



# Expenditure Monitor 2020-21: Q4

Briefing Deck



# Purpose and Structure

- This report provides information on unaudited spending by the Province through the end of the 2020-21 fiscal year (March 31, 2021), including:
  - changes to the 2020-21 spending plan;
  - unaudited spending results compared to planned spending;
  - an updated budget deficit projection for 2020-21; and
  - top-ups to, and transfers from, the Province's three unallocated funds: the COVID-19 Health Sector Response Fund (Health Fund), the Support for People and Jobs Fund (SPJF) and the Contingency Fund.



# Changes to the 2020-21 Spending Plan

- During the year, the Province's spending plan increased by \$22.1 billion, or 13.4 per cent, from \$165.2 billion to \$187.3 billion:
  - **'Other programs'** received \$12.4 billion (50.2 per cent budget increase);
  - **Health** received \$8.4 billion (13.6 per cent budget increase);
  - **Education** received \$2.6 billion (8.2 per cent budget increase).
- \$7.5 billion of the overall \$22.1 billion spending plan increase was added in the fourth quarter:
  - **'Other programs'** received \$5.7 billion (18.3 per cent budget increase);
  - **Health** received \$1.4 billion (2.0 per cent budget increase);
  - **Education** received \$1.6 billion (4.9 per cent budget increase).



# Spending Plan Changes by Quarter

Sector	2020-21 Spending Plan	Q1 Changes	Q2 Changes	Q3 Changes	Q4 Changes	Total Changes	Revised 2020-21 Spending Plan
Health	61,753	2,083	413	4,533	1,377	8,406	70,159
Education	31,358	-	5	994	1,580	2,580	33,937
Postsecondary Education	6,984	-	2	-10	-142	-150	6,834
Children's and Social Services	17,944	158	49	19	11	237	18,181
Justice	4,948	-	25	23	189	237	5,186
Other Programs	24,734	1,010	4,098	1,556	5,744	12,409	37,144
Unallocated Funds:							
COVID-19 Health Sector Response Fund	1,823	-1,505	4,147	-4,237	-229	-1,823	-
Support for People and Jobs Fund	1,966	-629	1,699	-1,330	-1,706	-1,966	-
Contingency Fund	1,300	-359	3,340	-1,549	703	2,136	3,436
Interest on Debt	12,407	-	-	-	-	-	12,407
<b>Total</b>	<b>165,217</b>	<b>759</b>	<b>13,780</b>	<b>-</b>	<b>7,528</b>	<b>22,067</b>	<b>187,283</b>

Note: Figures exclude planned spending on some assets and \$9.1 billion in additional planned spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices. The second quarter adjustments in the 'other programs' sector and the Support for People and Jobs Fund have been revised based on updated information.

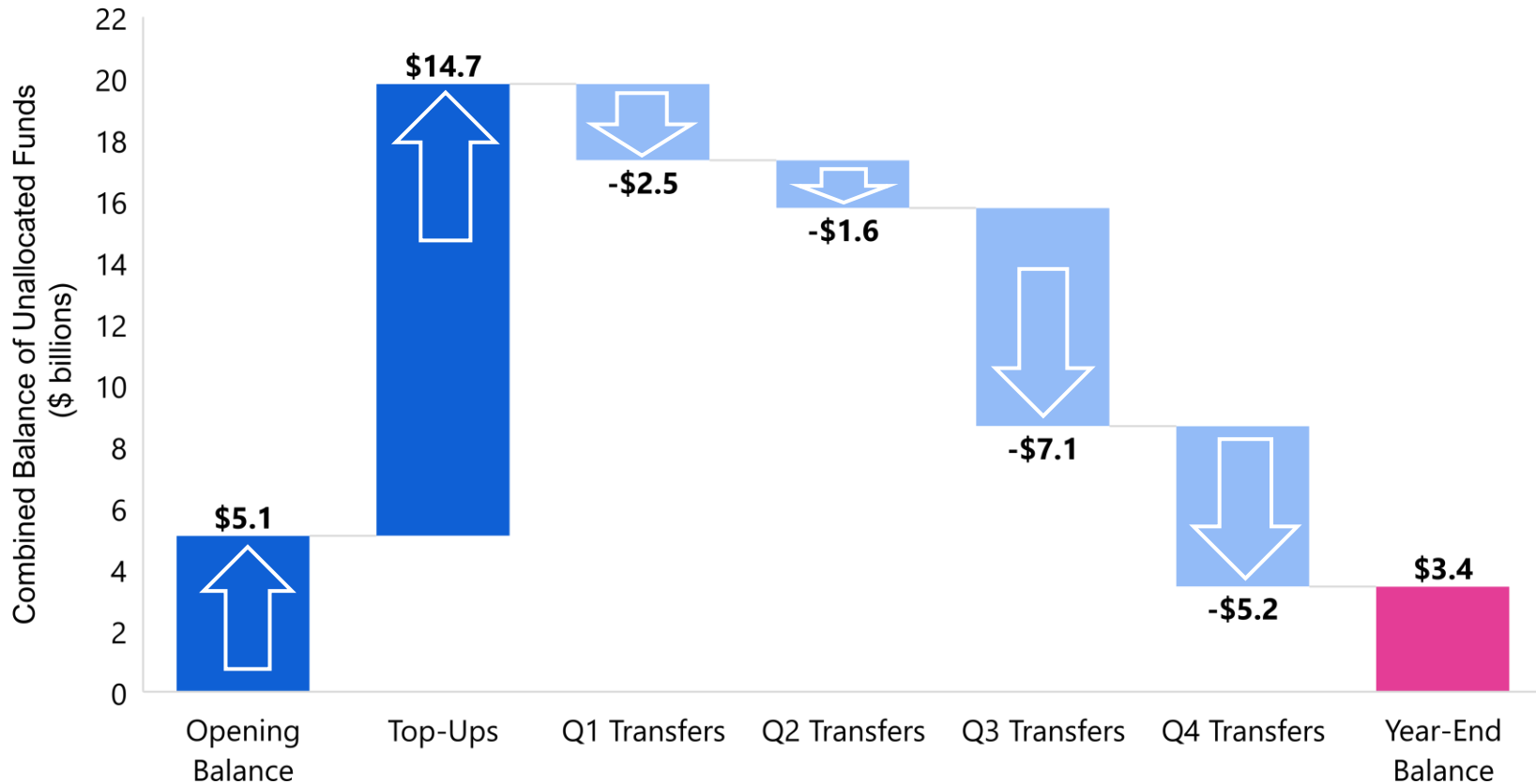
Source: FAO analysis of the 2020-21 Expenditure Estimates, the Supplementary Estimates, 2020-21 and information provided by Treasury Board Secretariat.

# Highlights of Q4 Spending Plan Changes

- Key fourth quarter spending plan increases:
  - **\$3,400 million** for the Ontario Small Business Support Grant.
  - **\$1,902 million** for the operation of hospitals.
  - **\$1,736 million** largely for phase two of the Safe Return to Class Fund and the Ontario COVID-19 Child Benefit program.
  - **\$626 million** for public transit infrastructure investments.
  - **\$500 million** for municipal operations.



# Status of Unallocated Funds in 2020-21



Note: "Unallocated Funds" represents the combined balance of the Health Fund, SPJF and the Contingency Fund.

Source: FAO analysis of the 2020-21 Expenditure Estimates, the Supplementary Estimates, 2020-21 and information provided by Treasury Board Secretariat.



# Unaudited Spending vs. Planned Spending

- By the end of 2020-21, unaudited spending was \$177.0 billion.
  - This was \$10.3 billion, or 5.5 per cent, less than planned.
- All sectors spent less than planned, including:
  - **'Other programs'** – \$3.7 billion (10.0 per cent) less than planned.
  - **Interest on debt** – \$1.1 billion (9.1 per cent) less than planned.
  - **Health** – \$1.0 billion (1.5 per cent) less than planned.
  - **Children's and Social Services** – \$0.4 billion (2.4 per cent) less than planned.
- There was also a \$3.4 billion end-of-year balance in the **Contingency Fund** that was not spent.



# Unaudited Spending vs. Planned Spending

Sector	Revised 2020-21 Spending Plan	2020-21 Unaudited Spending	Unaudited Spending vs. Revised Spending Plan	Unaudited Spending vs. Revised Spending Plan (%)
Health	70,159	69,131	-1,028	-1.5%
Education	33,937	33,780	-158	-0.5%
Postsecondary Education	6,834	6,563	-271	-4.0%
Children's and Social Services	18,181	17,737	-444	-2.4%
Justice	5,186	5,080	-106	-2.0%
Other Programs	37,144	33,424	-3,719	-10.0%
Unallocated Funds:				
COVID-19 Health Sector Response Fund	-	-	-	N/A
Support for People and Jobs Fund	-	-	-	N/A
Contingency Fund	3,436	-	-3,436	-100%
Interest on Debt	12,407	11,279	-1,128	-9.1%
<b>Total</b>	<b>187,283</b>	<b>176,994</b>	<b>-10,289</b>	<b>-5.5%</b>

Note: Figures exclude spending on some assets and additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Source: FAO analysis of the 2020-21 Expenditure Estimates, the Supplementary Estimates, 2020-21 and information provided by Treasury Board Secretariat.



# Highlights of 2020-21 Below Plan Spending

- Select programs with spending **below plan**:
  - \$1,656 million below plan for infrastructure investments in provincial and municipal public transit.
  - \$390 million below plan for the Property Tax and Energy Costs Rebate Grants program.
  - \$368 million below plan for outbreaks of diseases, Public Health Ontario and other public health programs.
  - \$294 million below plan for Metrolinx operating subsidies.



# 2020-21 Spending vs. 2019-20 Spending

- In 2020-21, the Province spent \$21.3 billion, or 13.7 per cent, more than was spent in 2019-20.
- **'Other programs', health and education** led the year-over-year spending increase:
  - **'Other programs'** spending was up \$9.9 billion (41.9 per cent), which includes the Ontario Small Business Support Grant, Safe Restart Agreement funding for municipal operations and transit, and COVID-19-related energy support programs.
  - **Health** spending was up \$9.3 billion (15.5 per cent), which reflects government spending in response to the COVID-19 pandemic.
  - **Education** spending was up \$2.6 billion (8.2 per cent) due to COVID-19 response measures: direct transfers to families, federal Safe Return to Class funding and provincial school reopening funding.
- **Post-secondary education** spending was down \$333 million (-4.8 per cent) in 2020-21 largely due to lower spending on student financial aid programs.



# 2020-21 Spending vs. 2019-20 Spending

Sector	2019-20 Actual Spending	2020-21 Unaudited Spending	2020-21 vs. 2019-20	2020-21 vs. 2019-20 (%)
Health	59,843	69,131	9,288	15.5%
Education	31,222	33,780	2,558	8.2%
Postsecondary Education	6,897	6,563	-333	-4.8%
Children's and Social Services	17,391	17,737	346	2.0%
Justice	5,137	5,080	-57	-1.1%
Other Programs	23,558	33,424	9,866	41.9%
Interest on Debt	11,610	11,279	-331	-2.9%
<b>Total</b>	<b>155,657</b>	<b>176,994</b>	<b>21,337</b>	<b>13.7%</b>

Source: FAO analysis of the 2020-21 Expenditure Estimates, the Supplementary Estimates, 2020-21 and information provided by Treasury Board Secretariat.



# 2020-21 Budget Deficit Projection

	Province	FAO	Difference
<b>Revenue</b>	<b>151,813</b>	<b>154,479</b>	<b>2,666</b>
<b>Expense</b>			
Direct Spending:			
Health	72,308	69,131	-3,177
Education	33,982	33,780	-202
Postsecondary Education	6,740	6,563	-177
Children's and Social Services	18,033	17,737	-296
Justice	5,204	5,080	-124
Other Programs	36,790	33,424	-3,366
Interest on Debt	11,664	11,279	-385
Other Spending*	5,560	6,796	1,236
<b>Total Expense</b>	<b>190,281</b>	<b>183,790</b>	<b>-6,491</b>
<b>Surplus/(Deficit)</b>	<b>(38,468)</b>	<b>(29,311)</b>	<b>9,157</b>

\* Other Spending represents additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Note: "Province" 2020-21 budget deficit projection is from the 2021 Ontario Budget. "FAO" budget deficit projection is based on the FAO's revenue forecast from the "Economic and Budget Outlook," Spring 2021, the spending recorded in the Province's Integrated Financial Information System (IFIS) as of April 22, 2021, and other estimated spending adjustments.

Source: 2021 Ontario Budget, FAO, "Economic and Budget Outlook," Spring 2021, and information provided by Treasury Board Secretariat.



# Thank you!



# FAO

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