



Expenditure Monitor 2021-22: Q4

Briefing Deck



FAO
FINANCIAL ACCOUNTABILITY
OFFICE OF ONTARIO

Purpose and Structure

- This report provides information on unaudited spending by the Province through the end of the 2021-22 fiscal year (March 31, 2022). The report:
 - identifies changes to the Province's 2021-22 spending plan;
 - reviews unaudited actual spending in 2021-22 against both planned spending and actual spending in 2020-21;
 - projects the 2021-22 budget deficit; and
 - tracks transfers from and top-ups to the Province's two unallocated funds: the Contingency Fund and the Time-Limited COVID-19 Fund.



Changes to the 2021-22 Spending Plan



Changes to the 2021-22 Spending Plan

- By the end of the fiscal year, the Province **added \$6.8 billion** to the 2021-22 spending plan.
- The largest spending plan increase went to the **health sector** at \$4,110 million, followed closely by the **'other programs' sector** at \$3,766 million.
- For the remaining sectors, the spending plan decreased by a net \$807 million.



Changes to the 2021-22 Spending Plan

Sector	2021-22 Spending Plan	Q1 Changes	Q2 Changes	Q3 Changes	Q4 Changes	Total Changes	Revised 2021-22 Spending Plan
Health	71,184	5	15	118	3,972	4,110	75,294
Education	32,847	6	-	82	-373	-284	32,563
Postsecondary Education	6,987	-	-	12	-301	-289	6,698
Children's and Social Services	18,108	-	1	9	-662	-652	17,457
Justice	5,192	10	1	89	317	417	5,609
Other Programs	29,472	445	209	2,045	1,067	3,766	33,238
Unallocated Funds:							
Contingency Fund	2,080	-474	-235	-99	554	-254	1,826
Time-Limited COVID-19 Fund	-	-	-	1,865	-1,865	-	-
Interest on Debt	12,419	-	-	-	-	-	12,419
Total	178,290	-7	-9	4,122	2,708	6,814	185,104

Note: Figures exclude planned spending on some assets and \$7.8 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 2021-22 Expenditure Estimates and information provided by Treasury Board Secretariat.

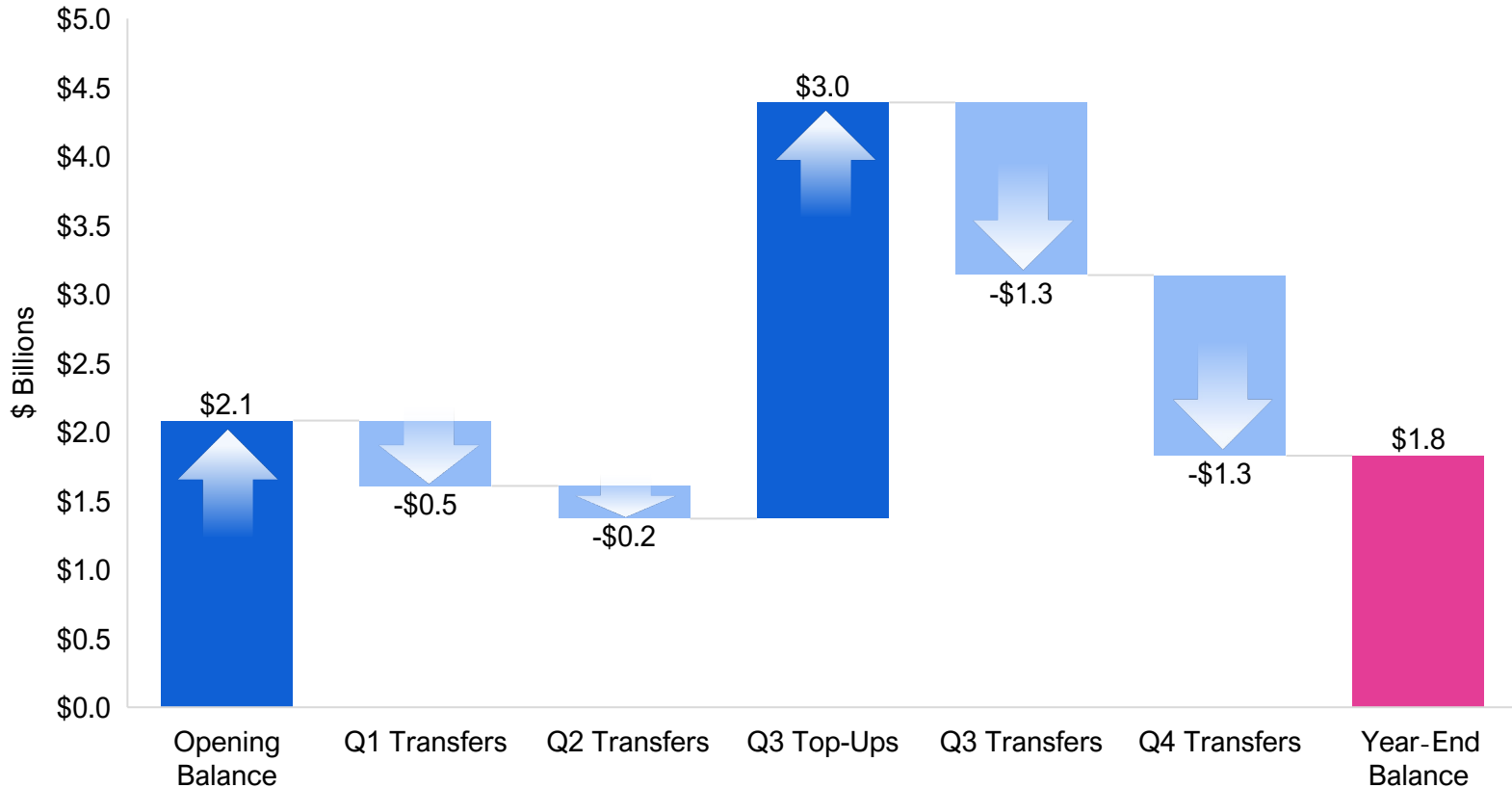
Highlights of Q4 Spending Plan Changes

- Key fourth quarter spending plan increases include:
 - **\$3,081 million increase** for Health Services, which includes the operation of hospitals, community mental health and community support services.
 - **\$489 million increase** for the operation of long-term care homes.
- Key fourth quarter spending plan decreases include:
 - **\$735 million decrease** for Financial and Employment Supports, which includes Ontario Works (OW), Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit Plan (ODB).
 - **\$533 million decrease** for capital grants and infrastructure programs for elementary and secondary schools.
 - **\$303 million decrease** for postsecondary education Student Financial Assistance Programs.



Status of Unallocated Funds

- There was an end-of-year balance of \$1.8 billion.



Source: FAO analysis of information provided by Treasury Board Secretariat.

2021-22 Spending (Unaudited)



Unaudited Spending vs. Planned Spending

- The Province's unaudited spending in 2021-22 was **\$177.9 billion**, which was **\$7.2 billion (3.9%)** less than planned.
 - The \$7.2 billion in net savings is higher than the pre-COVID-19 historical annual average of \$3.8 billion (2.7 per cent) between 2010-11 and 2019-20.
- All sectors spent less than planned, led by **'other programs'** (\$2.4 billion), **health** (\$1.8 billion) and **interest on debt** (\$0.6 billion). Also, an unspent \$1.8 billion end-of-year balance remained in the **Contingency Fund**.
- The \$7.2 billion in net savings will be used to reduce both the budget deficit and Ontario's net debt.



Unaudited Spending vs. Planned Spending

Sector	Revised 2021-22 Spending Plan	2021-22 Unaudited Spending	Unaudited Spending vs. Revised Spending Plan	Unaudited Spending vs. Revised Spending Plan (%)
Health	75,294	73,477	-1,817	-2.4%
Education	32,563	32,439	-124	-0.4%
Postsecondary Education	6,698	6,564	-134	-2.0%
Children's and Social Services	17,457	17,284	-173	-1.0%
Justice	5,609	5,529	-80	-1.4%
Other Programs	33,238	30,833	-2,406	-7.2%
Unallocated Funds:				
Contingency Fund	1,826	-	-1,826	-100.0%
Time-Limited COVID-19 Fund	-	-	-	N/A
Interest on Debt	12,419	11,801	-618	-5.0%
Total	185,104	177,926	-7,178	-3.9%

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 2021-22 Expenditure Estimates and information provided by Treasury Board Secretariat.



Spending Highlights in 2021-22

- Select programs with **lower-than-planned** spending in 2021-22:
 - In the **health** sector, the Province spent:
 - \$1,099 million (42%) less than planned for the \$2.6 billion COVID-19 Response program.
 - In the **‘other programs’** sector, the Province spent:
 - \$1,021 million (18%) less than planned for Metrolinx (capital).
 - \$164 million (43%) less than planned for the property tax component of the Property Tax and Energy Costs Rebate Grants program.



2021-22 Spending vs. 2020-21 Spending

- Compared to 2020-21, unaudited spending in 2021-22 was down **\$0.8 billion** (0.4%).
- Key year-over-year changes by sector include:
 - **Health** spent \$4.3 billion (6.3%) **more**, including higher spending for population and public health programs (\$2.2 billion), payments to physicians (\$1.6 billion), and the operation of long-term care homes (\$0.8 billion) and capital investments (\$0.3 billion).
 - **Education** spent \$0.9 billion (2.7%) **less**, including lower spending on COVID-19-related supports for families through direct grants.
 - **'Other programs'** spent \$4.4 billion (12.5%) **less**, including lower spending on COVID-19-related support for municipalities, municipal transit, and businesses and workers, offset by higher spending on electricity subsidy programs and various infrastructure projects.



2021-22 Spending vs. 2020-21 Spending

Sector	2021-22 Unaudited Spending	2020-21 Actual Spending	2021-22 vs. 2020-21	2021-22 vs. 2020-21 (%)
Health	73,477	69,148	4,329	6.3%
Education	32,439	33,346	-907	-2.7%
Postsecondary Education	6,564	6,563	1	0.0%
Children's and Social Services	17,284	17,730	-446	-2.5%
Justice	5,529	5,358	171	3.2%
Other Programs	30,833	35,254	-4,421	-12.5%
Interest on Debt	11,801	11,305	496	4.4%
Total	177,926	178,703	-777	-0.4%

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 2021-22 Expenditure Estimates and information provided by Treasury Board Secretariat.



2021-22 Budget Deficit Projection



2021-22 Budget Deficit Projection

- Using updated revenue and spending information, the FAO projects the 2021-22 budget deficit will be **\$8.1 billion**.
- This is an improvement of \$5.4 billion compared to the Province's 2021-22 budget deficit projection of \$13.5 billion in the 2022 Ontario Budget, presented on April 28, 2022.
- The FAO estimates that 2021-22 total revenue will be \$1.6 billion higher and total spending will be \$3.8 billion lower than forecast by the Province in the 2022 budget.



2021-22 Budget Deficit Projection

	Province	FAO	Difference
Revenue	173,572	175,189	1,617
Consolidated Expense*			
Health	79,015	76,538	-2,477
Education	31,849	31,952	103
Postsecondary Education	10,002	9,902	-100
Children's and Social Services	17,289	17,086	-203
Justice	5,022	5,108	86
Other Programs	30,899	30,117	-782
Interest on Debt	12,992	12,587	-405
Total Consolidated Expense	187,068	183,291	-3,777
Surplus/(Deficit)	-13,496	-8,102	5,394

* Consolidated expense includes additional spending (an estimated \$5.4 billion in the FAO's projection) by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Source: 2022 Ontario Budget and FAO analysis of information provided by Treasury Board Secretariat.



Thank you!



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