

# Expenditure Monitor 2022-23: Q4

Briefing Deck



# Purpose and Overview

- This report provides information on spending by the Province through the end of the 2022-23 fiscal year (March 31, 2023).
- The information in this report is based on the FAO's analysis of transactions recorded in the Province's financial accounting system as of April 24, 2023.
- All figures are unaudited, as final audited figures are not available until the release of the Public Accounts of Ontario (September 2023).

# 2022-23 Spending Plan



# Spending Plan up \$1.3 billion

Sector	2022-23 Spending Plan	Q1 Changes	Q2 Changes	Q3 Changes	Q4 Changes	Total Changes	Revised 2022-23 Spending Plan
Health	75,643	-	-14	183	-481	-312	75,331
Education	34,748	-	371	3	-246	128	34,876
Postsecondary Education	7,061	-	-	-	-116	-116	6,945
Children's and Social Services	18,562	-	1	146	-212	-65	18,497
Justice	5,781	-	2	42	145	189	5,969
Other Programs	33,658	-	13	1,137	3,058	4,208	37,866
Unallocated Funds:							
Contingency Fund	4,550	-	-373	-1,302	-1,064	-2,738	1,812
Interest on Debt	12,988	-	-	-	-	-	12,988
<b>Total</b>	<b>192,992</b>	<b>0</b>	<b>0</b>	<b>209</b>	<b>1,085</b>	<b>1,294</b>	<b>194,286</b>

Note: Figures exclude planned spending on some assets and \$5.7 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 information provided by Treasury Board Secretariat.

# Key Spending Plan Changes in Q4

- Other Programs:
  - **\$5,000 million increase** for the Province's contribution to the proposed \$10 billion settlement agreement between the governments of Ontario and Canada and 21 Robinson Huron First Nations over unpaid annuities.
  - **\$518 million decrease** for Broadband and Cellular Infrastructure.
  - **\$1,056 million decrease** for Metrolinx (Capital).
- Health:
  - **\$321 million increase** for Cancer Treatment and Renal Services.
  - **\$333 million decrease** for Provincial Programs, largely for Community and Priority Services.
  - **\$504 million decrease** for Public Health, largely for the COVID-19 Response program.

# 2022-23 Actual Unaudited Spending



# Actual Unaudited Spending was \$7.2 Billion Less than Planned

Sector	Revised 2022-23 Spending Plan	2022-23 Unaudited Spending	Unaudited Spending vs. Revised Spending Plan	Unaudited Spending vs. Revised Spending Plan (%)
Health	75,331	73,638	-1,693	-2.2%
Education	34,876	34,736	-141	-0.4%
Postsecondary Education	6,945	6,669	-277	-4.0%
Children's and Social Services	18,497	18,222	-275	-1.5%
Justice	5,969	5,807	-163	-2.7%
Other Programs	37,866	35,459	-2,407	-6.4%
Unallocated Funds:				
Contingency Fund	1,812	-	-1,812	N/A
Interest on Debt	12,988	12,536	-452	-3.5%
<b>Total</b>	<b>194,286</b>	<b>187,065</b>	<b>-7,221</b>	<b>-3.7%</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 information provided by Treasury Board Secretariat.

# Key Programs with Less than Planned Spending

- Employee and pensioner benefits (-\$423 million)
- The COVID-19 Response program (-\$341 million)
- The operation of hospitals (-\$279 million)
- Metrolinx infrastructure projects (-\$254 million)
- Drug programs (-\$239 million)
- Major hospital infrastructure projects (-\$187 million)
- Student financial aid (-\$141 million)
- Municipal transit infrastructure projects (-\$117 million)



# 2022-23 Spending vs. 2021-22 Spending



# 2022-23 Spending up \$6.6 Billion vs. 2021-22

Sector	2022-23 Unaudited Spending	2021-22 Actual Spending	2022-23 vs. 2021-22	2022-23 vs. 2021-22 (%)
Health	73,638	73,674	-37	0.0%
Education	34,736	32,239	2,496	7.7%
Postsecondary Education	6,669	6,565	103	1.6%
Children's and Social Services	18,222	17,307	915	5.3%
Justice	5,807	5,551	256	4.6%
Other Programs	35,459	33,345	2,114	6.3%
Interest on Debt	12,536	11,747	789	6.7%
<b>Total</b>	<b>187,065</b>	<b>180,429</b>	<b>6,637</b>	<b>3.7%</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 information provided by Treasury Board Secretariat.

# Key Programs with Year-Over-Year Spending Increases

- Negotiated settlements for Indigenous land claims (\$5,000 million increase)
- Child care (\$1,213 million increase)
- Payments to physicians (\$1,015 million increase)
- Interest on debt (\$789 million increase)
- Operating funding for school boards (\$564 million net increase)
- The operation of long-term care homes (\$362 million increase)
- Ontario Works – Financial Assistance (\$324 million increase)

# 2022-23 Budget Balance Projection



# FAO Projects a Balanced Budget for 2022-23

	Province	FAO	Difference
Revenue	200,402	197,065	-3,337
Consolidated Expense*			
Health	79,804	78,500	-1,304
Education**	35,025	34,889	-136
Postsecondary Education	11,345	11,112	-233
Children's and Social Services	18,403	18,125	-278
Justice	5,501	5,301	-200
Other Programs**	39,070	36,193	-2,876
Interest on Debt	13,424	12,908	-516
<b>Total Consolidated Expense</b>	<b>202,572</b>	<b>197,028</b>	<b>-5,544</b>
<b>Surplus/(Deficit)</b>	<b>-2,170</b>	<b>37</b>	<b>2,207</b>

Consolidated expense includes additional spending (an estimated \$10.0 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, and other spending adjustments,

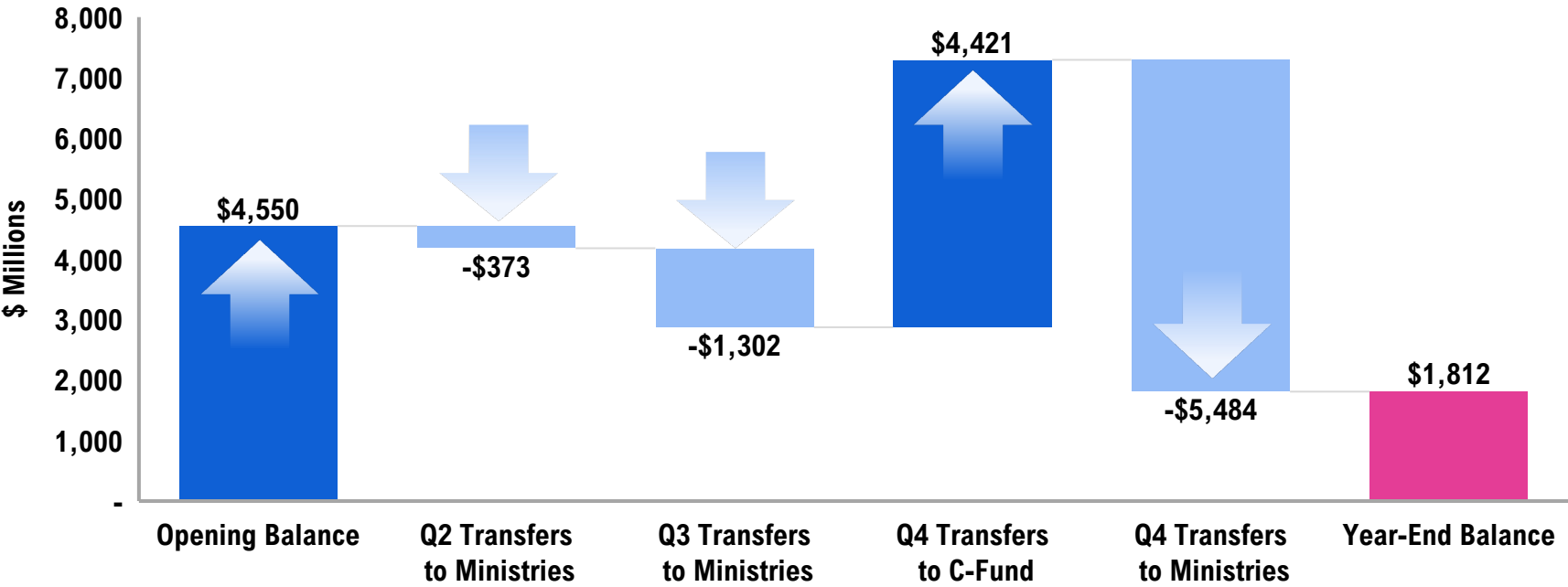
\*\* Ontario Teachers' Pension Plan (OTPP) expense is included in the education sector.

Source: 2023 Ontario Budget and FAO analysis of information provided by Treasury Board Secretariat.

# Status of the Contingency Fund



# Contingency Fund Year-End Balance was \$1.8 Billion



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

- In the fourth quarter, the Province transferred a net \$1,064 million from the Contingency Fund to various programs.
  - The largest transfer out of the Contingency Fund was \$5,000 million to negotiated settlements for Indigenous land claims.

# Thank you!



# FAO

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