

Expenditure Monitor 2021-22: Q2

Briefing Deck



Purpose and Structure

- This report provides information on unaudited spending by the Province over the first six months of the 2021-22 fiscal year (April 1, 2021 to September 30, 2021). The report:
 - identifies changes to the Province's 2021-22 spending plan;
 - reviews actual spending against both planned spending and actual spending over the same time period in 2020-21; and
 - tracks transfers from the Province's unallocated funds.



Changes to the 2021-22 Spending Plan

- During the first and second quarter, the Province added \$692 million in planned program spending.
- The increase in planned program spending was offset by a \$709 million drawdown from the Contingency Fund.
- Overall, the Province's 2021-22 spending plan decreased by \$16 million to \$178.3 billion.
- The Province reported a net spending plan increase of \$3.0 billion in the 2021 Ontario Economic Outlook and Fiscal Review. This increase will be reflected in the government's financial accounts in the third quarter.



Changes to the 2021-22 Spending Plan

Sector	2021-22 Spending Plan	Q1 Changes	Q2 Changes	Total Changes	Revised 2021-22 Spending Plan
Health	71,184	5	15	20	71,204
Education	32,847	6	-	6	32,853
Postsecondary Education	6,987	-	-	-	6,987
Children's and Social Services	18,108	-	1	1	18,110
Justice	5,192	10	1	11	5,203
Other Programs	29,472	445	209	654	30,126
Unallocated Funds:					
Contingency Fund	2,080	-474	-235	-709	1,372
Interest on Debt	12,419	-	-	-	12,419
Total	178,290	-7	-9	-16	178,274

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.



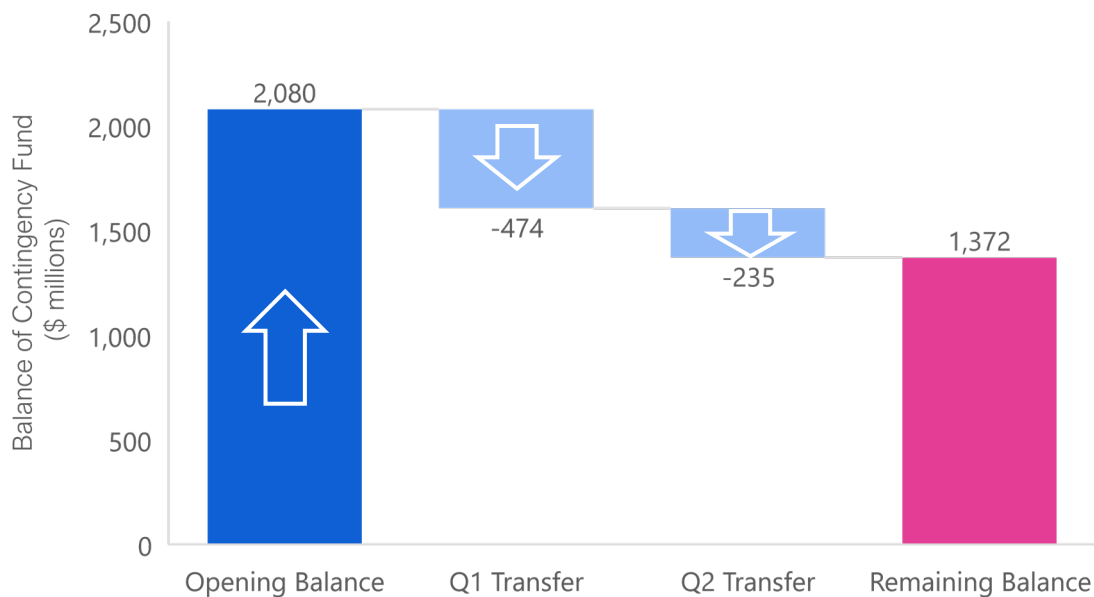
Highlights of Q2 Spending Plan Changes

- Key second quarter spending plan increases include:
 - \$100 million increase to fight forest fires in Northern Ontario.
 - \$97 million increase to support COVaxON, the Province's vaccine administration and inventory management system.
 - \$50 million increase for the Ontario Small Business Support Grant.



Status of Unallocated Funds

- The Contingency Fund balance as of September 30, 2021 was \$1.4 billion.



Source: FAO analysis of the 2021-22 Expenditure Estimates and information provided by Treasury Board Secretariat.

- The Province tabled Supplementary Estimates in Q3, which created the Time-Limited COVID-19 Fund (\$2.7 billion) and topped up the Contingency Fund (\$0.3 billion). These changes will be reflected in the Q3 Expenditure Monitor report.



Actual Spending vs. Planned Spending

- The Province spent \$76.9 billion over the first half of 2021-22, which was \$4.3 billion (5.3 per cent) less than planned.
- If this pace of spending continues, the Province will end the fiscal year with significant program spending savings, resulting in a material improvement to the Province's current budget deficit projection of \$21.5 billion.
- All sectors spent less than planned, except for the justice sector.



Actual Spending vs. Planned Spending

Sector	Revised 2021-22 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	71,204	35,033	34,059	-974	-2.8%
Education	32,853	11,852	11,165	-688	-5.8%
Postsecondary Education	6,987	3,352	3,101	-251	-7.5%
Children's and Social Services	18,110	9,331	8,492	-838	-9.0%
Justice	5,203	2,394	2,598	204	8.5%
Other Programs	30,126	13,164	11,689	-1,476	-11.2%
Unallocated Funds:					
Contingency Fund	1,372	-	-	-	-
Interest on Debt	12,419	6,094	5,816	-278	-4.6%
Total	178,274	81,222	76,920	-4,302	-5.3%

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.

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Spending Highlights Through Q2

- Select programs with **below plan** spending through two quarters include:
 - In the **‘other programs’** sector, the Province did not spend any of the \$1.1 billion budget for municipal transit projects.
 - In the **health** sector, the Province spent or reallocated \$441 million (16.6 per cent) of the \$2.7 billion budget for the COVID-19 Response program.
 - In the **children’s and social services** sector, major programs with the lowest relative spending include Autism, Supportive Services and Ontario Works – Financial Assistance.
 - In the **education** sector, the Province spent \$20 million (1.2 per cent) of the \$1.7 billion budget for the School Board Capital Grants program.



2021-22 Spending vs. 2020-21 Spending

- Spending in the first six months of 2021-22 was \$2.6 billion (3.5 per cent) more than during the same period in 2020-21.
- Key year-over-year changes by sector include:
 - **Health** spent \$3.1 billion (9.8 per cent) **more**, including higher spending for population and public health programs, Ontario Drug Programs, payments to physicians, and long-term care homes operations and capital investments.
 - **'Other programs'** spent \$0.9 billion (8.0 per cent) **more**, including higher spending for provincial transit infrastructure projects and electricity price mitigation programs, offset by lower net spending on COVID-19-related programs.
 - **Children's and social services** spent \$0.6 billion (6.4 per cent) **less**, including lower spending for Ontario Works, the Ontario Disability Support Program and autism services.



2021-22 Spending vs. 2020-21 Spending

Sector	2021-22 Spending at end of Q2	2020-21 Spending at end of Q2	2021-22 vs. 2020-21	2021-22 vs. 2020-21 (%)
Health	34,059	31,009	3,051	9.8%
Education	11,165	12,459	-1,294	-10.4%
Postsecondary Education	3,101	2,978	122	4.1%
Children's and Social Services	8,492	9,077	-584	-6.4%
Justice	2,598	2,328	270	11.6%
Other Programs	11,689	10,819	870	8.0%
Interest on Debt	5,816	5,646	170	3.0%
Total	76,920	74,315	2,604	3.5%

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.

Thank you!



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