

Expenditure Monitor

2020-21: Q2



FAO

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Purpose and Structure

- The report provides information on spending by the Province over the first two quarters of the 2020-21 fiscal year including:
 - identifying changes to the Province's 2020-21 spending plan;
 - reviewing actual spending in the first and second quarters of 2020-21 against both planned spending and actual spending over the same time period in 2019-20; and
 - tracking 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

- In the March 2020 Update, the Province presented a spending plan for the 2020-21 fiscal year of \$165.2 billion.
- As of September 30, the Province's spending plan has increased by \$14.5 billion to \$179.8 billion.
 - Represents an increase of 8.8 per cent.
- 96 per cent of new planned spending in the second quarter went to the 'other programs' sector (largely for municipal operations and transit, and the Social Services Relief Fund) and the Province's three unallocated funds.

Changes to the 2020-21 Spending Plan (Cont'd)

Sector	2020-21 Spending Plan	Q1 Adjustments	Q2 Adjustments	Total Adjustments	Revised 2020-21 Spending Plan
Health	61,753	2,083	413	2,496	64,249
Education	31,358	-	5	5	31,362
Postsecondary Education	6,984	-	2	2	6,987
Children's and Social Services	17,944	158	49	208	18,152
Justice	4,948	-	25	25	4,973
Other Programs	24,734	1,010	3,857	4,868	29,602
Unallocated Funds:					
COVID-19 Health Sector Response Fund	1,823	-1,505	4,147	2,643	4,466
Support for People and Jobs Fund	1,966	-629	1,940	1,311	3,277
Contingency Fund	1,300	-359	3,340	2,981	4,281
Interest on Debt	12,407	-	-	-	12,407
Total	165,217	759	13,780	14,539	179,756

Note: Figures exclude planned spending on 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 TBS.

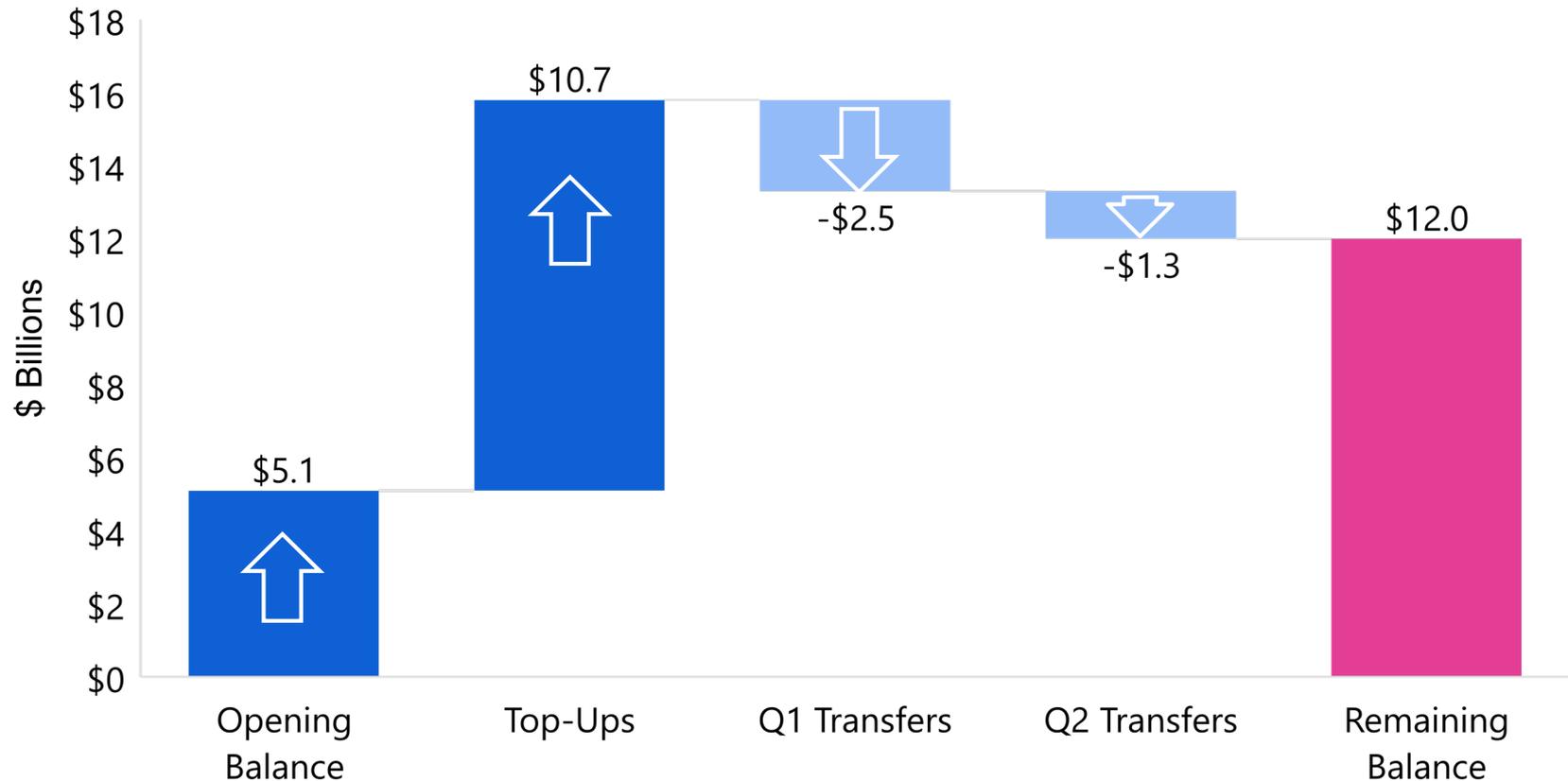
Q2 Changes to the 2020-21 Spending Plan

- Highlights of second quarter spending plan changes:
 - **\$2.0 billion increase** for municipal transit agencies, part of the Safe Restart Agreement with the federal government.
 - **\$1.4 billion increase** for municipal operating pressures, part of the Safe Restart Agreement with the federal government.
 - **\$388 million increase** for the Social Services Relief Fund.
 - **\$255 million increase** for long-term care.

Changes to the Unallocated Funds Since April 1

- The Province's initial \$165.2 billion spending plan included \$5.1 billion in unallocated funds through the Health Fund, SPJF and Contingency Fund.
- In the second quarter, the Province added \$10.7 billion in 'top-ups' to these three programs through the tabling of Supplementary Estimates.
- In the first quarter, the Province transferred \$2.5 billion from the three unallocated funds to various programs, while in the second quarter the Province transferred \$1.3 billion.
- Consequently, as of the end of the second quarter (September 30, 2020), the combined remaining balance in the Health Fund, SPJF and the Contingency Fund was \$12.0 billion.

Changes to the Unallocated Funds Since April 1 (Cont'd)



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

Changes to the Unallocated Funds Since August 26

- The \$12.0 billion remaining combined balance in the Health Fund, SPJF and Contingency Fund is an increase of \$2.7 billion from the \$9.3 billion balance reported by the FAO as of August 26.
- The increase in the balance of the three funds occurred for the following reasons:
 - The Province added an additional **\$1.2 billion** top-up to the Contingency Fund.
 - **\$0.8 billion** in funding for some COVID-19 response measures was provided through Supplementary Estimates rather than transfers from the Health Fund and SPJF.
 - The transfer from the SPJF for the Province's **\$241 million** contribution to the Canada Emergency Commercial Rent Assistance program was not processed as of September 30.
 - Announced transfers of **\$0.4 billion** from the Contingency Fund were not processed as of September 30.

Actual Spending vs. Planned Spending

- Over the first six months of the 2020-21 fiscal year, the Province spent \$74.3 billion. This is \$2.0 billion, or 2.6 per cent, less than planned.
- All sectors spent less than planned over the first and second quarters, except for the education sector, which temporarily spent \$1.4 billion more than planned.
- 'Other programs' spent \$1.5 billion less than planned, followed by health at \$0.8 billion less than planned.
- On a relative basis, postsecondary education spent 13.8 per cent less than planned, due to lower than expected spending on student financial aid programs.

Actual Spending vs. Planned Spending (Cont'd)

Sector	Revised 2020-21 Spending Plan	Planned Spending at end of Q2	Actual Spending at end of Q2	Actual vs. Planned at end of Q2	Actual vs. Planned (%)
Health	64,249	31,830	31,009	-821	-2.6%
Education	31,362	11,028	12,459	1,431	13.0%
Postsecondary Education	6,987	3,456	2,978	-477	-13.8%
Children's and Social Services	18,152	9,181	9,077	-104	-1.1%
Justice	4,973	2,339	2,328	-10	-0.4%
Other Programs	29,602	12,330	10,819	-1,511	-12.3%
Unallocated Funds:					
COVID-19 Health Sector Response Fund	4,466	-	-	-	N/A
Support for People and Jobs Fund	3,277	-	-	-	N/A
Contingency Fund	4,281	-	-	-	N/A
Interest on Debt	12,407	6,136	5,646	-490	-8.0%
Total	179,756	76,298	74,315	-1,983	-2.6%

Note: Figures exclude planned spending on 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.

First and Second Quarter Spending Highlights

- Select programs with actual spending **below plan** through two quarters:
 - \$622 million below plan for provincial and municipal public transit projects.
 - \$600 million below plan for payments to physicians.
 - \$349 million below plan for colleges, universities and student financial aid.
 - \$278 million below plan for public health agencies.
- Select programs with actual spending **above plan** through two quarters:
 - \$234 million above plan for hospitals, home care and community services.
 - \$193 million above plan for long-term care.

2020-21 Spending vs. 2019-20 Spending

- In the first six months of 2020-21, the Province spent \$5.3 billion, or 7.6 per cent, more than was spent in the first six months of 2019-20.
- Over 90 per cent of the year-over-year spending increase occurred in three sectors: health (\$2.1 billion increase), education (\$1.6 billion temporary increase) and 'other programs' (\$1.6 billion increase).
 - Year-over-year spending increase largely reflects government spending in response to the COVID-19 pandemic.
- There was also a \$298 million year-over-year spending decrease in the post-secondary education sector due to less spending on student financial aid programs.

2020-21 Spending vs. 2019-20 Spending (Cont'd)

Sector	2020-21 Spending at end of Q2	2019-20 Spending at end of Q2	2020-21 vs. 2019-20	2020-21 vs. 2019-20 (%)
Health	31,009	28,933	2,076	7.2%
Education	12,459	10,854	1,604	14.8%
Postsecondary Education	2,978	3,276	-298	-9.1%
Children's and Social Services	9,077	8,590	487	5.7%
Justice	2,328	2,308	20	0.9%
Other Programs	10,819	9,237	1,582	17.1%
Interest on Debt	5,646	5,849	-203	-3.5%
Total	74,315	69,047	5,268	7.6%

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

Thank you



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**FINANCIAL ACCOUNTABILITY
OFFICE OF ONTARIO**

2 Bloor Street West, Suite 900, Toronto, Ontario, M4W 3E2

416.644.0702

info@fao-on.org

fao-on.org

