complete overhaul. In the meantime, these recommendations aim to strike a balance between acting quickly on urgent matters while planting the seeds for structural change. While they were developed in consultation with education stakeholders, the authors are responsible for any omissions. The estimated cost of all 13 recommendations is presented at the end of the section.

**Improving classroom learning**

The learning that takes place inside classrooms is understandably the number one concern of parents and advocates. Several educators are tasked with making that learning happen, including classroom teachers, specialist teachers (e.g., arts, music, etc.), educational assistants, guidance counsellors, teacher librarians, and classroom consultants (who assist teachers in the development of programming and work with individual
students). In kindergarten, early childhood educators (ECEs) play a critical role in supporting children’s learning and development.

In 2019, the Ontario government increased average class sizes in Grades 4 to 12, cutting an estimated 7,000 teaching positions across the province within a few years.\textsuperscript{43} During the pandemic, parents and educators demanded a reduction in class sizes, both for public health reasons and to help students make up for missed content, but it didn’t happen. In fact, the increasing number of students taking online learning means that class sizes are increasing, on average, since the teacher-student ratio for online courses is much higher in online school than it is in the classroom.\textsuperscript{44}

In addition to growing class sizes, the number of education workers supporting in-class learning is disconcertingly low. The education funding formula assigns 0.2 education assistants per 1,000 students in Grades 1 to 8, which means teachers receive an average of 8 to 10 minutes of assistance per week. The average for classroom consultants is between 17 to 21 minutes per week, depending on the grade level.\textsuperscript{45} Guidance services for secondary students (Grades 9 to 12) are also limited. In the best-case scenario, under the current funding formula, guidance counsellors can devote 23 minutes per month per student, including preparation, administrative work, any necessary calls and research into a particular situation, and face-to-face time with the students. And ECEs are poorly paid, earning not much more than a full-time, full-year minimum-wage worker.

In good times, Ontario’s students deserve more. After two years of a pandemic, they absolutely need more. More specifically, the following modifications to classroom staffing would provide the province’s students with better chances to succeed and thrive.

**Recommendation #1:** Increase teaching staff for Grades 9 to 12.

- Return class sizes to 22 students per teacher (currently 23:1).
- Adjust the guidance service ratio from 2.6 to 5.1 per 1,000 students, increasing the maximum time that guidance counsellors can devote to individual students from 23 to 45 minutes per month.
- Adjust the classroom consultant ratio from 0.46 to 1.3 per 1,000 students, increasing the average support per week, per classroom, from 21 to 60 minutes.
- Adjust the teacher-librarian ratio so that there is one teacher-librarian per 700 students, or roughly one per secondary school.
**Recommendation #2:** Increase teaching staff for Grades 4 to 8.

- Return class sizes to 24 students per teacher (currently 24.5:1).
- Adjust the classroom consultant ratio from 0.41 to 1.2 per 1,000 students, increasing the average time of support per week, per classroom, from 21 to 60 minutes.
- Adjust the educational assistants ratio from 0.2 to 1.2 per 1,000 students, increasing the average time of support per week, per classroom, from 10 to 60 minutes.
- Adjust the teacher-librarian ratio so that there is one teacher-librarian per 700 students, or roughly one for every two elementary schools (as above).

**Recommendation #3:** Increase teaching staff for Grades 1 to 3.

- Adjust the classroom consultant ratio from 0.41 to 1.4 per 1,000 students, increasing the average time of support per week, per classroom, from 17 to 60 minutes.
- Adjust the educational assistants ratio from 0.2 to 1.4 per 1,000 students, increasing the average time of support per week, per classroom, from 8 to 60 minutes.
- Adjust the teacher-librarian ratio so that there is one teacher-librarian per 700 students, or roughly one for every two elementary schools (as above).

**Recommendation #4:** Increase teaching staff for kindergarten.

- Adjust the classroom consultant ratio from 0.41 to 1.45 per 1,000 students, increasing the average time of support per week, per classroom, from 17 to 60 minutes.
- Adjust the educational assistants ratio from 0.2 to 1.45 per 1,000 students, increasing the average time of support per week, per classroom, from 8 to 60 minutes.
- Adjust the teacher-librarian ratio so that there is one teacher-librarian per 700 students, or roughly one for every two elementary schools (as above).
Recommendation #5: Give early childhood educators a pay increase.

- Adjust the base salary of ECEs, from $32,327 per year (plus benefits) to $45,000 per year (plus benefits), allowing workers to earn a minimum of $25 per hour.\textsuperscript{16} Being part of the team that educates our children is essential and challenging work and we should treat it that way.

Supporting children with special needs and mental health needs

Nowhere is the education funding formula more clearly broken than in special education. It simply does not work, and it hasn’t worked for a long time. As CCPA research associate Hugh Mackenzie explains:

In the early years of Ontario’s education funding formula, funding for special education, in particular, set an important precedent. A substantial proportion of the funding received by school boards for special education was directly linked to the programming needs of students that were identified through Individual Placement and Review Committees. Early in the mandate of the McGuinty government, the link between identified program needs and funding was broken. Funding was based on the needs identified in 2004–05 and then those funds were frozen. Gradually, over the next few years, that frozen funding was wound down and replaced by funding based on statistical measures of disability drawn from Census data and unrelated to individual students’ educational needs. This change has limited the funding available across the education system and it has fundamentally altered the way in which special education services are administered at the school board level—shifting the focus from the identification of programming needs to the rationing of arbitrarily-limited resources.\textsuperscript{17}

Special education funding should be calculated based on student needs, not a formula that has no connection to those needs. Even if this policy change was enacted immediately, the needs are so great, the assessment backlog is so long, and the impact of COVID-19 is so unknown that it wouldn’t be possible to estimate the amounts and types of resources needed. What we do know is that students are suffering now and can’t wait any longer. For this reason, we propose the immediate deployment of mental health and well-being teams in all schools in the province.

In Ontario’s education funding formula, “professional/para-professional support” includes five categories of support staff: speech services, psychological...
services, social services, child and youth workers, and attendance counselling. The funding formula assigns a total of 1.73 support staff per 1,000 elementary school children and 2.21 per 1,000 secondary school students. That is not enough. In 2020, there was one speech specialist for every 2,370 students, roughly 0.2 specialists per school. There were even fewer professionals providing psychological services: there was just one for every 2,580 students. In practice, this means that by the time a child gets assessed, an evaluation is submitted to parents, the recommended support is requested, and the student starts seeing a specialist, months, and sometimes years, have passed. By then, the student's condition is likely to have worsened and their chances of succeeding in school may already have been diminished.

Day after day, classroom teachers witness students falling behind academically and developmentally. Unfortunately, teachers and other staff are aware of these needs but are unable to connect them to services. This is a significant emotional burden on the province’s educators, and it is a traditionally underappreciated and under-studied issue.

Attendance counsellors, social service professionals, and child and youth workers play a critical role in making schools a viable option and a safer space for students. They help to identify the underlying causes of academic and development challenges, and they connect students with a broad variety of academic, social, and health supports. It is not an exaggeration to state that these interventions save lives. Yet in 2020, Ontario had only 1,800 workers in these functions. Put differently, each of the province’s 4,443 schools had less than half (0.4) of one of these professionals on staff, on average.

**Recommendation #6:** Deploy mental health and well-being teams in all schools.

- The proposed mental health and well-being teams would include five support workers for every 700 students, which is the average size of secondary schools and slightly less than the average size of two elementary schools. This level of funding would allow schools to hire at least one of each type of support staff, with flexibility to adapt to local contexts, as needed. These workers would immediately assess the needs of students and begin to help them find the right supports while generating the data needed to inform the review of the special education funding formula.
Putting technology back in the hands of educators

Technology in schools is not new. Ontario schools have always used technology to enhance learning and prepare students for everyday life and the job market. Computers have been a tool commonly used in schools for decades. Accessing online resources that complement and illustrate content taught in the classroom has also been an established practice for years. More recently, educators have begun to use web-based learning applications to facilitate the sharing of resources in an interactive and paperless manner. For example, an assignment outline shared in an online platform can include links to other resources, and it allows students to ask the instructor questions and share ideas with classmates, all paperless.

Some courses have been entirely taught online, which is what is referred to as e-learning. Usually e-learning is the second-best alternative to students who have not been provided the necessary supports to attend in-class learning, including adults in rural and remote communities and adults who can only take courses outside of regular school hours.

Over time, educators, school administrators, and academics have accumulated ample knowledge on how to best employ technology in schools. What is new in Ontario is the politically driven urge to ignore expert knowledge and impose online learning on all students.

In 2019, the Ontario government announced that secondary school students would be required to take four asynchronous e-learning credits to graduate (out of 30 credits). As CCPA research associate and online learning specialist Beyhan Farhadi explains, at the time the policy was announced, only 5% of all students in the province had ever taken supplementary e-learning courses. The provincial government had no data to suggest e-learning would be an effective teaching method at a large scale, never mind any evidence to support the claim that it would be beneficial to students. Education unions and parent advocacy groups opposed the change; in the end, the government mandated two online courses with an option to opt out of the requirement, in contrast to the affirmative action of opting in. Assuming consent inevitably increases the demand for online learning. A draft report on the program by the Ministry of Education projects a 30% increase by 2023–24, when the first cohort of students are subject to this graduating requirement.

In 2020, COVID-19 hit, closing schools, pushing students of all ages into online learning, and generating tonnes of evidence on the limitations of and inequities built into this method of delivering education. In the summer of 2021, as COVID-19 cases dropped, vaccination rates rose, and schools prepared
for a return to in-class learning, Ontario remained stubbornly committed
to online learning. It was the only province in Canada to offer students the
option to continue to attend school virtually. This stood in marked contrast
to advice in a science brief from the Hospital for Sick Children and the
Children’s Hospital of Eastern Ontario, where the province’s most highly
regarded pediatricians argued that students should return to classes, barring
“only the most catastrophic of circumstances.”

In the 2021–22 school year, in many school boards, virtual learning
is being delivered through a “hybrid” system that requires teachers to
simultaneously instruct students in the classroom and at home. There are
several limitations to this method.

According to Beyhan Farhadi, hybrid learning means students lose
attention from educators, which disproportionally affects students from
racialized and low-income communities; educators lose the autonomy to
utilize the various pedagogic tools and methods at their disposal to meet
students’ needs and adapt to the content being taught; and schools lose
credibility as they are whole institutions with a number of functions, not
merely channels to access content. Sachin Maharaj, assistant professor at
the University of Ottawa, adds that the so-called hybrid system “only works
to make things administratively easier for school boards at the expense of
student learning.... Having to teach in-person and online at the same time
results in the lowest common denominator form of instruction.”

As an option for delivering education, hybrid learning receives a failing
grade. While it may save money for the province, it also motivates some parents
to look into private school options and leave the public system behind. The net result is a weakened public system that is less able to deliver on its
mandate to provide quality education, less able to level out inequities related
to socio-economic status, and less able to sustain a competitive economy.

**Recommendation #7:** Eliminate mandatory e-learning.

- Reinstate the option for secondary students to complete their degrees
  with 30 in-class credits. Every non-mandatory course offered online
  should be connected to a teacher employed by a school district and
  it should maintain the same teacher-student ratio (22:1) as in-class
courses. Fully independent online learning with little teacher support
  is not a suitable option for secondary students.

**Recommendation #8:** Terminate hybrid learning and mandatory full-time
synchronous remote learning.
In a compulsory education system responsible for the development of the whole child, online learning is not a replacement for in-class instruction. The province should focus on strengthening in-classroom education for all students while offering high-quality teacher supported online options to students who are unable to access the in-classroom option. Consistent with jurisdictions across Canada, school boards should not be forced to offer full-time remote learning unless directed by public health authorities.

**Recommendation #9:** Return to a decentralized approach to technology application.

- Ontario should limit the scope of partnerships with private firms to license software and educational applications, which profit from aggregated user data and system analytics. They should also reverse their decision to centralize online learning in TVOntario’s Independent Learning Centre, which specializes in adult education and markets online education to generate revenue from out-of-province students. School boards, schools, and educators should decide how to best utilize technology, according to local contexts, compliant with both accessibility and privacy legislation.

---

**Supporting marginalized student populations**

Since its creation in 1997, Ontario’s funding formula has included a specialized grant, the Learning Opportunities Grant (LOG), for boards with a higher concentration of socio-economically marginalized students. As a report from People for Education explains,

The original description of the grant pointed to a number of factors that could determine students’ vulnerability, including ‘low family income; an ongoing struggle to meet basic needs for food, shelter and clothing; poor quality nutrition; low parental education levels; single parentage; chronically stressed parents; lack of social support networks; family violence and substance abuse; dilapidated and overcrowded housing; limited recreational and sports opportunities; fear of violence at school or in the community; proximity to sub-cultures of crime; traumatized refugee backgrounds; a poor outlook for jobs and the future.’ The LOG not only provided a way to support early intervention and create targeted programming for children
and youth deemed at-risk, but it also positioned redistributive equity as an important educational, social, and economic investment.54

The LOG was created following advice from an expert panel tasked with proposing funding mechanisms and programs to support students at risk. The same expert panel advised that LOG initial funding should be set at $400 million in 1998, which did not happen. The funding amount for that year was $185 million, less than half (46%) of what had been recommended.

Over the years, the LOG funding never caught up to the originally recommended amount; instead, the funding was increasingly diverted to other programs that, although important, are not targeted at the intended population groups (e.g., early literacy, literacy and math outside of the school day, the student success program for Grades 7 to 12). These are important priorities that should be funded without taking away from the original social-equalizing purpose of the LOG.

Ministry of Education documentation provides the breakdowns for the different components bundled into the LOG starting in 2006–07. Since that
year, the LOG amount devoted to its original purpose—the grant’s demographic allocation—has not kept pace with inflation. For the 2021–22 academic year, the second year of the COVID-19 pandemic, the LOG Demographic Allocation was $376 million, whereas the recommitted $400 million, adjusted for inflation, would be the equivalent of $630 million in 2021. The LOG is at 40% below what it was meant to be when it was created.

**Recommendation #10:** Increase the LOG Demographic Allocation to $630 million, index it to inflation, and then revamp the funding calculation.

- As with other elements of the education funding formula, the LOG calculation method is obsolete, unnecessarily complicated, and detached from assessed needs. Immediately increasing the LOG is important to support students who are struggling with the aftermath of COVID-19 and other socio-economic distress. Moving forward, the formula should be updated to better reflect the actual, assessed needs in all school boards.

---

**Fixing our schools**

School air quality and the maintenance and replacement of ventilation systems have become a top-of-mind concern during the pandemic. While funding for ventilation is instrumental to minimizing the spread of COVID-19 and other airborne diseases, we must not forget other priorities. In 2021, a Toronto Star investigation found that a third of schools in the province have dangerous levels of lead in the drinking water. The stock of school portables used in Ontario is ancient, moldy, and rotting. Portables are intended to be temporary facilities but often end up being on-site at a school for many years. Their conditions are not assessed by the province.

**Recommendation #11:** Increase maintenance spending to $2 billion a year.

- It is generally accepted that funding for ongoing renewal of school infrastructure should be between 2% and 4% of the replacement value of the physical assets, with 3% being a reasonable mid-point. Ontario’s Financial Accountability Office (FAO) has estimated the replacement value of schools to be $68.1 billion in 2020. This means the province should be spending $2 billion a year on ongoing maintenance. Instead, the current level of funding for this purpose is $1.4 billion a year. At this level, the backlog of $16.8 billion will
continue grow, putting at risk the health of students and education workers, and creating ever-growing financial liabilities for school boards.

**Recommendation #12:** Address the repair backlog within the next 10 years.

- In 2002, the Education Equality Task Force estimated the repair backlog of Ontario schools to be $5.6 billion.\(^6^0\) In June 2021, it stood at $16.8 billion.\(^6^1\) How did that happen? The short answer: year after year, provincial governments decided not to take care of the buildings in which two million children and youth and hundreds of thousands of education workers spend most of their day. Poorly maintained infrastructure deteriorates faster and it becomes more expensive to repair.

**Recommendation #13:** Create transparent state-of-good-repair criteria for assessing schools, and make the information publicly available on an ongoing basis.

- The Fix Our Schools campaign lists aspects of disrepair currently excluded from the province’s assessments of Ontario’s schools: quality of drinking water due to old lead pipes; quality of air due to asbestos in old school buildings and dampness/mold; classroom temperatures, which are often too hot to learn in in the spring and fall and too cold to learn in in the winter months; condition of portables, which are intended to be temporary facilities but often end up being on-site at schools for many years; and schoolyard maintenance and suitability for sports and outdoor learning activities.\(^6^2\) To create a state-of-good-repair, including the above items, and setting metrics to evaluate the investments, it is essential to deliver adequate provincial funding to school boards.

The total annual cost of the 13 measures listed above is $4.3 billion, representing a 13% increase in total education spending over the amount budgeted in the province’s November 2021 fall economic statement.

Of that amount, as Table 1 shows, this plan allocates $1.7 billion to staffing costs, mostly to hire more staff but also to increase the wages of early childhood educators; it adds $250 million to existing funding for the Learning Opportunities Grant pending a review of the school funding formula; and it budgets $2.3 billion a year to stop the deterioration of school buildings and
facilities by eliminating the school repair backlog over 10 years. Measures to fund these improvements are discussed in the next section.
Most people in Ontario today would agree that COVID-19 has had an impact, and mostly a negative impact, on children’s education. Few would disagree that higher-income households have had more options when it comes to reducing those negative effects.

In the same vein, the benefits of quality education are widely recognized. For individual children, school opens doors to new worlds and new chances to be all that they can be. For society as a whole, school gives tomorrow’s workers the insight, skills, and creativity they will need to help us face the challenges of a future that grows more complex every day.

Finally, education is the foundation of a productive, prosperous economy. The more we are able to provide quality education to all children—not just some of them—the better off we will all be. Public education is an investment that always pays off.

Shoring up education spending should be a top priority for any provincial government, especially during this chaotic time. By failing to do so, Queen’s Park is pushing parents—those who can afford it—to increasingly turn to private options. At the same time, the province is failing to support those parents who cannot afford those options when all their income is already going to rent, food and clothing. Underfunding education undermines the public
system and widens the gap between haves and have-nots. It is biased public policy and if it continues, its unfortunate impacts will be felt for decades.

Ontario can afford to do much, much better.

Doing better starts with recognizing that Ontario is a rich province in a rich country. In 2019, prior to the pandemic, Ontario’s real Gross Domestic Product (GDP) per capita—a standard measure of general prosperity—hit a record level. In income terms, we were richer than ever in 2019, on average, than we had ever been before.

What this means is that everything that Ontarians have built together in the past—from medicare to the community college system to the 400-series highways—was built at a time when we had less income, as a province, than we do now. COVID-19 or not, Ontario’s strong and diverse economy has the capacity to make significant new investments in the public school system and the well-being of our two million school children.

The pandemic has had a surprisingly muted impact on provincial government revenues. While Ontario’s economy contracted sharply in 2020, massive federal spending to support individuals and businesses resulted in provincial revenues going up, not down. Despite pandemic lockdowns, combined revenues from Personal Income Tax (PIT) and Corporate Income

---

**Figure 2** GDP per capita, Ontario, chained (2012) dollars

Source: Statistics Canada, Consumer Price Index, Table 18-10-0004-01; Statistics Canada, Gross domestic product, expenditure-based, provincial and territorial, Table 36-10-0222-01; author’s calculations.
Tax (CIT) actually rose by $5 billion from 2019–20 to 2020–21. While the province initially projected a budget deficit of $38.5 billion for 2020–21, the actual number ended up at $16.4 billion. The provincial debt-to-GDP ratio, projected to hit 48.4% at the time of the March 2021 budget, had fallen to 43.4% by the time of the fall economic statement in November. Ontario’s anticipated new debt, as a result of the pandemic, had fallen dramatically in the space of eight months.

In its latest update, the province estimated nominal GDP growth at 9% for 2021 and 6.6% for 2022, while the average interest rate on provincial debt had fallen to 3% since the beginning of the pandemic. The combination of a growing economy and rock-bottom interest rates mean the provincial budget picture will continue to improve. In terms of provincial revenues, the pandemic recovery is well underway.

The same cannot be said of real program spending, which remains weak. When it comes to programs, Ontario is a low-spending province—the lowest, in fact. A report from the Financial Accountability Office (FAO) found that, in 2017, overall program spending in Ontario averaged roughly $2,000 per person, per year less than the average of the other provinces. To put that in perspective, with Ontario’s population fast approaching 15 million, provincial program spending would have to rise by $30 billion a year to bring the province up to the national average. That would represent a 17% increase above the spending plan for the 2021–22 fiscal year.

There is no evidence that Ontario’s low rate of program spending has improved since 2017. Indeed, the FAO’s 2021 analysis of the province’s economic recovery plan estimated that Queen’s Park aims to reduce per capita program spending by an additional $1,281 per year (in 2020 dollars) by 2029–30. While the spending plan calls for slight overall funding increases in dollar terms, these increases become real per capita cuts when inflation, population growth, and the health care needs of an aging population are taken into account.

To date, the evidence suggests the province is working hard not to spend money on programs, even money it has already committed to spending. According to the FAO, the government spent $4.3 billion less than budgeted in the first six months of the 2021–22 fiscal year. Other funds that were already budgeted may not be spent either: in its November 2021 fall update, the government allocated at least $3.5 billion more to the “other” program spending category than was needed to maintain existing programs in that category. “The Other Programs Sector includes fiscal flexibility that may be reallocated across government programs to navigate risks that may arise over
the medium term,” the finance ministry said. This is peculiar budgeting, to say the least: traditionally, funding set aside for contingencies is identified as such, either as a specific contingency fund or as reserves.

On the revenue side, tax cuts and tax credits brought in by three different finance ministers in the past three years have reduced provincial revenues by an amount in excess of $5 billion a year. In addition, further tax cuts may be on the horizon. In the 2018 provincial election, the current premier campaigned on a promise to reduce personal income taxes at a cost to the provincial treasury of $2.3 billion in the first year. The premier also vowed to reduce the Corporate Income Tax (CIT) rate from 11.5% to 10.5%, a move which would cost the government approximately $1.5 billion if applied to the upcoming budget year.

Tax cuts must be paid for, of course, and given its long-term budget plans, available evidence indicates the government intends to pay for them with real per capita cuts to public services, including education.

Part of the reason for this approach appears to be the political viewpoint that individuals are better placed to spend their money than governments. “The worst place you can give your money is to the government,” the premier said in October 2021. This may be true when it comes to buying shoes, but when it comes to paying for schools it is nonsensical. Public education is a social good and a social endeavour that falls squarely under provincial jurisdiction. The province needs to fund it, and fund it properly. The way to do that is to raise revenues through the tax system.

The current government’s track record, and its campaign promises, are based on reducing revenues available to fund public services. When it comes to public education, such an approach hurts the long-term productivity of Ontario’s economy, increases inequality across socio-economic groups, and robs two million children of opportunities whose absence may be felt for a lifetime.
Finding the money for better public education

As discussed earlier, the problem of inequality in education quality flows from differences in socio-economic status. These differences have grown markedly worse over time.

In 2019 dollars, the after-tax income gap between economic families in Ontario in the top 10% of the economic distribution and those in the bottom 30% remained relatively stable from the mid-1970s to the mid-1990s, then shot up dramatically from 1996 to 2000, and continued on an upward trend afterward. The gap was $136,733 in 1976 and had grown to $203,733 in 2019—an increase of 49% in real terms.

The rapid growth in after-tax income inequality that happened in the late-1990s coincided with the election in 1995 of the PC government led by Mike Harris. Harris’ Common Sense Revolution promised a 30% cut to income taxes over three years, which his government delivered. By the time of the 2000 provincial budget, the government had made a total of 99 tax cuts, many of which directly favoured higher-income earners. While subsequent governments have tinkered with taxes, making small adjustments here and there, Ontario’s essential tax framework remains the one devised by Harris and his first finance minister, Ernie Eves. This framework is one that heightens
income inequality and collects too little revenue to fund the public services that Ontarians need and expect.

If there is great wealth in Ontario—and there is—it is because decades of public investment have made it possible. Those who have benefited most from this investment have the greatest responsibility to repay it, for the good of all Ontarians and their children.

Enhancing equity by revamping Ontario’s income tax regime is a fundamental step in funding public services to the standard that Ontarians expect.

**Revenue measures**

As noted earlier, the current government has reduced its own revenues significantly by introducing a score of tax reductions and tax credits since 2018. In the midst of a pandemic, it is difficult to evaluate these measures, but some stand out as poorly designed attempts to achieve key policy objectives:
• The 2018 elimination of Ontario’s cap-and-trade regime cost the province over $1.9 billion in revenues in 2021, according to the FAO, and also eliminated 227 emissions-reducing projects, including some involving schools. The government’s “Made in Ontario Environment Plan,” which replaced the cap-and-trade system, will go just 19% of the way toward meeting the province’s emissions-reduction targets by 2030, the auditor general has reported.

• The introduction in 2019 of the Low-Income Individuals and Families Tax (LIFT) credit is costing the treasury $430 million annually. When created, it provided an estimated $409 annual tax reduction to one million Ontarians earning less than $38,500 a year. The LIFT credit was enacted by the government in lieu of increasing the minimum wage from $14 an hour to $15, which the previous government had committed to do on Jan. 1, 2019. That change, if it had occurred, would have earned an average of $810 annually for 1.3 million workers, the FAO estimated. The three-year delay in increasing the minimum wage, which the government raised to $15 an hour effective Jan. 1, 2022, cost the average minimum-wage worker $3,170, according to calculations by the Canadian Centre for Policy Alternatives.

• Creation of the Child Care Access and Relief from Expenses (CARE) tax credit in 2019—a cash payment to parents with children in child care—cost the treasury $488 million in 2019–20 and $303 million in 2020–21 (the first full year of the pandemic) but is doing little to help mothers enter the workforce, according to the Financial Accountability Office. In 2019, the FAO calculated that families in the bottom quarter of the income distribution—those with the greatest need—would receive only 3% of the total amount disbursed through the credit. Child care advocates have called tax credits “band-aid solutions” and have repeatedly called for governments to invest child care dollars directly into creating more spaces, reducing fees, and improving the pay of child-care workers.

Many of the tax cuts introduced by Queen’s Park have reduced annual taxes for business, for example, by reducing property taxes for employers ($385 million), eliminating the Employer Health Tax (EHT) for businesses with payroll below $1 million ($360 million), and reducing the small business tax rate ($95 million). There is no way to know, at this stage, to what extent these changes have accomplished—or not accomplished—their primary goal.
of supporting and creating jobs. The effectiveness of these and other tax changes, like the $70 million “staycation” tax credit announced in November 2021, should be reviewed in comparison to other policy options, for example, increased funding for health care or benefits to social assistance recipients.

Reviewing and undoing some, or all, of the government’s recent tax changes would free up hundreds of millions of dollars for other priorities, including public education. Not proceeding with cuts to personal income taxes and corporate income taxes that were promised in the 2018 election campaign would keep at least $3.8 billion available for public services.

---

**Increasing the progressivity of the personal income tax system**

When it comes to raising revenue to fund public services, the Ontario government has many options, but one very straightforward option is to increase the Personal Income Tax (PIT) rate in a way that makes the overall system more progressive and increases taxes for those who are most able to pay.

The proposals detailed in Table 2 would leave current PIT rates unchanged for Ontarians in the bottom three deciles (i.e., the bottom 30%) of the income distribution and increase annual income taxes paid by those in the fourth, fifth, and sixth deciles by a modest average of $20, $50, and $110 respectively. Above that income level, the increases reach an average of $1,300 in the ninth decile before rising substantially to an average of $6,500 to those in the top 1% of the income distribution—those earning $435,294 yearly and above.

In terms of tax brackets, the tax rate on the first $45,142 of taxable income remains unchanged. The rate increases from 9.15% to 9.55% on the next $45,145, from 11.16% to 13.11% on the next $59,713, from 12.16% to 12.8% on the next $70,000, and from 13.16% to 13.5% on income over $220,000. Surtax rates are unchanged and applied as usual.

With these changes, two-thirds of the overall increase in taxes is paid by those in the highest-earning 10% of Ontarians. One-sixth of the overall increase is paid by those in the top 1%.

Taken together, these changes would raise an estimated $2.6 billion to fund improvements to education for all. Paying for the plan outlined in Table 1 will require an additional $1.7 billion in annual funding. Some of that funding would come from a review of recent tax reductions and tax
Given that in-class instruction is central to quality education, increased revenue to put Ontario’s schools in a state of good repair must be a central part of any plan to help Ontario students get their education back on track.

Spending on school repairs is capital spending, and capital spending is largely funded through the provincial infrastructure budget. That budget, which funds important projects, from highways to hospitals, has grown substantially since the Great Recession of 2008–09. Net infrastructure spending by the government is budgeted to reach $17.2 billion in the 2021–22 fiscal year and remain above $17 billion in the following two years.

While many sectors need infrastructure funding, the province must review its priorities in this area. Certain projects, such as the proposed Highway 413, which has been called “a $6 billion sprawl accelerator,” should be shelved. Building infrastructure for yesterday’s vision of Ontario should not take precedence over the needs of tomorrow’s workers, who are in school today.

### Table 2

<table>
<thead>
<tr>
<th>Income decile</th>
<th>Total family taxable income</th>
<th>Tax contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>$8,320–$21,615</td>
<td>$0</td>
</tr>
<tr>
<td>20%</td>
<td>$21,616–$34,776</td>
<td>$0</td>
</tr>
<tr>
<td>30%</td>
<td>$34,777–$47,694</td>
<td>$0</td>
</tr>
<tr>
<td>40%</td>
<td>$47,695–$61,266</td>
<td>$20</td>
</tr>
<tr>
<td>50%</td>
<td>$61,267–$79,395</td>
<td>$50</td>
</tr>
<tr>
<td>60%</td>
<td>$79,396–$100,284</td>
<td>$110</td>
</tr>
<tr>
<td>70%</td>
<td>$100,285–$130,137</td>
<td>$350</td>
</tr>
<tr>
<td>80%</td>
<td>$130,138–$183,916</td>
<td>$730</td>
</tr>
<tr>
<td>90%</td>
<td>$183,917–$233,250</td>
<td>$1,300</td>
</tr>
<tr>
<td>95%</td>
<td>$233,251–$435,293</td>
<td>$2,900</td>
</tr>
<tr>
<td>99%</td>
<td>$435,294 and higher</td>
<td>$6,500</td>
</tr>
</tbody>
</table>

Source: SPSDM 28.1; author’s assumptions and calculations.
As of November 2021, the Ontario construction sector employed approximately 19,000 fewer workers than it had just prior to the pandemic. Putting those workers to work fixing our schools should be a top government priority as part of the “Build Ontario” plan detailed in its 2021 fall update.
Catching up together

IN THE LAST four decades, economies around the world have gone through a revolution, as business leaders and like-minded politicians have pushed market solutions to virtually every policy problem. These market solutions have created a global economy that is characterized by greatly expanded economic growth and rapidly increasing inequality in terms of income and wealth. Here in Ontario, the COVID-19 pandemic has shone a spotlight on that inequality in all areas of daily life, not least when it comes to education. School closures and online learning have been a challenge for all students, but the children of prosperous parents have been able to access resources and supports that are unavailable to the children of lower-income parents.

The result has been costly. Socio-economic status has been a major influence on learning outcomes for students at all levels. For example, based on research presented in this report, students in the lowest-income quintile have lost an additional half-year of schooling compared to their peers in the highest-income quintile.

This is a pressing public policy issue.

There is no market-based solution to the problem of educational inequality. After the disruptions of COVID-19, Ontario’s public school system offers the only feasible route to getting learning back on track for all two million public school students.
Fortunately, we can afford it. Immediately prior to the pandemic, Ontario was richer than ever. Our prosperous economy has been built on generations of public investment, and the prosperous economy of tomorrow will be as well.

In that regard, no investment is more important than investing in our children—all of our children. As the pandemic recedes, and we hope it will do so soon, all Ontario students will be playing catch-up. Catching up together requires a collective, public solution that allows all students to achieve their potential.
Notes


2 Ontario is one of the provinces in Canada which performed above the OECD average in mathematics, science and reading in the OECD’s Programme for International Student Assessment (PISA) 2018. See O’Grady, Kathryn et al. “Measuring up: Canadian Results of the OECD PISA 2018 Study.” Council of Ministers of Education, Canada, 2019; In the 2019 Pan-Canadian Assessment (PCAP) program, conducted by the Council of Ministers of Education, Canada (CMEC), Ontario students achieved the highest average scores in the country; in science, the students’ province scored the highest together with Alberta and Prince Edward Island. See Council of Ministers of Education, Canada. “Provinces Release the Latest Results on the Performance of Grade 8 Students in Math, Reading, and Science,” October 12, 2021.

3 Pandemic restrictions have exacerbated issues, supressing demand for assessment tests. While even pre-pandemic, the public system wasn’t equipped to deal with demand, now both the waitlists of public and private systems can be years long. See McGinn, Dave, and Caroline Alphonso. “Wait-List for Learning Assessments Balloons during the Pandemic.” The Globe and Mail, September 12, 2021.


9 Ibid, p.4.


12 Note this doesn't include all forms of knowledge and skills. A child growing up on a farm is likely to know more about nature than a child growing up in downtown Toronto, regardless of income. A racialized or immigrant child is likely to develop a better sense of social location than a non-racialized child, regardless of income. Understanding the importance of the environment and being self-aware are invaluable traits. That said, academic-related content and skills matter a great deal, as they are evaluated, written down in report cards, and serve as a passport to academic and professional opportunities.


32 See reference notes 2 and 3 above.


43 Tranjan, “Should Ontarians Settle for Six Thousand Fewer Teachers?”


45 The Ministry of Education’s Technical Paper defines classroom consultants as “teacher consultants and co-ordinators, such as reading specialists and program specialists, who assist teachers in developing classroom programming or who work with individual students.”


Stewart, Bonnie. “‘Hybrid learning’ in Ontario schools will rob children of quality education.” The Conversation, August 16, 2021.


Legislative Assembly of Ontario, Committee Transcripts, June 8 2021.


Author’s calculations based on Ontario Ministry of Finance. “Table 1: Ontario Gross Domestic Product (Income-Based), Quarterly Data,” 2020.

Government revenues are tied to GDP growth; government debt is tied to interest rates. Typically, when the nominal (i.e., not adjusted for inflation) growth rate of the economy exceeds the interest rate on the debt, the government’s overall financial picture (as represented by the debt-to-GDP ratio) can improve even when the government has a budget deficit.

For context, the provincial budget estimates revenues for the 2021–22 fiscal year at $169 billion and expenditures, including program spending and interest on debt, at $189 billion. See Ontario Ministry of Finance. “2021 Ontario Economic Outlook.”


Robinson, Randy. “As revenues boom, Queen’s Park tightens the screws.” The Monitor, November 16, 2021.


“Other” program ministries include Transportation; Energy, Northern Development and Mines; Finance; Treasury Board Secretariat; Municipal Affairs and Housing; Government and Consumer Services; Heritage, Sport, Tourism and Culture Industries; Labour, Training and Skills Development; Agriculture, Food and Rural Affairs; Infrastructure; Economic Development, Job Creation and Trade; Environment, Conservation and Parks; Natural Resources and Forestry; Board of Internal Economy; Seniors and Accessibility; Indigenous Affairs; Executive Offices; and Francophone Affairs as well as Ontario Teachers’ Pension Plan. Source: FAO.


In 2019, the FAO’s assessment of the province’s fall economic statement estimated the government was planning $2.3 billion in tax cuts beginning in 2021–22, with the total growing to $3.8 billion by 2023–24, see Financial Accountability Office of Ontario. “Economic and Budget Outlook: Assessing Ontario’s Medium-Term Budget Plan,” 2019.


Statistics Canada. Table 14-10-0355-01.