Illustrative Fiscal Trajectories

Office of the Budget
MINISTRY of FINANCE

OFFICE OF ECONOMIC POLICY
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TBS

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Confidential Advice to Cabinet

Threshold Decisions and Trade-offs For Fiscal Architecture

- Developing the fiscal architecture for inclusion in the 2018 Document will require considering the following interrelated decisions and trade-offs:
  - How large should the deficits be?
    - What ***risks and pressures*** should be accommodated and how large should ***prudence (Contingency Fund, Reserve, etc.)*** be relative to unfunded risks?
    - What new ***signature investments*** should be included, and what envelope or tools should be incorporated to accommodate them?
  - Under FTAA, a recovery plan is required when deficits are incurred.
    - ***How many years should the path to balance be***?
    - What should be the ***key tool(s) to achieve balance***?
  - Confirm direction to bring forward a regulation under the *Fiscal Transparency & Accountability Act*, 2004 for Cabinet consideration on February 21, 2018. The regulation would establish requirements for:
    - Release of a ***pre-election report within 7 days*** after the release of the Budget; and
    - Subsequent ***review*** of the pre-election report by the Auditor General.

PART I: Developing the Base Case

Fiscal Planning Guidance

Cautious & Reasonable

Revenue
- Assumptions align with outlook for the economy
- Balanced upside and downside risks
- Consistent with private sector forecasts

Expense
- High-likelihood/known risks incorporated (e.g. compensation/Bill 148)
- Growth reflects underlying demand and cost drivers

Prudence
- Aligned with historical levels and sufficient to mitigate portion of known risks to the plan

Expense
- Program expense constrained/unlikely to keep pace with underlying demand and cost drivers

Prudence
- Limited/low levels
- Not sufficient to mitigate known risks while still maintaining fiscal targets

Revenue
- Aggressive/optimistic assumptions
- Unlikely to be achieved in year-end results
- Out-of-step with private sector forecasts and historical trends

Aggressive & Optimistic

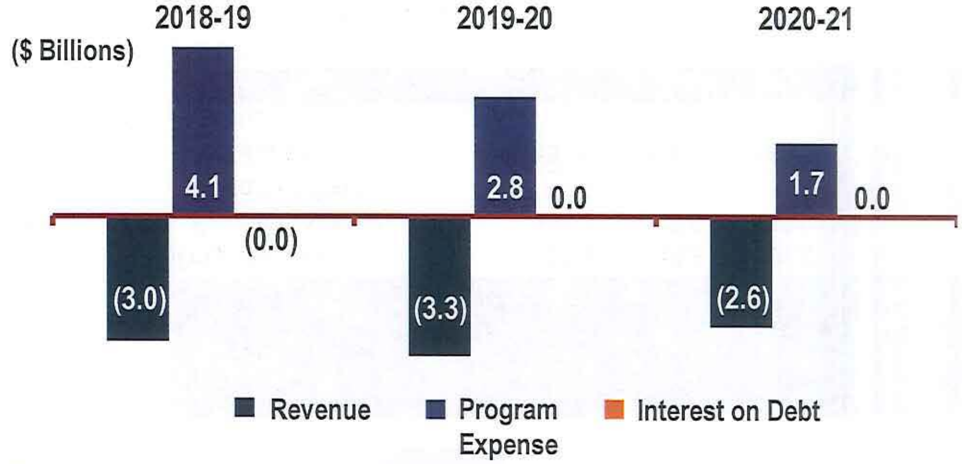
Components of Base Case Outlook

Revenue outlook reflects a risk-balanced starting point.

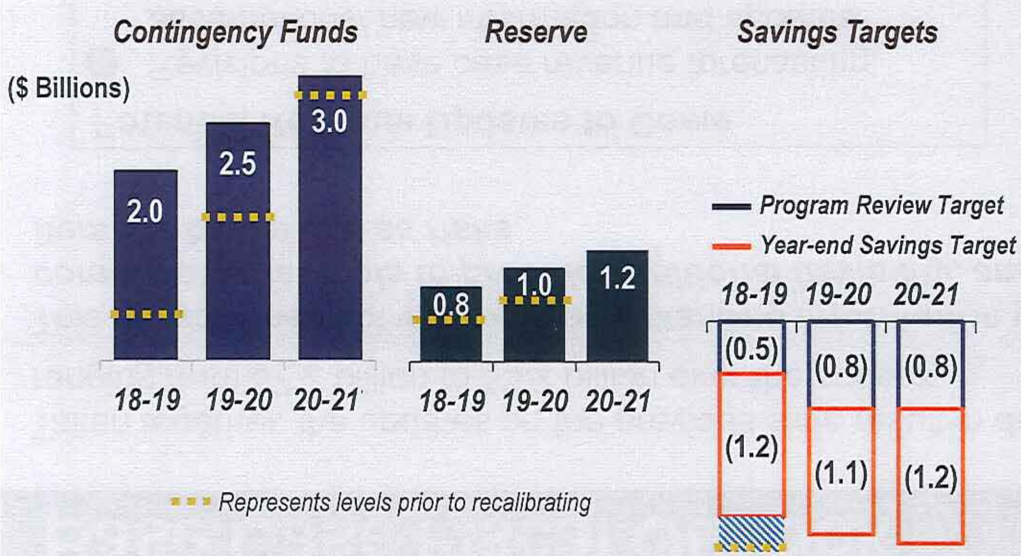
Expense reflects FES and PRRT decisions, recent TB/MBC approvals, and accounts for risks that may need to be funded.

Interest on debt forecast reflects updated fiscal targets and has not materially changed from 2017 Budget forecast.

Revenue, Program Expense and IOD Changes Relative to the 2017 Budget



Recalibrating Prudence in the Fiscal Plan



Prudence levels have been recalibrated to align with a cautious and reasonable outlook:

The **contingency fund** has been set at a level that accounts for high-likelihood risks and compensation pressures (Bill 148 and collective agreements).

Reserve has been reset to levels largely consistent with the ten-year average, and "stepped" to account for increased risk over the medium term.

The **program review savings target** in 2018-19 has been reduced to provide a more reasonable level of achievability.

Base Case Fiscal Outlook

Taken together, the updates on the previous slide result in deficits ranging from \$7.2 billion to \$3.2 billion over the outlook.

This outlook does not incorporate outstanding ***information yet to come, potential tools to provide additional flexibility, and items to be carried as risks.***

Potential Revenue Updates to Come

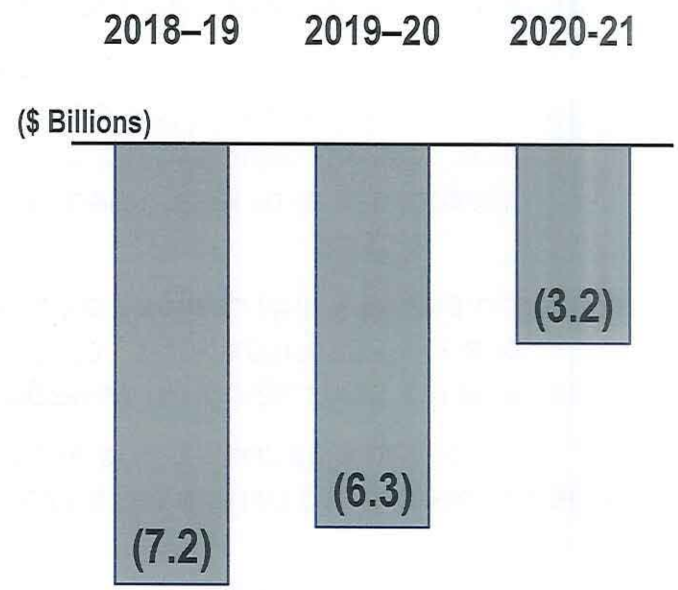
- Revisions to base case revenue forecasting assumptions/ new information and updates
- Federal Budget measures

Potential Expense Updates to Come

- Potential Document and other initiatives
- Federal Budget measures
- Updates to tax expenditure and other forecasts

Risks Not Accommodated

- Potential for slower economic growth
- PIT permanent impact on tax planning
- Impact of U.S. tax reform/income shifting
- Equalization renewal
- Additional land claims
- OMA compensation above approved mandate



($ Billions)	2018-19	2019-20	2020-21	Avg. Ann Growth 2016-17 to 2020-21
Total Revenue	**150.6**	**154.9**	**161.2**	3.5%
Program Expense	144.3	146.9	149.2	3.5%
Interest on Debt	12.6	13.3	14.0	4.6%
Total Expense	**157.0**	**160.2**	**163.3**	3.6%
Reserve	0.8	1.0	1.2	
Surplus/(Deficit)	(7.2)	(6.3)	(3.2)	
Net Debt as % of Revenue	*210.4*	*217.9*	*222.3*	
Program Expense-to-GDP (%)	*16.7*	*16.3*	*16.0*	
Deficit-to-GDP (%)	*(0.8)*	*(0.7)*	*(0.3)*	
Prudence Levels of:				
Contingency Funds	*2.0*	*2.5*	*3.0*	
Total Savings Targets	*1.7*	*1.8*	*1.9*	

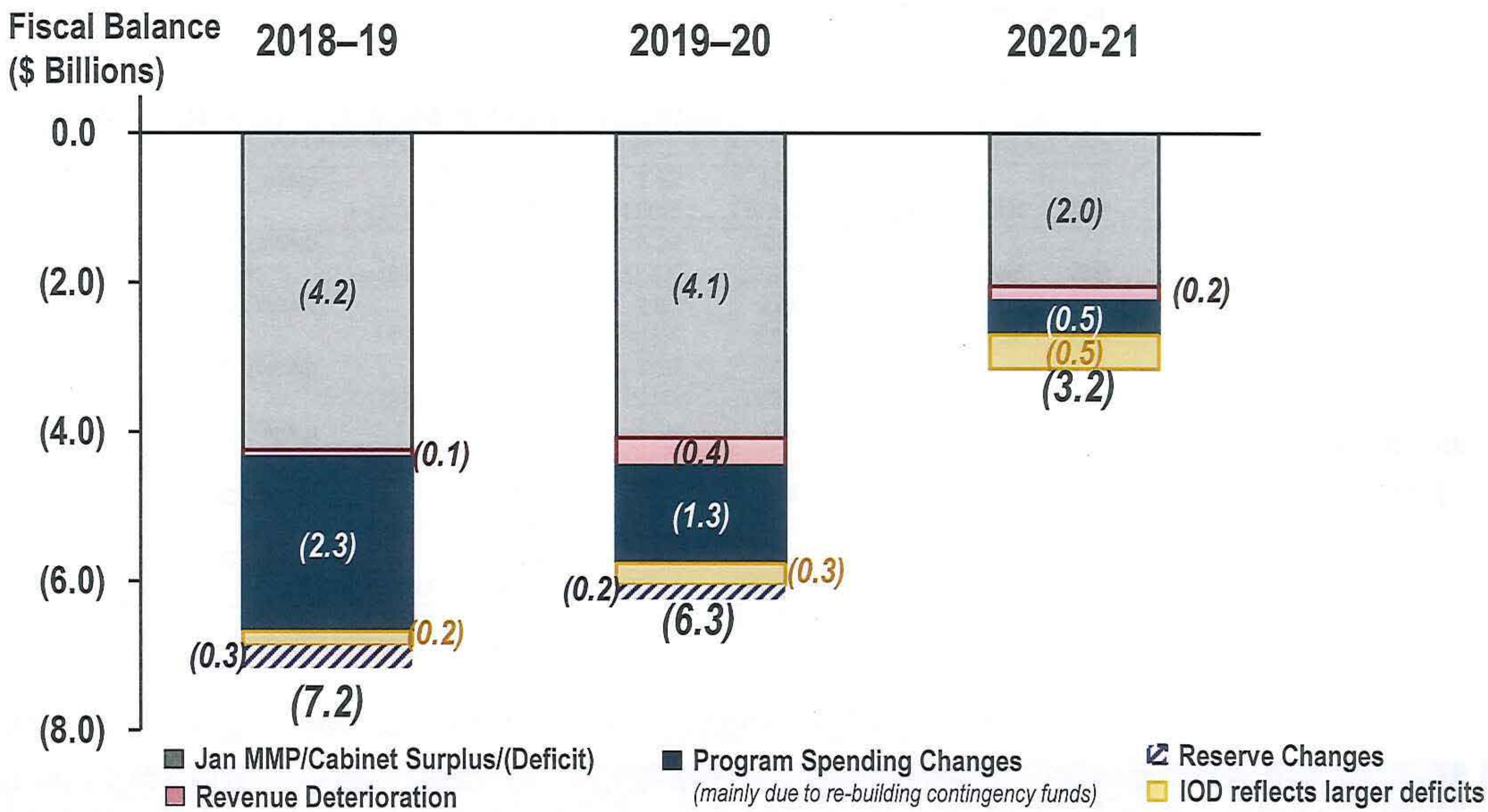
Potential fiscal benefit (improvement to gap) Potential fiscal pressure (deterioration to gap)

Potential fiscal benefit / pressure direction unclear (improvement or deterioration to gap)

Changes since January MMP/Cabinet

Updates since the January MMP/Cabinet meetings result in deteriorations over the outlook:

- **Revenue has deteriorated** as a result of lower 2016 tax returns, lower equalization and lower LTT offset by higher income from GBEs.
- **Re-building Contingency funds** from the bottom up to ensure that known risks (including compensation and Bill 148) are incorporated results in significant additional expense the next two years
- **Other expense changes**, including post PRRT approvals and consolidation updates add pressure in all years, particularly 2018-19.
- **Reserve** levels have been increased in 2018-19 and 2019-20 to reflect economic uncertainty.



Program Expense Outlook Growth Rates (Base Case)

Outlook Including Potential Approvals (Compensation in the C-Fund)

($ Millions)		2016-17 Actuals	2017-18 FES	2018-19	2019-20	2020-21	16-17 to 20-21 Growth	17-18 to 20-21 Growth
Health Sector		55,969	57,953	60,913	62,852	64,591	3.6%	3.7%
	YOY growth		*3.5%*	*5.1%*	*3.2%*	*2.8%*		
Education Sector		26,580	27,691	28,977	29,678	29,859	3.0%	2.5%
	YOY growth		*4.2%*	*4.6%*	*2.4%*	*0.6%*		
Postsecondary & Training Sector		10,131	10,934	11,622	11,766	11,843	4.0%	2.7%
	YOY growth		*7.9%*	*6.3%*	*1.2%*	*0.7%*		
Children's and Social Services Sector		16,073	16,844	17,132	17,351	17,663	2.4%	1.6%
	YOY growth		*4.8%*	*1.7%*	*1.3%*	*1.8%*		
Justice Sector		4,617	4,714	4,976	4,933	4,946	1.7%	1.6%
	YOY growth		*2.1%*	*5.6%*	*-0.9%*	*0.3%*		
Other Programs Sector (Incl. Corporate Items)		16,646	19,252	21,000	20,329	20,343	5.1%	1.9%
	YOY growth		*15.7%*	*9.1%*	*-3.2%*	*0.1%*		
		130,016	**137,388**	**144,622**	**146,910**	**149,245**	3.5%	2.8%
	YOY growth		*5.7%*	*5.3%*	*1.6%*	*1.6%*		

Budget Presentation

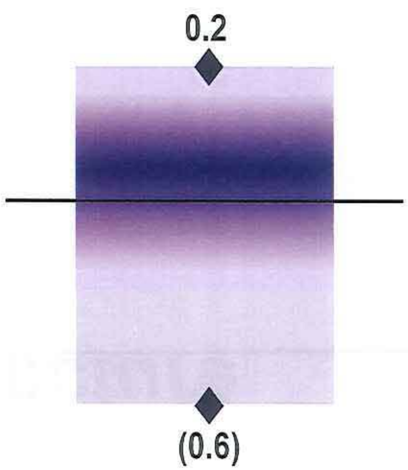
Outlook Including Potential Approvals (Compensation in Sectors)

($ Millions)		2016-17 Actuals	2017-18 FES	2018-19	2019-20	2020-21	16-17 to 20-21 Growth	17-18 to 20-21 Growth
Health Sector		55,969	57,953	61,144	62,961	64,619	3.7%	3.7%
	YOY growth		*3.5%*	*5.5%*	*3.0%*	*2.6%*		
Education Sector		26,580	27,691	29,005	29,958	30,539	3.5%	3.3%
	YOY growth		*4.2%*	*4.7%*	*3.3%*	*1.9%*		
Postsecondary & Training Sector		10,131	10,934	11,622	11,899	11,984	4.3%	3.1%
	YOY growth		*7.9%*	*6.3%*	*2.4%*	*0.7%*		
Children's and Social Services Sector		16,073	16,844	17,316	17,466	17,836	2.6%	1.9%
	YOY growth		*4.8%*	*2.8%*	*0.9%*	*2.1%*		
Justice Sector		4,617	4,714	4,976	4,933	4,946	1.7%	1.6%
	YOY growth		*2.1%*	*5.6%*	*-0.9%*	*0.3%*		
Other Programs Sector (Incl. Corporate Items)		16,646	19,252	20,557	19,692	19,321	3.8%	0.1%
	YOY growth		*15.7%*	*6.8%*	*-4.2%*	*-1.9%*		
		130,016	**137,388**	**144,621**	**146,910**	**149,245**	3.5%	2.8%
	YOY growth		*5.7%*	*5.3%*	*1.6%*	*1.6%*		

2017-18 Early Read

- While in-year expense approvals were managed from *within* the 2017 Budget plan, **ministries are reporting pressures** in their interim expense outlooks.
- **Excluding fiscally neutral revenue changes, the revenue forecast has increased by $0.2 billion** compared to the 2017 Budget forecast, however this assumes:
  - **The final C&T auction** will be fully subscribed ($0.4 billion assumption).
  - **OEB deferred tax benefit** appeal will not affect 2017-18 revenues (-$0.4 billion risk).
- In addition, there are other adjustments that could impact year-end results (e.g., accounting).

Early-Read Range of Year-End Results



Achieving Balance in 2017-18

- To meet the 2017 Budget plan, there is no room for Ministries to come in above their allocations.
- Ministries have been asked to re-assess their interim expense outlooks to ensure they accurately project the province's year-end position.
  - A more final estimate of Interim expense outlooks should be available in the coming weeks.
  - Should interim outlooks come in above plan, consideration may need to be given to alternative fiscal tools to achieve balance target.

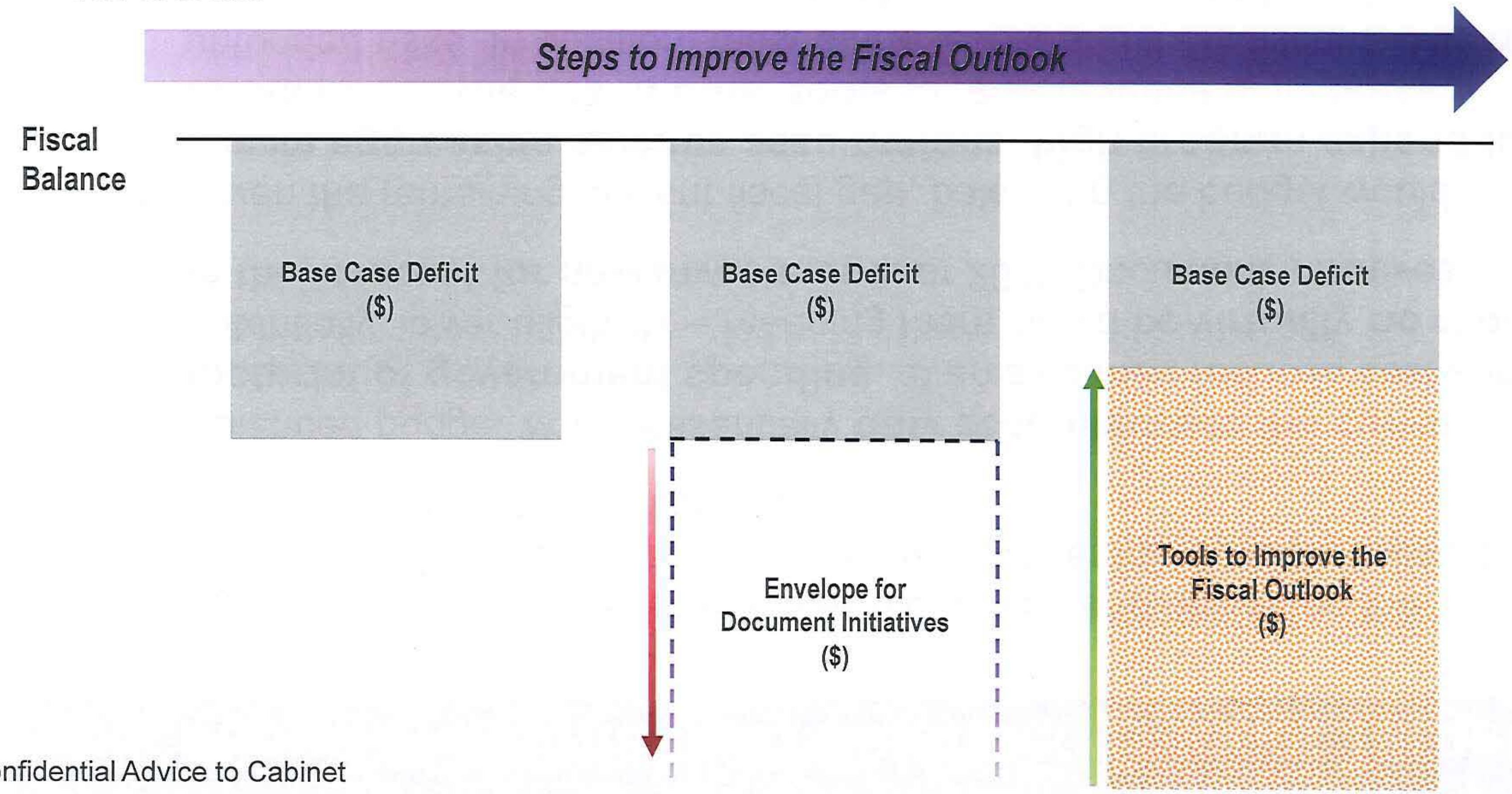
PART II:
Building Blocks for Fiscal Architecture

Implications of Maintaining Balanced Budget Targets

- While closing the base case fiscal gap would continue to deliver on the government's commitment to balance the budget over the outlook, it would require aggressive/optimistic assumptions.
  - Balanced budget would essentially **only accommodate the current footprint of government spending**, at an assumed reduced cost and potentially, lower eligibility – meaning there would be **virtually no room in the forecast for new investments** or 2018 Document initiatives.
  - Given the remaining current fiscal gap, balancing the budget would require **aggressive revenue assumptions**, **high program expenditure restraint and the use of other tools** to raise revenue or increase unfunded risks. In addition, most of the levers and tools assumed in the 2017 Budget fiscal plan that have not materialized, **could not be re-used**.
  - In addition, historically **low levels of prudence** would be maintained over the outlook, as would **higher savings** targets that would be challenging to achieve – limiting fiscal flexibility and making the fiscal plan inherently risky and **targets challenging to achieve**, beginning already in 2018-19.

Steps to Improve the Fiscal Outlook

- Building a reasonable multi-year fiscal plan from the base case would project a deficit trajectory beginning in 2018-19 that would need to ***meet the test for reasonableness while still making some room for new investments.***
- Key trade-off will be between ***lower deficits*** and a ***sufficiently-sized Document initiatives envelope***. There is also a direct correlation between ***size of deficits and length of recovery plan***.
- Below is an illustration showing how the government could improve its fiscal outlook through the use of tools.



2018 Signature Initiatives Under Consideration – Summary

Document Initiatives ($B)	2018-19		2019-20		2020-21		3-yr Total	
	Low	High	Low	High	Low	High	Low	High
Signature Initiatives								
Economic Competitiveness *Human Capital Strategy, Jobs & Prosperity Fund refresh, bridge training*	0.1	0.2	0.1	0.4	0.1	0.5	**0.4**	**1.1**
Income Security Reform *Rules changes, rate increases, structural simplification, earnings / income exemptions*	0.3	0.4	0.8	1.2	1.2	2.1	**2.3**	**3.7**
Developmental Services Strategy *Passport enhancement, residential services, system stabilization*	0.2	0.3	0.4	0.6	0.5	0.8	**1.0**	**1.7**
Investments in Child Care * *Spaces, workforce strategy, innovation fund, affordability*	0.4	0.8	2.3	3.8	3.1	4.4	**5.8**	**9.0**
Investments in Education (K to 12) ** *Special education assessment, class sizes*	0.0	0.2	0.1	0.3	0.1	0.3	**0.2**	**0.8**
Mental Health and Addictions Strategy *Access to services, funding model*	0.2	0.3	0.4	0.5	0.6	0.8	**1.2**	**1.6**
Health Priorities *Hospital funding, Long-Term Care, Home & Community Care*	0.1	0.6	0.4	0.7	0.7	1.1	**1.2**	**2.4**
Pharmacare Expansion *** *Coverage enhancements*	0.1	0.3	0.2	1.0	0.2	1.4	**0.5**	**2.7**
Justice Transformation **** *Corrections transformation, community justice centres*	0.1	0.2	0.2	0.4	0.4	0.4	**0.7**	**0.9**
Other Infrastructure Investments	TBD	TBD	TBD	TBD	TBD	TBD	-	-
Total	**1.6**	**3.3**	**4.9**	**8.9**	**6.8**	**11.8**	**13.3**	**23.9**
Tax								
Total	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**
Major Items								
38 Additional Priorities ***** *Ministries to develop scalable options*	**0.2**	**0.2**	**0.3**	**0.3**	**0.5**	**0.5**	1.0	1.0
Grand Total	**1.8**	**3.5**	**5.2**	**9.2**	**7.2**	**12.2**	**14.3**	**24.9**

3-4

* Excludes ministry's request for the Arts Strategy (instead captured under Additional Priorities).

** Excludes ministry's request for on-reserve child care expansion.

*** OHIP+: Smaller Step represents the Low Option across all fiscal years, and the High Option in 2018-19. Amounts pro-rated in 2018-19 assuming a Fall 2018 implementation (half year).
OHIP+: OBIP and OHIP+: Min. Wage represent the High Option in 2019-20 and 2020-21. Amounts pro-rated in 2019-20 assuming a Summer 2019 implementation (3/4 year).

**** Figures are draft, and exclude anticipated funding request from the Ministry of Health & Long-Term Care.

***** Excludes fiscally neutral items (e.g., fund from within or narrative only), and excludes figures for Extended Health Benefits (still TBD).

Potential Tools

The following list of tools could be applied to the base case to create additional fiscal room for investment, and/or lower deficit targets (and a quicker return to balance).

Fiscal Effort from Tools and Assumptions ($ Billions)	2018-19	2019-20	2020-21
Revenue Tools			
New Revenue Integrity and Other Measures	TBD	TBD	TBD
Remove GDP Growth Prudence	0.1	0.2	0.3
Non-Medical Cannabis Revenue (Excise Tax, OCRC Net Income) – Medium Scenario	0.0	0.1	0.3
Medical Cannabis Revenue	0.0	0.0	0.0
Carbon Allowance Proceeds *(80% or 100% of projected proceeds)* *(Assumes no corresponding expense increase)*	0.4	0.4	0.4
Program Expense Tools (TBD)			
Approved-in-Principle Levers	TBD	TBD	TBD
Additional Cap and Trade In-Plan Assumptions	0.1	-	-
Apply Cap and Trade Towards Provincial Assets	0.1	-	-
Reduce Contingency Fund (e.g., carry only 80% of risks in Cfund)	TBD	TBD	TBD
Other Tools			
Flatten Reserve at $1.0B in 2020-21	-	-	0.2
Further Reduce Reserve	TBD	TBD	TBD
Interest on Debt Savings*	TBD	TBD	TBD

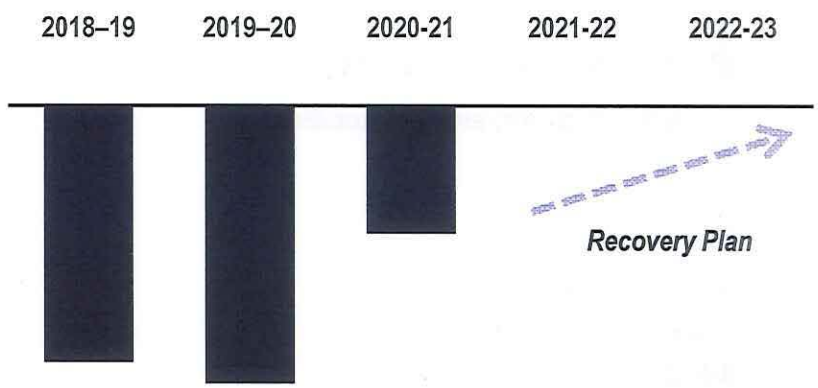
**Interest on Debt savings/pressures will depend on final surplus/(deficit)*

Developing a Multi-Year Fiscal Trajectories

- Choices around the level of investment and offsetting tools determine the government's fiscal targets over the outlook as well as the timeline for returning to balanced budgets.
  - Higher deficits would allow greater room for new investments but would likely require a longer return to balance.

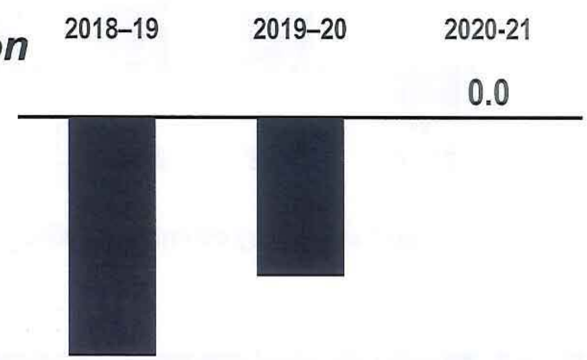
Scenario 1 – Balance Beyond the Medium-Term

- Allows for **greater new investments envelope** – key fiscal tool would be a longer period to return to balance.
- **Plan for recovery (back to balance) would need to be included (per FTAA).**



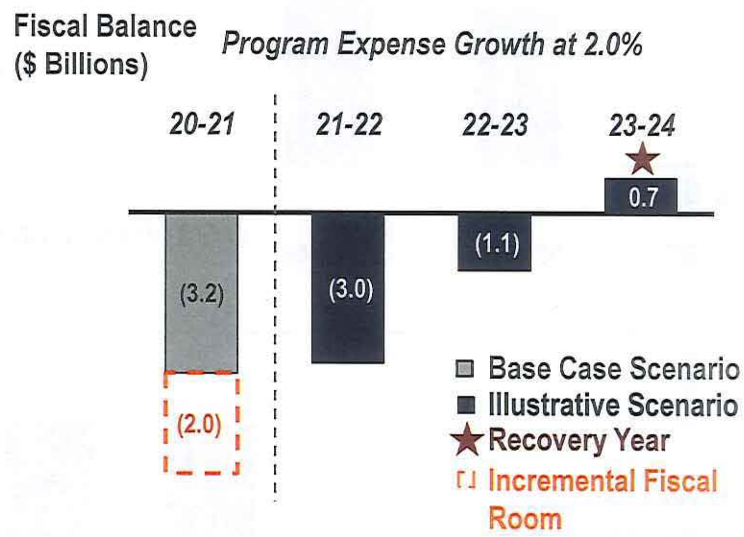
Scenario 2 – Return to Balance within the Medium-Term Horizon

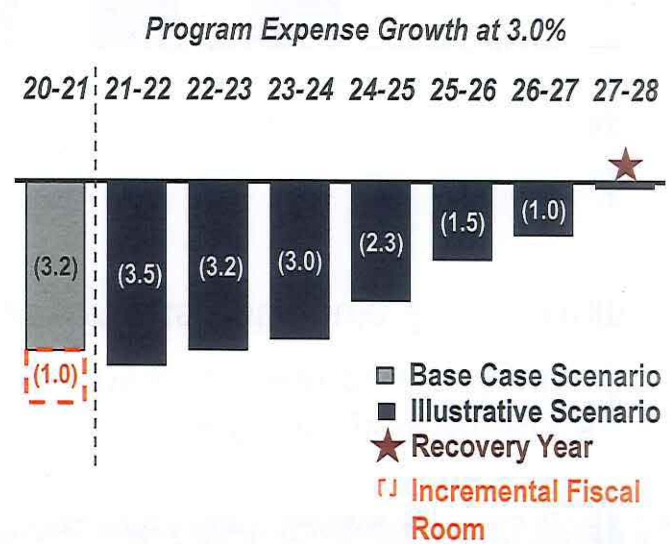
- Would show **modest deficits** but project a return to balance/surplus in the last year of the current fiscal planning window.
- Would **limit the room for new investments** and likely require sufficient **additional tools** that would need to meet the test for reasonability.



Recovery Plan Fiscal Anchors

- The base case results in a $3.2 billion deficit in 2020-21, requiring a **recovery plan.**
- Assuming revenue grows at an average annual rate of 3.4%, consistent with the long-term outlook for the economy, and IOD grows at ~3.4%[1], the **key variable for return to balance is program expense.**
- Program expense growth could be set at varying levels, which results in different recovery plans. For example:
  - If program expense growth is **constrained at 2.0% per year**, balance could be achieved by 2023-24. This plan accommodates incremental fiscal room of $2.0 billion in 2020-21 relative to the base case.
  - If program expense **grows at 3.0% per year** - in line with inflation and population growth - balance could be achieved by 2027-28. This plan accommodates incremental fiscal room of $1.0 billion in 2020-21 relative to the base case. Given that program expense is growing at a faster rate in this scenario, incremental fiscal room relative to the base case is less (roughly half), in order to balance by 2027-28.

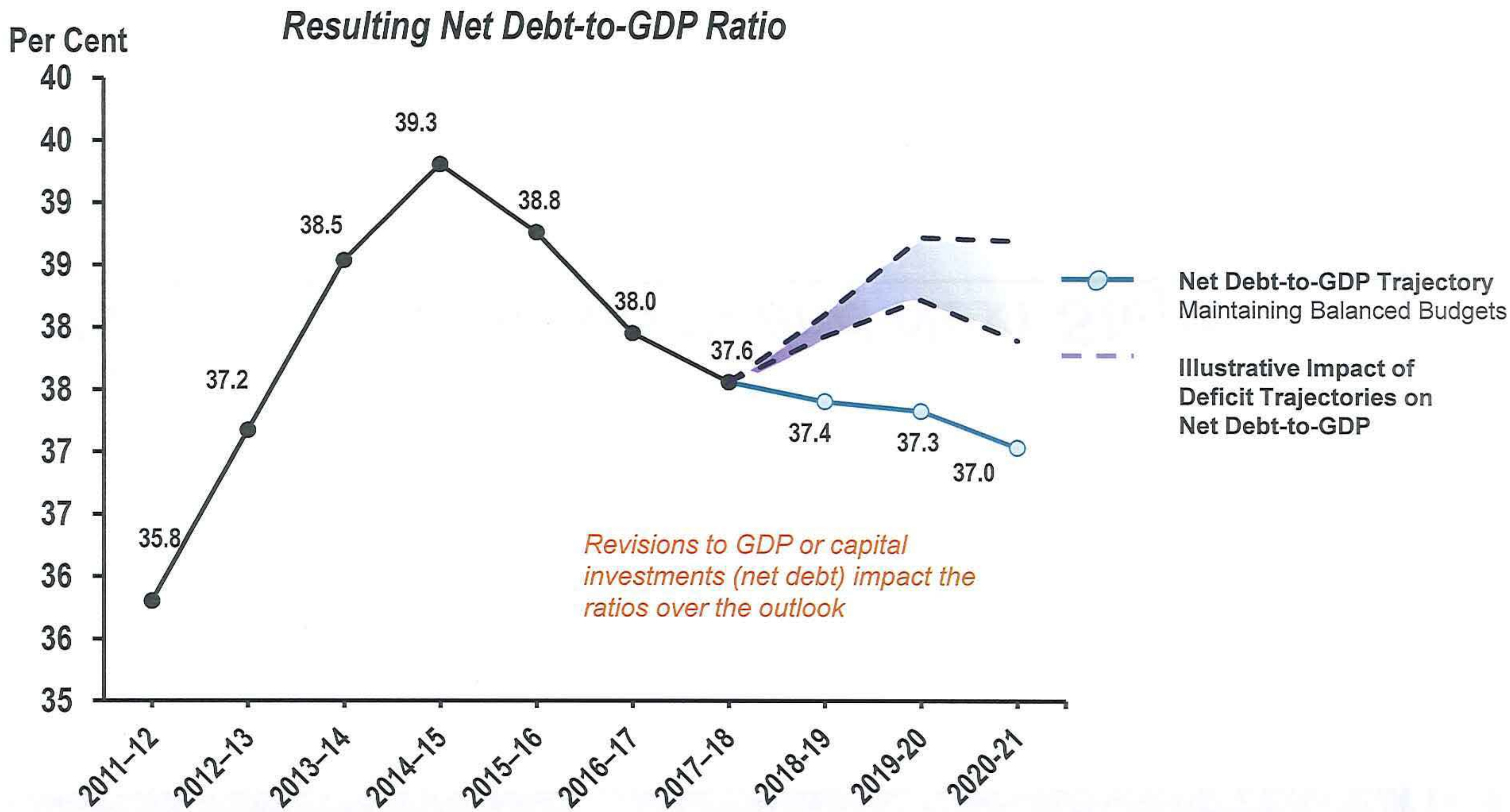




[1] IOD currently projected to grow at 3.4% between 2014-15 and 2019-20.

Illustrative Impact on Net Debt-to-GDP Ratio

- Running deficits results in an increase in the net debt-to-GDP ratio from the current level. The depth of deficit as well as the timeline to return to balance impacts the potential range of the net-debt to GDP ratio going forward.
- In order to keep net-debt to GDP below the 2014-15 peak within the planning horizon, cumulative deficits cannot exceed $20 billion over the next three years. This assumes capital spending and GDP forecasts remain constant - an increase in capital spending or decrease in GDP would further increase the ratio.



Part III: Key Decisions and Next Steps

Key Decisions

- A late-March Document timing requires finalization of decisions and "numbers lock" by **March 2, 2018**.
  - Some **information still to come** could impact the underlying base case fiscal outlook – including economic/revenue information and updates to various expense components.
- Key direction will be required on the following components:
  - Actions required to secure a **balanced budget in 2017-18**;
  - Signature **document initiatives** to proceed with;
  - Revenue and expense **tools** to be accommodated and details of any associated plans;
  - Length of **recovery plan**; and
  - Overall fiscal plan **narrative**.
- Confirmation to proceed with **Pre-Election Report regulation.**

Appendix

Changes to Outlook: 2017 Budget to MMP/Cabinet

($ Billions)	2018-19	2019-20	2020-21*
2017 Budget Surplus/(Deficit)	0.0	0.0	1.0
Revenue Updates			
FES Updates			
PIT Update	(2.3)	(2.4)	n/a
CIT Update	1.7	1.8	n/a
Housing Market	(0.4)	(0.3)	n/a
FES Initiative: Small Business - CIT Rate Relief	(0.1)	(0.2)	n/a
Economic Growth	0.8	0.7	n/a
Other Changes	0.4	0.4	n/a
Post-FES Revenue Forecast Update	(2.9)	(2.9)	n/a
Total Revenue Updates	(2.9)	(2.9)	n/a
Expense Updates			
Post- Budget Approvals (incl. FES)			
2017 FES Signature Initiatives - Support for Small Businesses	0.1	0.1	-
2017 FES Signature Initiatives - Support for Seniors	0.1	0.1	0.1
Other Post-Budget Approvals	0.0	0.0	0.0
Preliminary Allocations	0.2	0.3	0.3
PRRT Approvals-in-Principle	1.3	1.2	1.0
Interest on Debt	(0.2)	(0.3)	(0.4)
Other Changes			
Contingency Fund	(0.2)	(0.3)	0.7
Savings Targets	-	-	-
PRST	-	-	(0.8)
Cap and Trade Envelope	-	-	-
GHGIP	0.2	0.1	(0.0)
Total Expense Updates	1.5	1.2	0.9
Reserve Updates	(0.1)	(0.1)	-
MMP/Cabinet Surplus/(Deficit)	(4.2)	(4.1)	(2.0)

**2017 Budget did not publish figures for 2020-21.*

Note: numbers may not add to totals due to rounding.

Changes to Outlook since MMP/Cabinet

($ Billions)	2018-19	2019-20	2020-21
MMP/Cabinet Surplus/(Deficit)	(4.2)	(4.1)	(2.0)
Revenue Updates			
Equalization Based on 2016 Tax Assessments	-	(0.2)	(0.3)
2016 Tax Assessment Update PIT	(0.2)	(0.2)	(0.2)
2016 Tax Assessment Update CIT	(0.1)	(0.1)	(0.1)
2017 PIT Update based on EHT collections	0.1	0.1	0.1
LTT Update Based on Private Sector Forecasts	(0.0)	(0.1)	(0.2)
Preliminary OLG Business Plan	0.0	0.0	0.3
Preliminary LCBO Business Plan	0.0	0.0	0.1
Total Revenue Updates	**(0.1)**	**(0.4)**	**(0.2)**
Expense Updates			
Post PRRT Approvals			
EDU - Child care Bill 148 Mitigation Funding	0.0	-	-
MAESD - Funding for Colleges	0.1	-	-
MCSCS - Corrections Reform	0.0	0.0	0.0
Gender-based Violence	0.1	0.1	0.1
Women Empowering the Economy Strategy	0.0	0.0	0.0
Federal Infrastructure Matching	0.2	0.1	0.2
Risks to be Included in Allocation			
EDU - Grants for Student Needs	0.0	0.1	0.1
MOECC - Drive Clean	0.0	0.0	-
MTO - Drive Test Centres	0.0	0.0	0.0
Other Likely Changes			
Pensions and Benefits Update	0.0	(0.2)	(0.4)
Other Changes (including GREP Consolidations)	(0.1)	0.1	0.1
Interest on Debt	0.2	0.3	0.5
Prudence Adjustments			
Contingency Fund	1.5	1.0	0.2
Savings Targets	0.3	-	-
Total Expense Updates	**2.3**	**1.3**	**0.5**
Reserve Updates	**0.3**	**0.2**	**-**
Base Case Surplus/(Deficit)	(7.2)	(6.3)	(3.2)

Note: numbers may not add to totals due to rounding.

Changes to Outlook since 2017 FES

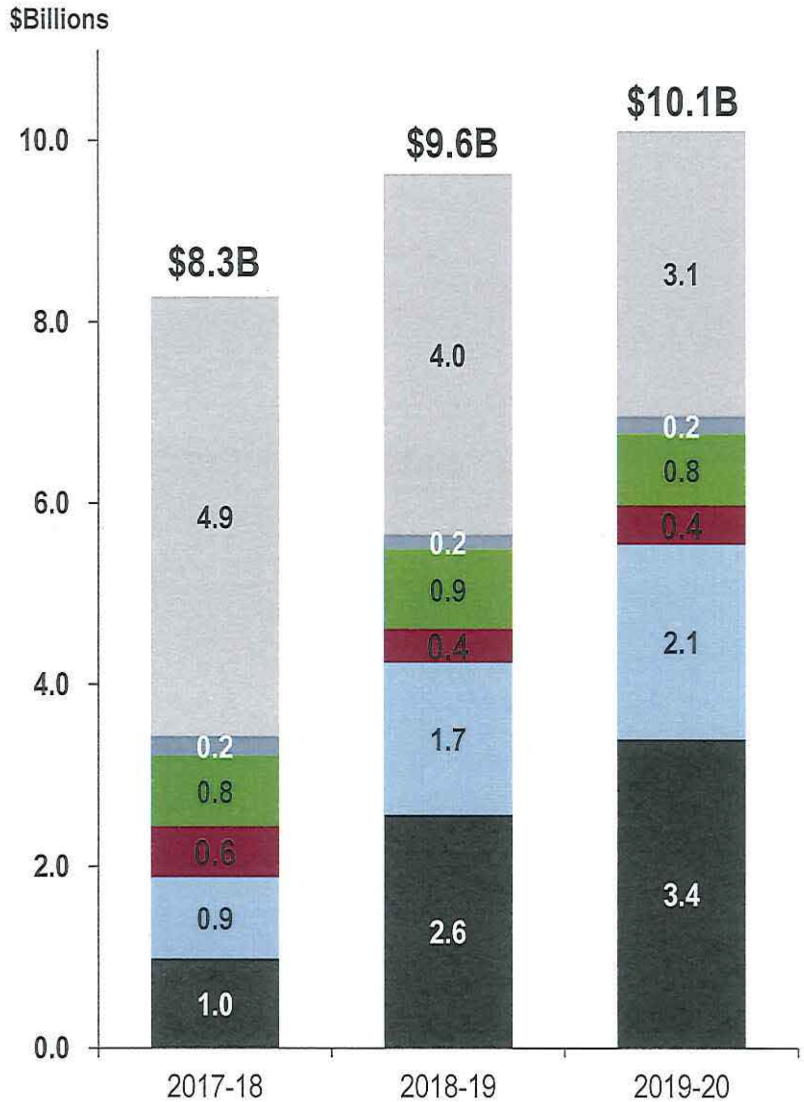
($ Billions)	2018-19	2019-20	2020-21*
2017 FES Surplus/(Deficit)	0	0	-
Revenue Updates			
Taxation Revenue Changes	(2.6)	(3.2)	n/a
Government of Canada Changes	(0.2)	0.1	n/a
Government Business Enterprise Changes	(1.0)	(1.0)	n/a
Other Non-Tax Revenue Changes	0.7	0.8	n/a
Total Revenue Updates	**(3.0)**	**(3.3)**	**n/a**
Program Expense Updates			
Allocations and Other Adjustments	0.1	0.1	0.2
PRRT Decisions			
Fiscally Neutral Decisions	0.7	0.4	0.1
In-Year Approvals with Out-Year Impacts	0.3	0.3	0.3
All Other PRRT Changes (Including Wrap Up #2 Items)	0.5	0.6	0.6
2018 Document Base Case Changes			
Early Minuted Approvals	0.5	0.2	0.3
Risks to be included in Allocations	0.1	0.1	0.2
Other Likely Changes	0.1	0.0	0.0
Consolidations	(0.1)	0.1	0.1
Pension Updates	0.0	(0.2)	(0.4)
Recalibrating Prudence Levels *(Contingency Funds/Program Review Targets)*	1.8	1.0	0.2
Total Program Expense Updates	3.9	2.7	1.5
Total Interest on Debt Updates	(0.0)	0.0	0.0
Reserve Updates	0.3	0.2	-
Base Case Surplus/(Deficit)	(7.2)	(6.3)	(3.2)

**2017 Budget did not publish figures for 2020-21.*
Note: numbers may not add to totals due to rounding.

Building Contingency Funds

($ Billions)	2018-19	2019-20	2020-21
Set Asides in 2017 Budget			
MTO/MOI: Moving Ontario Forward (incl. SCIF)	0.1	0.5	0.7
MNDM: Ring of Fire	0.2	0.2	0.1
Total Set Asides in 2017 Budget	**0.3**	**0.6**	**0.8**
Additional Set Asides			
MCSCS: Correctional Services Transformation	0.0	0.2	0.3
MIRR: Land/Flood Claims - Settlements (Rainy Lake, Lake of Woods, Wikwemkoong, Williams)	0.7	0.1	-
MCSS: Social Assistance Forecast	0.1	0.2	0.2
MCYS: Autism	0.1	0.0	0.0
Other (e.g. Child Welfare, Toyota, Special Diet Allowance, Cybercrime, etc)	0.1	0.1	0.1
Total C-Fund Full Set Aside	**1.0**	**0.6**	**0.7**
Part of Unassigned Provision in the C-Fund			
MAESD: OSAP Pressures (20% of 2018-19 PRRT Request)	0.1	0.1	0.1
ENERGY: Distribution Rate Protection Program	0.0	0.0	0.1
ENERGY: Affordability Fund	-	0.1	-
Other (incl. Emergency Fire Fighting, Bus. Risk Mgmt, etc.)	0.2	0.2	0.2
Total Part of Unassigned Provision in the C-Fund	**0.3**	**0.4**	**0.4**
Total Comp. – Part of Unassigned Provision in C-Fund (incl. Bill 148 & Collective Bargaining)	**0.6**	**0.7**	1.2
Total Adjustments (rounding)	**(0.0)**	**0.2**	**(0.0)**
Total C-Fund: Base Case	**2.0**	**2.5**	**3.0**

2017 Investments (incl. Budget and FES)



Health

- Includes hospital base funding, OHIP, and drug program.

Education

- Includes funding for Child Care Expansion, higher than projected enrolment and Early Learning and Childcare Bi-Lateral Agreement.

Postsecondary and Training

- Includes funding to support reforms to OSAP and the Highly Skilled Workforce Initiative.

Children's and Social Services

- Includes funding to support Social Assistance, Developmental Services, Basic Income Pilot, Autism Reform and Child Welfare Reform.

Justice Sector

- Includes funding for Action Plan for Reconciliation, Corrections Reform and Compensation.

Other Programs

- Includes Fair Hydro Plan, Greenhouse Gas Reduction Account, support for small businesses and fairness for seniors investments.