



**Federal and
Provincial
COVID-19
Response
Measures**

2021 Update



Federal and Provincial COVID-19 Response Measures: 2021 Update

Briefing Deck



Purpose and Structure

Purpose: To provide an updated summary of the COVID-19 response measures implemented in Ontario by the Government of Ontario (the Province) and the Government of Canada (the federal government).

The report has three main sections:

1. Review of federal and provincial direct support measures
2. Analysis of funding sources for provincial measures
3. Analysis of the timing of provincial spending



Overview of COVID-19 Response Measures

- The FAO has identified 128 federal government measures and 118 provincial measures for a total of 246 COVID-19 response measures. The full list of measures is available on the FAO website.
- The FAO has categorized COVID-19 response measures into two types:
 - **Direct support measures**, which have a direct impact on the government's budget balance through either increased spending or reduced revenue (e.g., grant, subsidy, cash transfer, etc.); and
 - **Liquidity measures**, which provide short-term cash flow support for people and businesses and must be paid back later (e.g., tax deferrals, interest-free loans, etc.).



Direct Support Measures



Direct Support Measures, 2019-20 to 2022-23

	Estimated Cost of Support in Ontario (\$ millions)	Number of Measures
Federal Direct Support Measures	144,683	124
Provincial Direct Support Measures	35,376	114
Less: federal government cash transfers to the Government of Ontario to support provincial measures	-9,787	
Net Total Direct Support Measures	170,272	238

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, and information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.

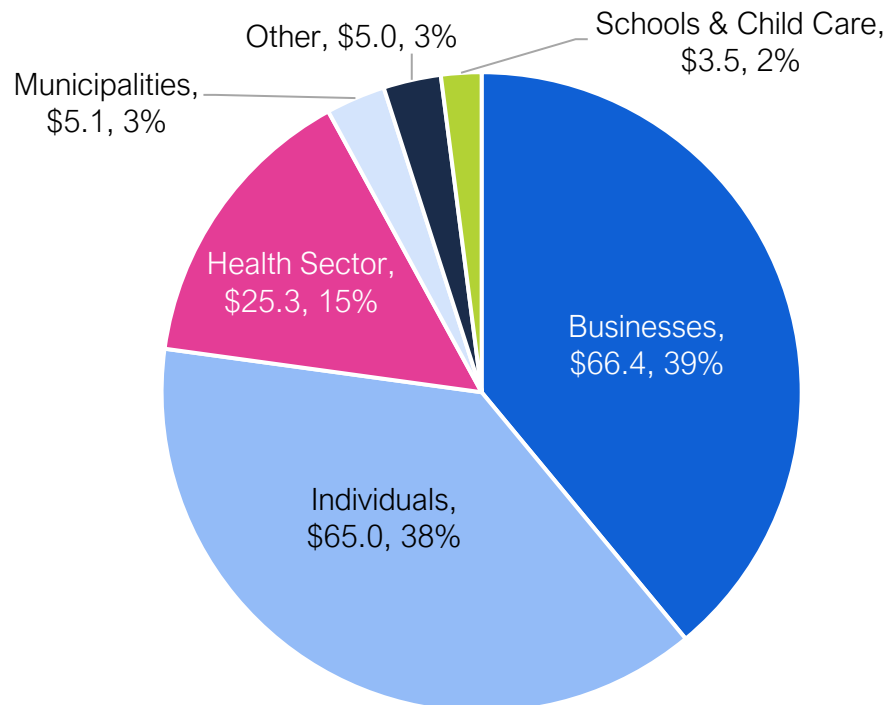
- Federal government's share is **85 per cent** and the Province's share is **15 per cent** (after accounting for federal cash transfers to the Province).



Target of Direct Support Measures

- Most of the direct support measures will benefit **businesses** (\$66.4 billion) and **individuals** (\$65.0 billion).

Cost of federal and provincial COVID-19 direct support measures in Ontario by target of support, \$ billions and per cent



Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, and information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.

What Has Changed since Last Year?

- Direct support for **businesses** increased the most (\$24.3 billion), followed by **health sector** measures (\$18.1 billion).

	Support as of Sept 2020 (\$ millions)	Support as of Sept 2021 (\$ millions)	Increase since Sept 2020 (\$ millions)	Increase since Sept 2020 (%)
Businesses	42,108	66,398	24,290	57.7
Individuals	49,995	65,006	15,011	30.0
Health Sector	7,208	25,321	18,113	251.3
Municipalities	3,925	5,116	1,191	30.3
Other	1,037	4,957	3,921	378.2
Schools & Child Care	1,344	3,474	2,130	158.5
Net Total Measures	105,617	170,272	64,655	61.2

Note: The FAO has reclassified the targets of support for two measures since its September 2020 report.

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, and information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



Federal Cash Transfers to Ontario

Federal Transfer	Description	Funds Provided to Ontario (\$ millions)
Safe Restart Agreement	Funding is provided for testing, contact tracing and data management, health care system capacity, vulnerable populations, municipalities and transit, PPE, and child care for returning workers.	5,095
Canada Health Transfer	One-time top-up to the Canada Health Transfer to help provinces and territories address immediate health care system pressures.	1,551
Essential Workers Wage Top-up	To support wage increases for essential workers.	1,129
Safe Return to Class	Funding for provinces and territories to support a safe return to class and to protect students and staff.	763
Workforce Development Agreement (WDA)	Additional funding for the Workforce Development Agreements with provinces and territories to offer Canadians skills and employment training.	614
Canada's COVID-19 Immunization Plan	To support provinces and territories with vaccine rollout campaigns.	388
COVID-19 Response Fund for Provinces and Territories	Support to provinces and territories for critical health care system needs.	194
Virtual Care Agreement	Funding to develop, expand and launch virtual care and mental health tools.	46
Culture and Sport Emergency Funding	Provides additional temporary relief to support cultural, heritage and sport organizations.	8
Total		9,787

Note: Excludes the federal Safe Long-term Care Fund, which would provide \$388 million to Ontario. As of the writing of this report, the Province and federal government have not reached an agreement on this potential funding. The FAO has also excluded two federal government infrastructure transfers from its analysis of COVID-19 response measures: the COVID-19 Resilience Stream of the Investing in Canada Infrastructure Program and the Canada Community-Building Fund (previously called the Gas Tax Fund).

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, and information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.

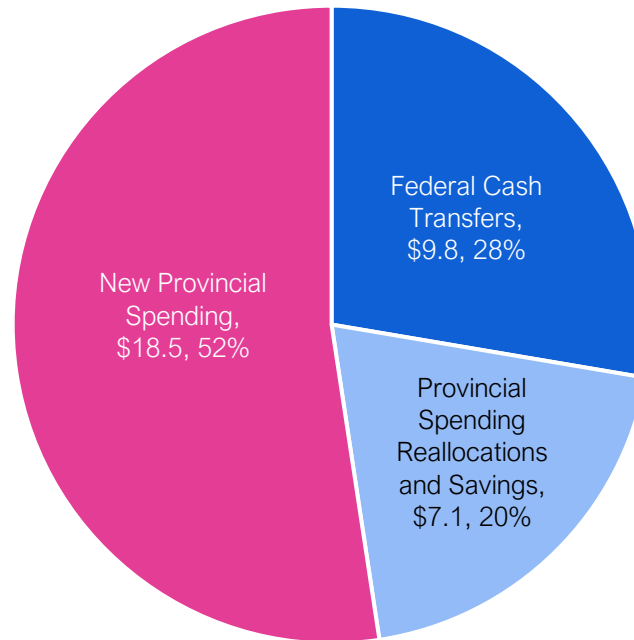
- All transfers have been fully allocated to provincial direct support measures.



Sources of Funding for Provincial Measures

- Of the \$35.4 billion in total provincial direct support measures, \$18.5 billion is new provincial spending.

Sources of funding for the \$35.4 billion in provincial COVID-19 direct support measures, \$ billions and per cent



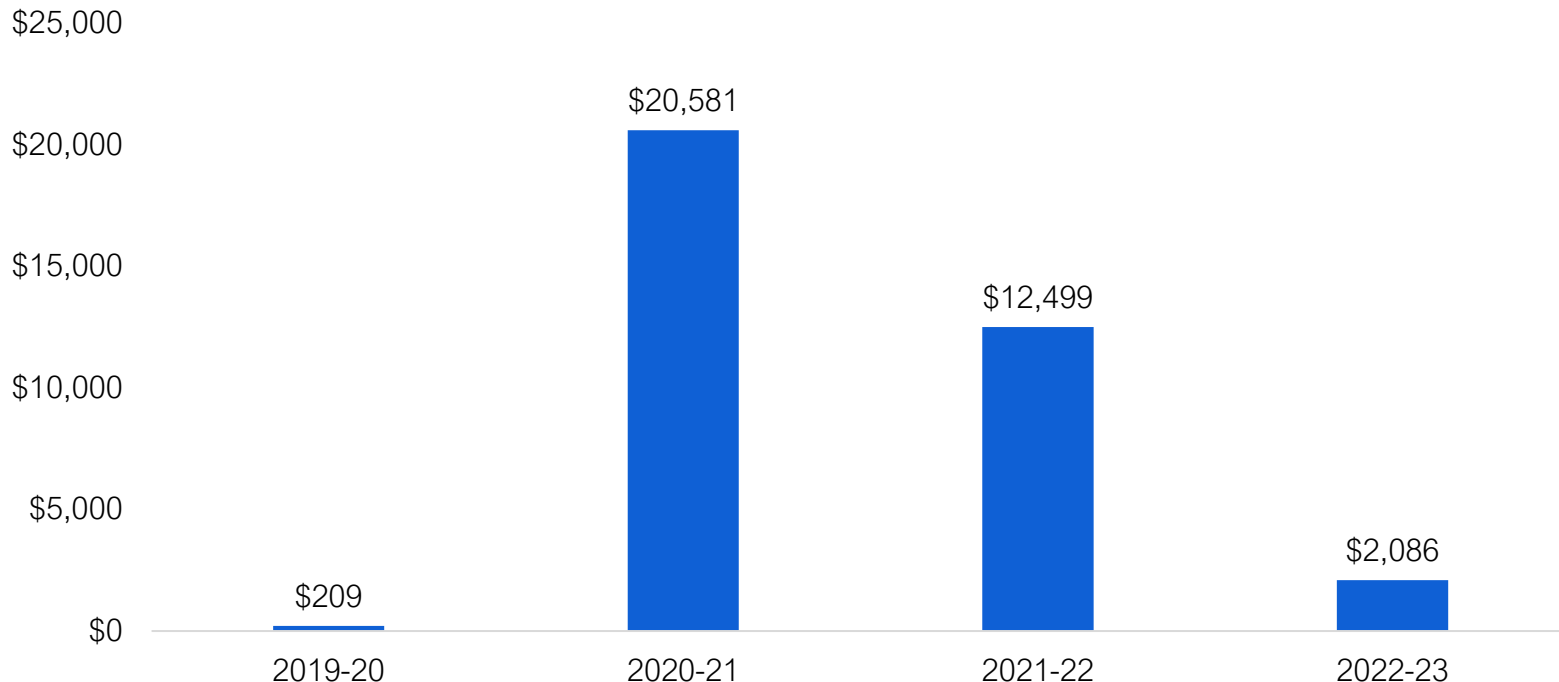
Note: Provincial Spending Reallocations and Savings include decisions by the Province to repurpose funds from non-COVID-19-related programs and also the use of savings from non-COVID-19-related program budgets that resulted from the impact of the COVID-19 pandemic (i.e., changes in behaviour, such as lower demand for physician services, that resulted in program savings).
Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, and information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



Timing of Provincial Spending

- Of the \$35.4 billion in total provincial direct support measures, **\$20.6 billion was spent in 2020-21.**

The timing of provincial COVID-19 direct support measures spending, 2019-20 to 2022-23, \$ millions



Source: FAO analysis of information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



Provincial Spending by Quarter in 2020-21

- In 2020-21, provincial spending levels increased each quarter, with spending in the **fourth quarter** reaching an estimated **\$10.5 billion** (51.2 per cent) of total provincial spending for the fiscal year.

\$ millions	Q1 Apr – Jun 2020	Q2 Jul – Sept 2020	Q3 Oct – Dec 2020	Q4 Jan – Mar 2021	Total 2020-21 Spending
Health Sector	1,184	1,167	2,297	3,269	7,917
Municipalities	196	666	1,003	2,965	4,830
Businesses	245	174	262	1,768	2,449
Schools & Child Care	121	72	868	1,035	2,095
Individuals	582	67	117	891	1,657
Other	45	660	316	612	1,633
Total	2,373	2,805	4,863	10,539	20,581
<i>Per Cent</i>	<i>11.5%</i>	<i>13.6%</i>	<i>23.6%</i>	<i>51.2%</i>	<i>100.0%</i>

Source: FAO analysis of information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



Provincial Spending in 2021-22 and 2022-23

- The FAO estimates that the Province will spend **\$14.6 billion** on direct support measures in 2021-22 and 2022-23.

	Estimated Provincial Spending in 2021-22 and 2022-23 (\$ millions)	Portion of Total Provincial Spending in 2021-22 and 2022-23 (per cent)
Health Sector	6,695	45.9
Businesses	3,055	20.9
Individuals	2,031	13.9
Schools & Child Care	1,260	8.6
Other	1,259	8.6
Municipalities	286	2.0
Total	14,586	100.0

Source: FAO analysis of information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



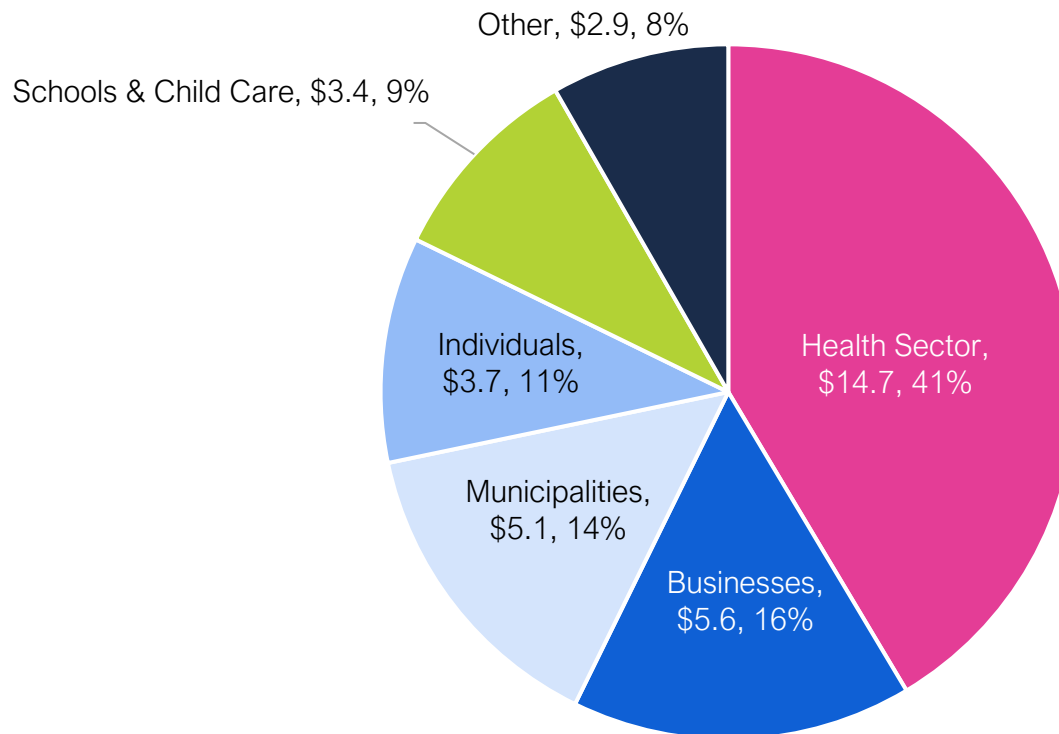
Appendix



Target of Support: Provincial Measures

- Of the \$35.4 billion in provincial direct support measures, \$14.7 billion will go to support the **health sector**, followed by support for **businesses** at \$5.6 billion.

\$35.4 billion in provincial COVID-19 direct support measures by target of support, \$ billions and per cent



Source: FAO analysis of information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



How Has Provincial Support Changed since September 2020?

- The largest increases in direct provincial support went to the **health sector** (\$11.2 billion), followed by **businesses** (\$4.9 billion).

	Support as of Sept 2020 (\$ millions)	Support as of Sept 2021 (\$ millions)	Increase since Sept 2020 (\$ millions)	Increase since Sept 2020 (%)
Health Sector	3,507	14,657	11,150	317.9%
Businesses	731	5,601	4,870	666.1%
Municipalities	3,925	5,116	1,191	30.3%
Individuals	737	3,715	2,978	404.3%
Schools & Child Care	1,344	3,356	2,012	149.7%
Other	515	2,931	2,416	468.7%
Total	10,759	35,376	24,617	228.8%

Note: The FAO has reclassified the target of support for one provincial measure since its September 2020 report.

Source: FAO analysis of information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



Liquidity Measures, 2019-20 to 2022-23

- The FAO estimates that there are 20 federal and provincial liquidity measures that will provide Ontario with a net total of **\$78.2 billion inliquidity support**.
 - Since September 2020, two new liquidity support measures have been added.
 - In addition, the FAO has revised estimates to several measures, increasing the total estimated liquidity support by \$1.4 billion.

	Estimated Liquidity Support in Ontario (\$ millions)	Number of Measures
Federal Liquidity Measures	67,901	13
Provincial Liquidity Measures	10,325	7
Total Liquidity Measures	78,226	20

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, and information provided by the Ministries of Health, Long-Term Care and Education, and Treasury Board Secretariat.



Thank you!



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