



FAO

**FINANCIAL ACCOUNTABILITY
OFFICE OF ONTARIO**

Expenditure Monitor 2019-20: Q4

Highlights

- This report provides information on spending by the Province through the end of the 2019-20 fiscal year (March 31, 2020), including changes to the 2019-20 spending plan, actual spending results compared to planned spending and an updated budget deficit projection for 2019-20.
- Since the tabling of the 2019 Ontario Budget, the Province increased its 2019-20 spending plan by a net \$2.6 billion, through Supplementary Estimates (tabled in December 2019) and program budget reallocations.
 - The budgets for electricity subsidy programs (up \$1.6 billion) and children's and social services (up \$0.8 billion) received the largest increases.
- Although the Province increased its 2019-20 spending plan by \$2.6 billion, by the end of 2019-20 actual spending was \$3.5 billion below plan.
 - The most significant underspending was achieved in interest on debt (\$1.0 billion under budget), health (\$0.5 billion under budget), investments in public transit (\$0.4 billion under budget), electricity subsidy programs (\$0.2 billion under budget) and the Contingency Fund (\$0.4 billion in lapsed spending).
 - Spending information for all of the Province's programs by ministry is available on the FAO's website at: <https://bit.ly/2OJG7x0>.
- In the March 2020 Economic and Fiscal Update (March 2020 Update), the Province projected an interim budget deficit for 2019-20 of \$9.2 billion. Using updated revenue and spending information, the FAO projects a 2019-20 budget deficit of \$8.7 billion, an improvement of \$0.5 billion.
 - The FAO estimates that 2019-20 total revenue will be \$2.0 billion lower than forecast in the March 2020 Update, which reflects the evolving 2020 economic outlook due to the COVID-19 pandemic.
 - On the other hand, the FAO's projection for 2019-20 total expense is \$2.3 billion lower compared to the forecast in the March 2020 Update. The FAO's lower total expense forecast is based on the latest available information on provincial spending.

Introduction

This report provides information on spending by the Government of Ontario (the Province) through the end of the 2019-20 fiscal year. The report:

- Identifies changes to the Province's 2019-20 budget plan;
- Reviews 2019-20 actual spending against planned spending;
- Highlights the programs with the largest budget changes during 2019-20;
- Notes the programs that ended the year over and under budget; and
- Projects a revised 2019-20 interim budget deficit compared to the budget deficit forecast in the March 2020 Economic and Fiscal Update (March 2020 Update).

The information in this report is based on the FAO's analysis of the 2019 Ontario Budget, the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, and spending recorded in the Province's integrated financial information system (IFIS) as of May 14, 2020.

The closing date for spending transactions related to the 2019-20 fiscal year, which ended on March 31, 2020, was May 14, 2020. However, there will still be 2019-20 spending transactions that are recorded between May 14, 2020 and when the 2019-20 Public Accounts of Ontario are released (typically in September). Depending on the nature of these transactions, there may be material changes from the information presented in this report and the 2019-20 Public Accounts of Ontario.¹

Changes to the 2019 Budget Spending Plan

In the 2019 Ontario Budget, the Province tabled a 2019-20 spending plan of \$156.2 billion.² By the end of the fiscal year, the 2019-20 spending plan had increased by a net \$2.6 billion, for a revised spending plan of \$158.8 billion.

The increase in the 2019-20 spending plan was the result of:

- The tabling of Supplementary Estimates, on December 11, 2019, which requested from the legislature \$2.7 billion in additional spending authority;
- Internal program budget reallocations³ through the first three quarters of the fiscal year, from April 1, 2019 to December 31, 2019, which resulted in a net program spending reduction of \$101 million; and
- Internal program budget reallocations in the fourth quarter, from January 1, 2020 to March 31, 2020, which resulted in a net program spending increase of \$24 million.

¹ For example, after the close of the 2017-18 fiscal year (March 31, 2018) significant spending changes were recorded from July to September of 2018 that were reflected in the 2017-18 Public Accounts of Ontario. These changes included \$713 million for an anticipated settlement agreement with physicians and \$981 million for First Nations land claim settlements and anticipated settlements. Details of these Treasury Board Orders (TBOs) were reported in February 2019 in the Ontario Gazette, Volume 152, Issue 7, February 16, 2019.

<https://www.ontario.ca/document/ontario-gazette-volume-152-issue-07-february-16-2019/government-notices-other>. Although the Standing Orders of the Legislative Assembly of Ontario require that TBOs be printed in the Ontario Gazette, the TBOs for the 2018-19 and 2019-20 fiscal years have yet to be published (Standing Order no. 71).

² Excludes \$7.2 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. The Province does not actively monitor or control this spending.

³ Ministries cannot spend more on a program than the amount authorized in the Expenditure Estimates and the Supplementary Estimates (the program's budget). However, the legislature has delegated to the Province the authority to increase a program's budget if the increase is offset by a decrease in another program's budget (including the Contingency Fund). See *Financial Administration Act*, s. 1.0.8.

Table 1: Changes to the 2019-20 budget spending plan by sector, \$ millions

Sector	2019-20 Budget	Supplemen- tary Estimates	Budget Reallocations Q1 to Q3	Budget Reallocations Q4	Total Budget Changes	Revised 2019-20 Budget
Health	59,973	337	62	54	453	60,426
Education	31,015	64	119	15	198	31,213
Postsecondary Education and Training	8,143	-	-2	-147	-149	7,993
Children's and Social Services	16,857	395	240	167	803	17,660
Justice	4,814	-	-1	177	175	4,989
Other Programs	21,661	1,571	119	84	1,774	23,435
Contingency Fund	1,100	300	-637	-326	-664	436
Interest on Debt	12,675	-	-	-	-	12,675
Total	156,238	2,667	-101	24	2,591	158,829

Note: Figures exclude planned spending on assets and \$7.2 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 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

In the fourth quarter, the Province increased the 2019-20 spending plan by a net \$24 million. The rest of this section discusses fourth-quarter spending plan changes by sector.⁴

Health: \$54 million increase, including:

- \$234 million increase for Provincial Programs (Vote-Item 1412-1), which funds a variety of specialized programs, such as Cancer Care Ontario, Canadian Blood Services, and Community and Priority Services.
- \$66 million decrease for Ontario Health Insurance (Vote-Item 1405-1), which administers payments to physicians.
- \$115 million decrease for Local Health Integration Networks (LHINs) and Related Health Service Providers (Vote-Item 1411-1), which funds hospitals, long-term care homes and community programs.

Education: \$15 million increase, including:

- \$112 million increase for Child Care and Early Years – Policy Development and Program Delivery (Vote-Item 1004-1), which includes transfer payments to support child care and the Childcare Access and Relief from Expenses (CARE) tax credit.
- \$43 million increase for Elementary and Secondary Education – Policy and Program Delivery (Vote-Item

⁴ For information on spending plan changes between the first and third quarters of 2019-20, see FAO, "Expenditure Monitor 2019-20: Q3," 2020 and FAO "Expenditure Monitor 2019-20: Q2," 2019.

1002-1), which mainly funds school boards.

- \$138 million decrease for Support for Elementary and Secondary Education (Vote-Item 1002-3), which provides grants to school boards for capital investments.

Postsecondary Education and Training: \$147 million decrease, including:

- \$60 million decrease for Employment Ontario Program (Vote-Item 3003-7), which provides employment and training programs and services.
- \$102 million decrease for Colleges, Universities and Student Support (Vote-Item 3002-1), which includes funding for operating colleges and universities, and student financial assistance programs.

Children's and Social Services: \$167 million increase, including:

- \$222 million increase for Financial and Employment Supports (Vote-Item 702-3), which includes the Ontario Disability Support Program, Ontario Works and the Ontario Drug Benefit Program.
- \$60 million increase for Children and Youth at Risk (Vote-Item 702-20), which includes child protection, youth justice, and other services for children and youth.
- \$95 million decrease for Supports to Individuals and Families (Vote-Item 702-21), which administers a variety of programs such as Residential Services, Autism, and Children and Youth Community Supports.

Justice: \$177 million increase, including:

- \$80 million increase for Institutional Services (Vote-Item 2605-3), which funds the operation and maintenance of Ontario's adult correctional institutions.
- \$36 million increase for Court Services – Administration of Justice (Vote-Item 305-1), which funds court administration.
- \$34 million increase for Legal Aid Ontario (Vote-Item 303-2), which provides funding to Legal Aid Ontario, a provincial agency that provides legal assistance for financially eligible low-income Ontarians.

Other Programs: \$84 million increase, including:

- \$137 million increase for Agriculture and Rural Affairs Capital (Vote-Item 108-7), which includes transfer payments for infrastructure investments.
- \$122 million increase for Ontario Cultural Media Tax Credits (Vote-Item 3808-1), which provides tax credits for companies producing films, television programs, interactive digital media products or books in Ontario.
- \$73 million increase for Urban and Regional Transportation (Operating) (Vote-Item 2702-2), which provides operating subsidies to Metrolinx.
- \$47 million increase for ServiceOntario (Vote-Item 1814-1), which funds the operation of ServiceOntario.
- \$135 million decrease for Urban and Regional Transportation (Capital) (Vote-Item 2702-3), which funds infrastructure investments in public transit.
- \$137 million decrease for Infrastructure Programs (Vote-Item 4003-2), which funds infrastructure projects, such as Toronto Waterfront Revitalization, Broadband and Cellular Infrastructure, and Federal-Provincial Infrastructure Programs.

Contingency Fund: \$326 million net decrease.

2019-20 Actual Spending

Although the Province increased the 2019-20 spending plan during the year by \$2.6 billion, to \$158.8 billion, actual spending in 2019-20 was \$3.5 billion below plan at \$155.3 billion. Actual spending reflects transactions recorded in the Province's integrated financial information system (IFIS) as of May 14, 2020.

Table 2: 2019-20 actual spending by budget sector, \$ millions

Sector	Revised 2019-20 Budget	2019-20 Actual Spending	Actual Spending vs Revised Budget	Actual Spending vs Revised Budget (%)
Health	60,426	59,960	-466	-0.8
Education	31,213	31,154	-59	-0.2
Postsecondary Education and Training	7,993	7,922	-71	-0.9
Children's and Social Services	17,660	17,562	-98	-0.6
Justice	4,989	4,970	-19	-0.4
Other Programs	23,435	22,105	-1,330	-5.7
Contingency Fund	436	-	-436	-100.0
Interest on Debt	12,675	11,655	-1,020	-8.0
Total	158,829	155,329	-3,500	-2.2

Note: 2019-20 Actual Spending reflects spending recorded in IFIS as of May 14, 2020. Figures exclude assets and \$7.2 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. The Province does not actively monitor or control this spending.

Source: FAO analysis of the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

Health sector spending: \$466 million below revised budget, including:

- \$49 million under budget in Population and Public Health (Vote-Item 1406-4), which supports the Chief Medical Officer of Health and aims to promote and protect the public health of Ontario.
- \$65 million under budget in LHINs and Related Health Service Providers (Vote-Item 1411-1), which funds hospitals, long-term care homes and community programs (see next section for more details).
- \$314 million under budget in the Health Capital Program (Vote-Item 1407-1), which funds hospital infrastructure projects.

Education sector spending: \$59 million below revised budget, including:

- \$132 million over budget for Elementary and Secondary Education – Policy and Program Delivery (Vote-Item 1002-1), which mainly funds school boards.
- \$162 million under budget in the Ontario Teachers' Pension Plan.

Postsecondary education and training sector spending: \$71 million below revised budget, including:

- \$36 million under budget in Employment Ontario (Vote-Item 3003-7), which provides employment and training programs and services.
- \$38 million under budget in Colleges, Universities and Student Support (Vote-Item 3002-1), which includes funding for operating colleges and universities, and student financial assistance programs.

Children's and social services sector spending: \$98 million below revised budget, including:

- \$13 million under budget in Ontario Child Benefit (Vote-Item 702-22), which provides direct financial support for low to moderate income families with children.
- \$14 million under budget in Supports to Individuals and Families (Vote-Item 702-21), which administers a variety of programs such as Residential Services, Autism, and Children and Youth Community Supports.
- \$52 million under budget in Financial and Employment Supports (Vote-Item 702-3), which includes the Ontario Disability Support Program, Ontario Works and the Ontario Drug Benefit Program.

Justice sector spending: \$19 million below revised budget, including:

- \$6 million under budget in Facilities Renewal (Vote-Item 301-2), which funds capital investments.

Other programs sector spending: \$1,330 million below revised budget, including:

- \$74 million under budget in Urban and Regional Transportation (Operating) (Vote-Item 2702-2), which provides operating subsidies to Metrolinx.
- \$375 million under budget in Urban and Regional Transportation (Capital) (Vote-Item 2702-3), which funds capital investments in public transit.
- \$233 million under budget in Electricity Price Mitigation (Vote-Item 2206-1), which includes programs that subsidize electricity costs for Ontarians (see next section for more details).
- \$328 million under budget in Ontario Electricity Financial Corporation Dedicated Electricity Earnings (Vote-Item 1203-12), which is a transfer of dedicated electricity earnings from the Province to the Ontario Electricity Financial Corporation.

Interest on debt spending: \$1,020 million below revised budget.

2019-20 Spending by Program

This section provides information on spending for a selection of transfer payment programs. For information on all of the Province's programs, visit the FAO's website at: <https://bit.ly/2OJG7x0>.

Table 3 reviews the Electricity Price Mitigation (Vote-Item 2206-1) programs. At the start of 2019-20, the Province planned to spend \$4.0 billion on electricity subsidy programs. During the year, the Province added \$1.6 billion to the Electricity Price Mitigation spending plan (including adding a new transfer payment program called the *Ontario Electricity Rebate*)⁵ to reach \$5.6 billion in planned spending. However, by the end of the year only \$5.3 billion was spent, which was \$233 million below the revised 2019-20 budget.

Table 3: Electricity Price Mitigation programs (Vote-Item 2206-1), \$ millions

Program	2019-20 Budget	Change to Budget	Revised 2019-20 Budget	2019-20 Actual Spending	Actual Spending vs Revised Budget	Actual Spending vs Revised Budget (%)
Electricity Rate Mitigation	2,531	-	2,531	2,340	-191	-7.5
Ontario Rebate for Electricity Consumers	779	-	779	498	-281	-36.1
Rural or Remote Rate Protection Program	238	14	252	234	-18	-7.3
Ontario Electricity Support Program	214	-	214	167	-47	-21.8
Distribution Rate Protection	205	89	294	243	-51	-17.3
Northern Ontario Energy Credit	26	3	29	27	-2	-5.7
On-Reserve First Nations Delivery Credit	19	7	26	21	-5	-21.0
Ontario Electricity Rebate	-	1,447	1,447	1,809	362	25.0
Total	4,013	1,560	5,573	5,340	-233	-4.2

Note: Reflects spending recorded in IFIS as of May 14, 2020.

Source: FAO analysis of the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

⁵ In November 2019, the Fair Hydro Plan (which was largely funded through the *Electricity Rate Mitigation* and the *Ontario Rebate for Electricity Consumers* transfer payments) was replaced by the *Ontario Electricity Rebate* transfer payment which also provides a rebate that holds annual residential electricity bill increases to the rate of inflation. For more information, see FAO, "Home Energy Spending in Ontario: 2019 Update," 2020 and FAO, "Fair Hydro Plan: An Assessment of the Fiscal Impact of the Province's Fair Hydro Plan," 2017.

Table 4 reviews the LHINs and Related Health Service Providers (Vote-Item 1411-1) programs. At the start of the year, the Province planned to spend \$29.5 billion on hospitals, long-term care homes, community programs, and child and youth mental health. Through the Supplementary Estimates, 2019-20, the Province added \$110 million to the *LHINs – Supplementary Investments* transfer payment but in the fourth quarter, \$115 million was reallocated to another vote-item for a net 2019-20 budget reduction of \$5 million. Interestingly, the Province ended 2019-20 without recording any spending in the *LHINs – Supplementary Investments* transfer payment and instead spent over budget on the *LHINs*⁶ (\$1.4 billion over budget) and *Child and Youth Mental Health* (\$21 million over budget) transfer payments. In total, the LHINs and Related Health Service Providers vote-item finished the year \$65 million under its revised 2019-20 budget.

Table 4: LHINs and Related Health Service Providers programs (Vote-Item 1411-1), \$ millions

Program	2019-20 Budget	Change to Budget	Revised 2019-20 Budget	2019-20 Actual Spending	Actual Spending vs Revised Budget	Actual Spending vs Revised Budget (%)
LHINs*	27,499	-	27,499	28,935	1,436	5.2
LHINs – Supplementary Investments	1,527	-5	1,522	-	-1,522	-100.0
Child and Youth Mental Health	406	-	406	427	21	5.1
Health Shared Services Ontario	39	-	39	39	-	0.0
Total	29,471	-5	29,465	29,401	-65	-0.2

* *LHINs* represents 14 different transfer payments for each of the Province's 14 LHINs. For information on each LHIN transfer payment, visit the FAO's website at: <https://bit.ly/2OJG7x0>.

Note: Reflects spending recorded in IFIS as of May 14, 2020.

Source: FAO analysis of the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

⁶ *LHINs* represents 14 different transfer payments for each of the Province's 14 LHINs. For information on each LHIN transfer payment, visit the FAO's website at: <https://bit.ly/2OJG7x0>.

Table 5 identifies transfer payment programs with budgets over \$200 million that experienced budget changes of 10 per cent or more.⁷

Table 5: Major programs with budget changes over 10 per cent, \$ millions

Program	2019-20 Budget	Change to Budget	Revised 2019-20 Budget	% Change to Budget	2019-20 Actual Spending	Actual Spending vs Revised Budget
Autism ⁸	331	279	610	84.0	608	-2
Municipal Infrastructure (MAFRA)	150	81	231	54.0	222	-9
Ontario Film and Television Tax Credit ⁹	207	52	259	25.1	262	3
Childcare Access and Relief from Expenses (CARE) Tax Credit ¹⁰	390	98	488	25.0	488	-
Community and Priority Services (MOHLTC)	592	140	732	23.7	742	10
Metrolinx Operating Subsidies ¹¹	321	73	394	22.7	321	-74
Ontario Production Services Tax Credit	280	47	327	16.9	327	-
Legal Aid Ontario	323	34	357	10.5	357	-

Note: Major programs are defined as transfer payments with either an original or revised budget of more than \$200 million. Reflects spending recorded in IFIS as of May 14, 2020.

Source: FAO analysis of the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

⁷ Excludes programs identified in Tables 3 and 4.

⁸ For information on changes to the *Autism* transfer payment in 2019-20, see FAO, "Autism Services: A Financial Review of Autism Services and Program Design Considerations for the New Ontario Autism Program," 2020.

⁹ For an overview of the Province's cultural media tax credits, see FAO, "Tourism, Culture and Heritage: An Overview of the Tourism, Culture and Heritage Economic Sectors, Related Ministry Programs and the Impact of the COVID-19 Pandemic," 2020.

¹⁰ For an overview of the CARE tax credit, see FAO, "Child Care in Ontario: A Review of Ontario's New Child Care Tax Credit and Implications for Ontario's Labour Force," 2019.

¹¹ For information on changes to *Metrolinx Operating Subsidies*, see FAO "Expenditure Estimates 2019-20: Ministry of Transportation," 2019.

Table 6 identifies transfer payment programs with budgets over \$200 million that spent 98 per cent or less of their 2019-20 revised budget.¹²

Table 6: Major programs with spending of less than 98 per cent of 2019-20 revised budget, \$ millions

Program	Revised 2019-20 Budget	2019-20 Actual Spending	Actual Spending vs Revised Budget	Actual Spending vs Revised Budget (%)
Major Hospital Projects	1,469	1,173	-295	-20.1
Public Transit	4,605	3,744	-862	-18.7
Metrolinx Operating Subsidies	394	321	-74	-18.7
eHealth Ontario	250	207	-43	-17.1
Ontario Drug Benefit Plan (MCCSS)	1,144	956	-188	-16.4
Ontario Teachers' Pension Plan	1,732	1,570	-162	-9.4
Official Local Health Agencies	824	778	-45	-5.5
Municipal Infrastructure (MAFRA)	231	222	-9	-3.9
Payments to Service Managers Including Non-Profit Operations in Unorganized Territories (MMAH)	342	329	-13	-3.8
Employment and Training (MTCU)	947	917	-30	-3.2
Residential Services (MCCSS)	1,726	1,680	-46	-2.7
Grants for College Operating Costs	1,491	1,456	-35	-2.4

Note: Major programs are defined as transfer payments with either an original or revised budget of more than \$200 million. Reflects spending recorded in IFIS as of May 14, 2020.

Source: FAO analysis of the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

¹² Excludes programs identified in Tables 3 and 4.

Table 7 identifies transfer payment programs with budgets of \$200 million or more that spent more than their revised 2019-20 budget.¹³ Transfer payment programs are legally allowed to spend over budget if total spending for the applicable vote-item does not exceed the vote-item's revised budget.

Table 7: Major programs with spending over budget, \$ millions

Program	Revised 2019-20 Budget	2019-20 Actual Spending	Actual Spending vs Revised Budget	Actual Spending vs Revised Budget (%)
Municipal Transit (Capital)	0	486	486	N/A
Municipal Gas Tax Allocation	338	372	34	10.1
Ontario Works - Financial Assistance	2,672	2,824	152	5.7
Supportive Services (MCCSS)	966	996	31	3.2
Education Property Tax Non-Cash Expense	7,250	7,352	102	1.4
Community and Priority Services (MOHLTC)	732	742	10	1.4
Ontario Drug Programs (MOHLTC)	4,732	4,791	59	1.3
Ontario Film and Television Tax Credit	259	262	3	1.2
Canadian Blood Services	573	579	6	1.0
Grants for University Operating Costs	3,708	3,733	26	0.7
Ontario Works - Employment Assistance	210	210	<1	0.1
Cancer Care Ontario	1,891	1,891	<1	0.0

Note: Major programs are defined as transfer payments with either an original or revised budget of more than \$200 million. This table also includes transfer payment programs with revised 2019-20 budgets of zero but with actual 2019-20 spending over \$200 million. Reflects spending recorded in IFIS as of May 14, 2020.
 Source: FAO analysis of the 2019-20 Expenditure Estimates, the Supplementary Estimates, 2019-20, the 2019 Ontario Budget and information provided by Treasury Board Secretariat.

¹³ The table also includes transfer payment programs with revised 2019-20 budgets of zero but with actual 2019-20 spending over \$200 million. Excludes programs identified in Tables 3 and 4.



2019-20 Budget Deficit Projection

In the March 2020 Update, the Province projected an interim budget deficit for 2019-20 of \$9.2 billion. The FAO updated the Province's deficit projection using the FAO's more recent revenue forecast¹⁴ and the 2019-20 spending results reviewed above.¹⁵ Based on this updated information, the FAO projects a 2019-20 budget deficit of \$8.7 billion, an improvement of \$0.5 billion compared to the deficit projection in the March 2020 Update.

The \$0.5 billion improvement in the budget deficit projection reflects significant changes in the revenue and spending forecasts between the March 2020 Update and the FAO's projection. The FAO estimates that 2019-20 total revenue will be \$2.0 billion lower than forecast by the Province in the March 2020 Update, which reflects the evolving economic outlook for 2020 due to the COVID-19 pandemic. At the time of the March 2020 Update, the Province forecast nominal GDP growth for 2020 of positive 2.0 per cent. In the *Economic and Budget Outlook*, published in May 2020, the FAO forecast a decline in 2020 nominal GDP of 8.8 per cent.

In terms of spending, the FAO projection for total expense is \$2.3 billion lower than the expense forecast in the March 2020 Update. The difference in the spending forecasts reflects the more up-to-date information available to the FAO (as of May 14, 2020) compared to the forecast used by the Province in the March 2020 Update.

¹⁴ See FAO, "Economic and Budget Outlook," Spring 2020.

¹⁵ Reflects spending recorded in IFIS as of May 14, 2020.

Table 8: 2019-20 budget deficit projections, March 2020 Update vs FAO Projection, \$ millions

	March 2020 Update	FAO Projection	Difference
Revenue	156,731	154,720	-2,011
Expense			
Direct Spending:			
Health	60,340	59,960	-380
Education	31,215	31,154	-61
Postsecondary Education and Training	8,200	7,922	-278
Children's and Social Services	17,655	17,562	-93
Justice	4,999	4,970	-29
Other Programs	23,173	22,105	-1,067
Contingency Fund	100	-	-100
Interest on Debt	11,940	11,655	-285
Other Spending*	8,093	8,093	-
Total Expense	165,714	163,422	-2,293
Surplus/(Deficit) Before Reserve	(8,984)	(8,702)	282
Reserve	200	-	-200
Surplus/(Deficit)	(9,184)	(8,702)	482

* Other Spending represents 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.

Note: March 2020 Update is the Province's 2019-20 interim budget deficit forecast in the March 2020 Economic and Fiscal Update. FAO Projection is the FAO's interim budget deficit forecast based on the FAO's revenue forecast from the "Economic and Budget Outlook," Spring 2020 and the spending recorded in the Province's integrated financial information system (IFIS) as of May 14, 2020.

Source: March 2020 Update, FAO, "Economic and Budget Update," Spring 2020, and information provided by Treasury Board Secretariat.

About this Document

Established by the *Financial Accountability Officer Act, 2013*, the Financial Accountability Office (FAO) provides independent analysis on the state of the Province's finances, trends in the provincial economy and related matters important to the Legislative Assembly of Ontario.

This report has been prepared with the benefit of publicly available information and information provided by Treasury Board Secretariat.

All dollar amounts are in Canadian, current dollars (i.e., not adjusted for inflation) unless otherwise noted.

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