

# Expenditure Monitor 2020-21: Q3

Briefing Deck



# Purpose and Structure

- The report provides information on spending by the Province over the first three quarters of the 2020-21 fiscal year.
  - Identifies changes to the spending plan and tracks 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.
  - Reviews actual spending against both planned spending and actual spending over the same time period in 2019-20.



# Third Quarter Changes to the Spending Plan

- There was no change to the Province's total spending plan in the 3<sup>rd</sup> quarter.
- However, the Province made \$7.1 billion in budget reallocations from its unallocated funds to program sectors in the 3<sup>rd</sup> quarter:
  - **Health** received \$4.5 billion (7.1 per cent budget increase);
  - **Education** received \$1.0 billion (3.2 per cent budget increase); and
  - **'Other programs'** received \$1.6 billion (5.2 per cent budget increase).



# Spending Plan Changes by Quarter

Sector	2020-21 Spending Plan	Q1 Adjustments	Q2 Adjustments	Q3 Adjustments	Total Adjustments	Revised 2020-21 Spending Plan
Health	61,753	2,083	413	4,533	7,029	68,782
Education	31,358	-	5	994	999	32,357
Postsecondary Education	6,984	-	2	-10	-8	6,976
Children's and Social Services	17,944	158	49	19	227	18,170
Justice	4,948	-	25	23	48	4,996
Other Programs	24,734	1,010	4,098	1,556	6,665	31,400
Unallocated Funds:						
COVID-19 Health Sector Response Fund	1,823	-1,505	4,147	-4,237	-1,594	229
Support for People and Jobs Fund	1,966	-629	1,699	-1,330	-259	1,706
Contingency Fund	1,300	-359	3,340	-1,549	1,433	2,733
Interest on Debt	12,407	-	-	-	-	12,407
<b>Total</b>	<b>165,217</b>	<b>759</b>	<b>13,780</b>	<b>-</b>	<b>14,539</b>	<b>179,756</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.

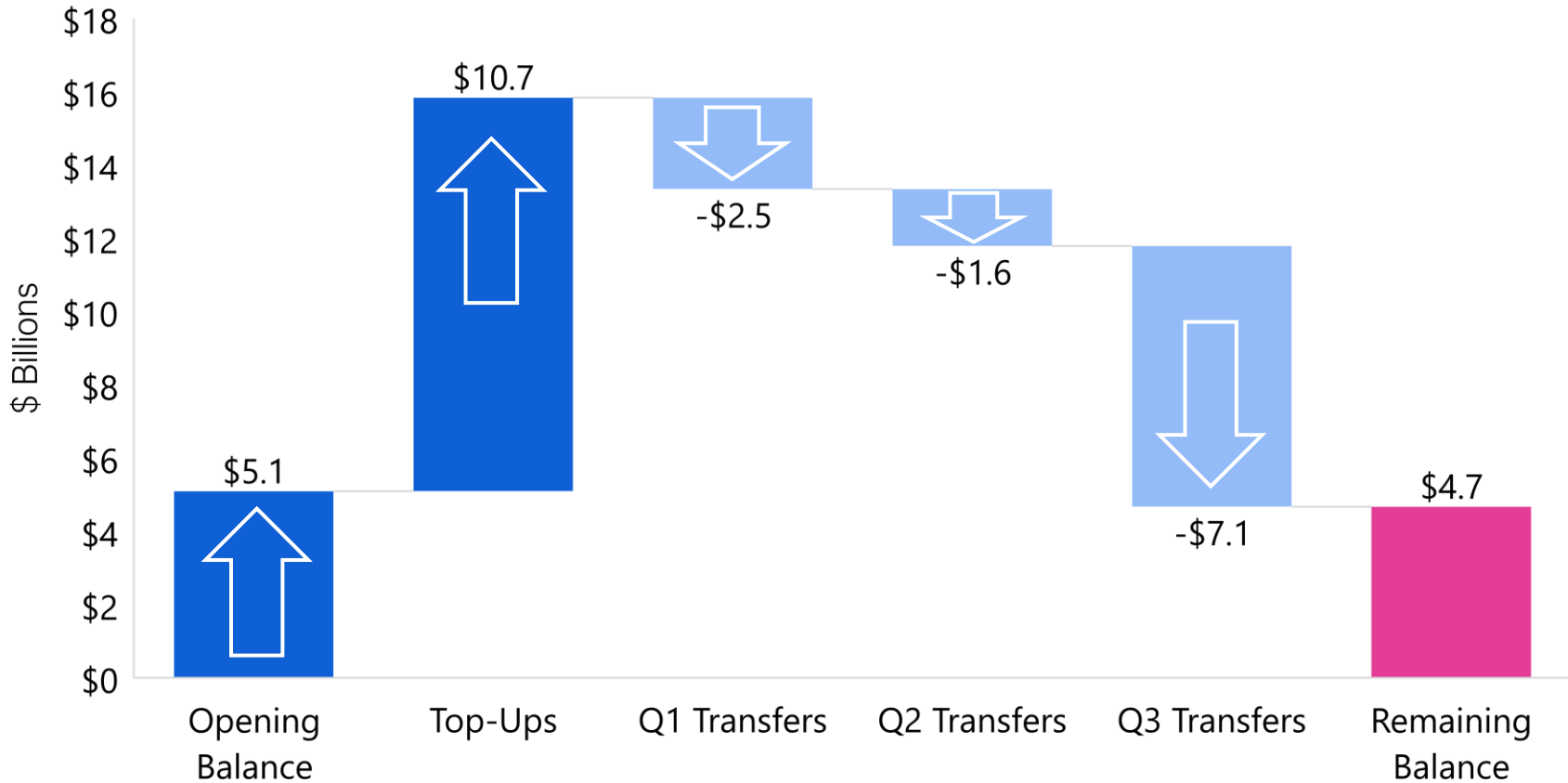
Source: FAO analysis of the 2020-21 Expenditure Estimates, the Supplementary Estimates, 2020-21 and information provided by Treasury Board Secretariat.

# Highlights of Q3 Spending Plan Changes

- Key third quarter spending plan increases:
  - **\$2,430 million** for the operation of hospitals.
  - **\$925 million** for the operation of long-term care homes.
  - **\$600 million** for Metrolinx operating subsidies.
  - **\$600 million** for the Property Tax and Energy Costs Rebate Grants program.
  - **\$381 million** from phase 1 of the Safe Return to Class Fund.
  - **\$380 million** for the Support for Learners program.
  - **\$284 million** for Public Health Ontario.
  - **\$235 million** for child care from the Safe Restart Agreement.



# Remaining Balance in the Unallocated Funds was \$4.7 billion as of December 31



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



# Actual Spending vs. Planned Spending

- The Province spent \$116.7 billion from April 1 to December 31
  - This is \$3.1 billion, or 2.6 per cent, less than planned.
- The **education sector** temporarily spent \$1.5 billion more than planned.
- All other sectors spent less than planned over the first three quarters:
  - **'Other programs'** – \$2.4 billion (12.0 per cent) less than planned.
  - **Interest on debt** – \$0.8 billion (8.7 per cent) less than planned.
  - **Postsecondary education** – \$0.6 billion (11.6 per cent) less than planned.
  - **Health** – \$0.5 billion (1.0 per cent) less than planned.



# Actual Spending vs. Planned Spending

Sector	Revised 2020-21 Spending Plan	Planned Spending at end of Q3	Actual Spending at end of Q3	Actual vs. Planned at end of Q3	Actual vs. Planned (%)
Health	68,782	49,796	49,311	-484	-1.0%
Education	32,357	17,974	19,432	1,458	8.1%
Postsecondary Education	6,976	5,286	4,673	-613	-11.6%
Children's and Social Services	18,170	13,738	13,575	-164	-1.2%
Justice	4,996	3,579	3,484	-95	-2.7%
Other Programs	31,400	20,190	17,776	-2,414	-12.0%
Unallocated Funds:					
COVID-19 Health Sector Response Fund	229	-	-	-	N/A
Support for People and Jobs Fund	1,706	-	-	-	N/A
Contingency Fund	2,733	-	-	-	N/A
Interest on Debt	12,407	9,231	8,430	-801	-8.7%
<b>Total</b>	<b>179,756</b>	<b>119,793</b>	<b>116,681</b>	<b>-3,112</b>	<b>-2.6%</b>

Note: Figures exclude planned spending on some assets and 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.

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



# Highlights of Actual Spending Through Q3

- Select programs with spending **below plan** through three quarters:
  - \$804 million below plan for payments to physicians.
  - \$800 million below plan for provincial and municipal public transit projects.
  - \$592 million below plan for electricity subsidy programs.
  - \$479 million below plan for colleges, universities and student financial aid.
  - \$284 million below plan for public health.
- Select programs with actual spending **above plan** through three quarters:
  - \$429 million above plan for provincial drug programs.
  - \$273 million above plan for hospitals, home care and community services.
  - \$228 million above plan for Ontario government centralized shared services.



# 2020-21 Spending vs. 2019-20 Spending

- In the first three quarters of 2020-21, the Province spent \$10.3 billion, or 9.7 per cent, more than was spent in the same period in 2019-20.
- Most of the year-over-year spending increase occurred in two sectors: **health** and **'other programs'**.
  - **Health** spending was up \$5.6 billion (12.7 per cent), which reflects government spending in response to the COVID-19 pandemic.
  - **'Other programs'** spending was up \$2.7 billion (17.6 per cent), which includes federal-provincial Safe Restart Agreement funding for municipal operations and transit, and Metrolinx operating subsidies.
- **Post-secondary education** spending was \$294 million lower in the first three quarters of 2020-21 compared to 2019-20 due to less spending on student financial aid programs.



# 2020-21 Spending vs. 2019-20 Spending

Sector	2020-21 Spending at end of Q3	2019-20 Spending at end of Q3	2020-21 vs. 2019-20	2020-21 vs. 2019-20 (%)
Health	49,311	43,759	5,552	12.7%
Education	19,432	17,294	2,138	12.4%
Postsecondary Education	4,673	4,967	-294	-5.9%
Children's and Social Services	13,575	13,021	554	4.3%
Justice	3,484	3,513	-29	-0.8%
Other Programs	17,776	15,110	2,666	17.6%
Interest on Debt	8,430	8,748	-318	-3.6%
<b>Total</b>	<b>116,681</b>	<b>106,412</b>	<b>10,269</b>	<b>9.7%</b>

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

# Thank you!



# FAO

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