



# Stephanie Bowman, MPP

Don Valley West

March 21, 2024

Hon. Peter Bethlenfalvy, MPP  
Minister of Finance  
Frost Building South, 7th Floor  
7 Queen's Park Cres, Toronto, ON  
(Sent via email: [minister.fin@ontario.ca](mailto:minister.fin@ontario.ca).)

## **RE: Our Liberal caucus' concerns about the upcoming budget**

Dear Minister,

On behalf of the Ontario Liberal caucus, I write today to outline our concerns as you prepare to present the 2024-25 Ontario budget. Ontario is in crisis. The Standing Committee on Finance and Economic Affairs heard this message over and over again in every corner of the province during Pre-Budget Consultations. From emergency departments to housing, from colleges and universities to those who run school lunch programs, from Northern roads to community service organizations, “crisis” was an ever-present theme. In fact, the word was used over 400 times.

Contrary to your government’s taxpayer-funded advertising blitz, under this government’s administration, Ontario’s economy is struggling. The Financial Accountability Officer (FAO) reports, “Ontario’s economic growth (as measured by growth in real GDP) slowed sharply to 1.2 per cent in 2023 and is projected to slow further to 0.7 per cent in 2024.”<sup>[1]</sup> Furthermore, measures of productivity show a real decline in GDP per capita, indicating that the average household is worse-off now than just a couple years ago<sup>[2]</sup>. These trends point to a worsening economy and the people of Ontario are feeling the pain.

At the same time, the FAO characterizes the growing budget deficits under the Ford Conservative government as a “significant deterioration” and a “significant downward revision” to your government’s earlier projections, concluding: “Ontario’s budget deficit is expected to widen to \$6.2 billion in 2024-25.”<sup>[3]</sup> Your government added over \$93 billion to Ontario’s debt in the last six years – about 15 per cent more than under the final six years of the Ontario Liberal government – and your government is on track to add another \$14 billion in debt by 2025-26.<sup>[4]</sup>

**Never has a government spent more to achieve less.**

The FAO is also projecting increased unemployment in Ontario, forecasting an almost 7 percent unemployment rate in 2024.<sup>[5]</sup>

Finally, in this Conservative government’s Ontario, business confidence is at an historic low for the second year in a row. According to the 2024 Ontario Economic Report

published by the Ontario Chamber of Commerce, only 13 percent of businesses are confident in Ontario's economic outlook, down from 16 per cent last year and 29 per cent two years ago.<sup>[6]</sup>

These negative trends are mirrored in the institutions that Ontario families rely on, and that your government has been entrusted to run. We face an unprecedented crisis in our hospitals.<sup>[7]</sup> Our schools are crumbling.<sup>[8]</sup> Social service agencies are understaffed and overwhelmed. Ontario is headed not just for an economic slow down, but possibly a social crisis.

The pre-budget consultations saw organizations, communities and individuals crying out for support and hinting at the loosening bonds that bind us together as a province. Food bank use is up, there is less shelter space for the homeless, cities and towns are overwhelmed with people experiencing drug overdoses, and people feel less safe walking the streets. While Ontario families are increasingly worried about their ability to cope today, they also feel less hope for a better life ahead. Housing starts have slowed across the province, putting the dream of owning a home at risk,<sup>[9]</sup> and driving young people out of the province in record numbers. And your government seems unwilling to utter the phrase "climate change", let alone do anything to address it.

The people of Ontario need their government to immediately work to address these crises. Without dramatically different action in the upcoming budget, the people of Ontario will risk facing longer wait times to get medical care, worse education outcomes and a declining quality of life.

Below we have outlined just a few practical steps that the government can take to reverse these negative trends and put Ontario back on track:

#### 1. Help people who are struggling to make ends meet:

- Provide immediate financial relief for Ontario families by returning the provincial portion of the HST related to home heating.
- Eliminate the provincial portion of interest on OSAP loans.
- Implement the Housing Affordability Task Force's (HATF) recommendation to allow up to four residential units and up to four stories to be built as-of-right provincewide on any parcel of urban land that is zoned as "residential, as outlined recently in MPP Shamji's bill, the *BUILD Ontario Act, 2024*.
- Double the funding with an additional \$28.1 million annually, to the Ontario Student Nutrition Program, which will serve over 761,000 meals to students in the province each day.
- Expand the Ontario Child Benefit by \$50 per month per child for the most vulnerable families.

#### 2. Build healthy communities:

- Develop and fully fund a multi-year health human-resource strategy that places a priority on retention while comprehensively addressing the needs of healthcare workers and family doctors.

- Address wage disparities across home care, community care and long-term care.
- Support essential community services by immediately increasing their base funding by 5 percent.
- Provide a non-refundable tax credit to families for children's after-school and recreational activities, such as the one introduced by MPP Stephen Blais in the *PLAY Act, 2024*.
- Increase funding to better support francophone organizations, such as the Mouvement d'implication francophone d'Orléans and the Programme d'appui à la francophonie ontarienne

### 3. Drive broad economic growth through innovation:

- Ensure long-term economic growth by redirecting the \$3 billion slated for the Ontario Infrastructure Bank from being used to privatize essential public infrastructure to a program that will provide funding for and utilize public procurement tools to nurture businesses in emerging high-growth fields such as the green economy; advanced manufacturing, robotics and artificial intelligence; biotechnology and pharmaceuticals; and fintech and digital payments.
- Expand the eligibility criteria for the Ontario Made Manufacturing Investment Tax Credit to include those who have a strong local footprint, but some level of foreign ownership, as recommended by Canadian Manufacturers & Exporters.
- Support small businesses to be more productive by providing tax relief to adopt new technologies around accounting, payroll, staff scheduling, customer relationship management systems and payment services.
- Invest \$20 million to extend the Digital Mainstreet program for at least one year to help small businesses expand their digital footprint and customer base.
- Revisit your approach to the rollout of the Canada-Wide Early Learning and Child Care system to get more children in the program and allow parents to return to work.
- Invest at least an additional \$1.2 billion over the next three years in the post-secondary education sector, based on the recommendation presented by your own government's Blue-Ribbon Panel on Post-Secondary Financial Sustainability. Expand teacher training programs to address the shortage of teachers in Ontario's French-language education system.

Despite record spending by this provincial government, we see record numbers of people in Ontario struggling. We see our society struggling. We see the economy struggling. The 2024-25 Budget is an opportunity to take meaningful action to address the real crises that Ontario and our families are facing. Let's not miss the moment.

Sincerely,

Stephanie Bowman, FCPA, FCA  
Finance Critic, Ontario Liberal Party  
MPP, Don Valley West

cc Hon. Caroline Mulronev MPP  
President of the Treasury Board

[1] Financial Accountability Office of Ontario (FAO). "Economic and Budget Outlook, Winter 2024." Financial Accountability Office of Ontario (FAO), [fao-on.org/en/Blog/Publications/EBO-WI2024](https://fao-on.org/en/Blog/Publications/EBO-WI2024).

[2] Ontario Chamber of Commerce. "8th Annual Ontario Economic Report." Ontario Chamber of Commerce, 2024, [occ.ca/wp-content/uploads/2024-Ontario-Economic-Report-1.pdf](https://occ.ca/wp-content/uploads/2024-Ontario-Economic-Report-1.pdf)

[3] Ibid.

[4] Ontario Budget 2023, <https://budget.ontario.ca/2023/chapter-4.html#section-6>

[5] "The annual unemployment rate inched up to 5.7 per cent in 2023, slightly higher than the pre-pandemic rate...In 2024, employment growth is projected to slow to 0.4 percent and the annual unemployment rate is projected to increase to 6.8 per cent" (Ibid, p. 6).

[6] Ontario Chamber of Commerce. "8th Annual Ontario Economic Report." Ontario Chamber of Commerce, 2024, [occ.ca/wp-content/uploads/2024-Ontario-Economic-Report-1.pdf](https://occ.ca/wp-content/uploads/2024-Ontario-Economic-Report-1.pdf)

[7] Hospital Staffing Crisis Reaching 'Breaking Point' in Ontario, Union Says." *CBC*, 4 Jan 2024, [www.cbc.ca/news/canada/toronto/healthcare-staff-union-survey-1.7073334](https://www.cbc.ca/news/canada/toronto/healthcare-staff-union-survey-1.7073334)

[8] Kafeel, Haaris. "Underfunded Toronto Schools Are Falling Into Disrepair." *The Maple*, 27 July 2023, [www.readthemaple.com/underfunded-toronto-schools-are-falling-into-disrepair](https://www.readthemaple.com/underfunded-toronto-schools-are-falling-into-disrepair)

[9] "Report Shows Province Not on Track to Meet Target of 1.5 Million New Homes by 2031." *The Pointer*, 16 Feb. 2024, [thepointer.com/article/2024-02-16/report-shows-province-not-on-track-to-meet-target-of-1-5-million-new-homes-by-2031#:~:text=However%2C%20starts%20have%20slipped%20since,the%20GTHA%2C%20but%20compared%20to.](https://thepointer.com/article/2024-02-16/report-shows-province-not-on-track-to-meet-target-of-1-5-million-new-homes-by-2031#:~:text=However%2C%20starts%20have%20slipped%20since,the%20GTHA%2C%20but%20compared%20to.)