Fw: FAO's Upcoming EFO Report

From:	"Schuurman, Tim (MOF)" <tim.schuurman@ontario.ca>
To:	David West <dwest@fao-on.org>, "Hughes, Karen (TBS)" <karen.hughes@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Cc:	"Laughton, Patrick (TBS)" <patrick.laughton@ontario.ca>, "Birks, Ryan (MOF)" <ryan.birks@ontario.ca>, Luan Ngo <lngo@fao-on.org>
Date:	Thu, 11 May 2017 14:47:39 -0400
Attachments:	Expert Panel Bio.docx (18.31 kB); pension-asset-expert-advisory-panel-members.htm (127.4 kB)

David

We think that it's important to call the Pension Asset Panel an Expert Panel - for a couple of reasons. First of all, it's what the government called it, and as such, seems appropriate in most circumstances when referring to a government program, agency, or Panel, to use the government's label or name for it.

Secondly - and see attached - here are the bios of the members of the Expert Panel as well as a link to the backgrounder that includes shorter versions (which was publicly released). We would argue that it is an expert panel based on the expertise of the panel members in the subject matter.

We think these two points make it important to ensure the report accurately includes the term "Expert" when referring to the panel.

Hope that helps. Thanks also for the update on the timing of your report.

Tim

From: Schuurman, Tim (MOF)
Sent: May-10-17 4:21 PM
To: David West; Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Birks, Ryan (MOF); Laughton, Patrick (TBS); Luan Ngo
Subject: RE: FAO's Upcoming EFO Report

I think your suggested wording is fine. The key point is that this is an FAO calculation, not a government one. I think either language works to convey that point.

Tim Schuurman
Assistant Deputy Minister
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Tel: 416-327-0173
Office of the Budget
MINISTRY of FINANCE

From: David West [mailto:dwest@fao-on.org]
Sent: May-10-17 2:36 PM
To: Schuurman, Tim (MOF); Hughes, Karen (TBS); Veinot, Cindy (TBS)
Cc: Birks, Ryan (MOF); Laughton, Patrick (TBS); Luan Ngo
Subject: RE: FAO's Upcoming EFO Report

Tim, Karen,

We've reviewed your suggested edits and they are very helpful.

One question:
On the FAO's use of the pension adjustment data provided by TBS, we will make it clear that the FAO's fiscal projections which exclude the pension assets (assume a valuation allowance) are based on the "FAO's application of the AG's recommended accounting treatment".

I wasn't totally comfortable with your suggested edit of "the FAO's projection of the impact of the AG's recommended accounting..."

Is this suggested language still acceptable?

Thanks

David W.
416.579.1465

-----Original Message-----
From: David West
Sent: May 9, 2017 8:04 PM
To: 'Schuurman, Tim (MOF)' <Tim.Schuurman@ontario.ca>; Hughes, Karen (TBS) <Karen.Hughes@ontario.ca>; Lewis, Brian (MOF) <Brian.Lewis@Ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Cc: Tarin, Ghufran (MOF) <Ghufran.Tarin@ontario.ca>; Birks, Ryan (MOF) <Ryan.Birks@ontario.ca>; Laughton, Patrick (TBS) <Patrick.Laughton@ontario.ca>; Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>; Edward Crummey <ecrummey@fao-on.org>; Luan Ngo <lngo@fao-on.org>; Mario Angastiniotis <MAngastiniotis@fao-on.org>; Nicolas Rhodes <nrhodes@fao-on.org>; Esmail, Selena (MOF) <Selena.Esmail@ontario.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Duran-Schneider, Maria (TBS) <Maria.Duran-Schneider@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Girard, Erik (MOF) <Erik.Girard@ontario.ca>
Subject: RE: FAO's Upcoming EFO Report

Tim (and everyone),

Thank you very much for your quick response. I know the deadline was challenging.

I've had a quick review of your comments/suggested edits -- which in general seem thorough, balanced and reasonable.

We'll review more carefully tomorrow, but I believe we will be able to accept the majority of the suggested changes.

One quick comment -- I noticed you suggest we refer to the Pension Advisory Panel as the 'Expert' Advisory Panel... As you might expect, we shared the pension accounting section (only) with AG staff and they insisted we remove 'Expert' from the description of the panel. Just sayin'.

We'll be in touch tomorrow with any questions.

David W.

-----Original Message-----
From: Schuurman, Tim (MOF) [mailto:Tim.Schuurman@ontario.ca]
Sent: May 9, 2017 7:00 PM
To: David West < dwest@fao-on.org >; Hughes, Karen (TBS) < Karen.Hughes@ontario.ca >; Lewis, Brian (MOF) < Brian.Lewis@Ontario.ca >; Veinot, Cindy (TBS) < Cindy.Veinot@ontario.ca >
Cc: Tarin, Ghufran (MOF) < Ghufran.Tarin@ontario.ca >; Birks, Ryan (MOF) < Ryan.Birks@ontario.ca >; Laughton, Patrick (TBS) < Patrick.Laughton@ontario.ca >; Hosick, Sarah (TBS) < Sarah.Hosick@ontario.ca >; Edward Crummey < ecrummey@fao-on.org >; Luan Ngo < lngo@fao-on.org >; Mario Angastiniotis < MAngastiniotis@fao-on.org >; Nicolas Rhodes < nrhodes@fao-on.org >; Esmail, Selena (MOF) < Selena.Esmail@ontario.ca >; Mayman, Gadi (OFA) < Gadi.Mayman@ofina.on.ca >; Duran-Schneider, Maria (TBS) < Maria.Duran-Schneider@ontario.ca >; Kwan, Ronald (OFA) < Ronald.Kwan@ofina.on.ca >; Girard, Erik (MOF) < Erik.Girard@ontario.ca >
Subject: RE: FAO's Upcoming EFO Report

David (and other FAO colleagues);

Please find attached our consolidated feedback to the Economic Outlook and Fiscal Outlook draft reports. We have focussed on the factual components of this, and have tried to keep an eye on the cabinet confidentiality issue as well. With that in mind, here are a few high-level points to help guide your review of our comments:

-- As in past reports, it is really important for us that you clearly distinguish what is an FAO projection vs. what is a Budget or government projection. This is applied somewhat inconsistently in the draft report. As such, we've provided some advice on where we think that distinction is important to have clearly articulated.

-- Since the Budget forecast horizon only is provided out to 19-20, we think it is important that you make it more clear that you have provided two additional years beyond what is provided for in the Budget documents.

-- With respect to Cabinet Confidentiality, we think that, overall it has been well-respected -- with two exceptions.

1. In a footnote about the child care spaces, you note that "ministry of finance officials indicated that its not fully funded in the fiscal plan" -- a point that is protected under Cabinet Confidence and cannot be disclosed as such. We've provided the deletion in the comment and some alternative wording.

2. The pension adjustment numbers (ie, the impact of the AG's pension accounting treatment) is not something used for the purposes of building the fiscal plan in the Budget -- and as such, cannot be considered a government projection (even though the government did disclose the potential impact of the pension adjustment in the 2016 FES, it did not do so as part of the 2017 Budget). As such, the underlying multi-year pension numbers provided to you by OPCD should be considered advice to Cabinet and protected. We think that perhaps a further conversation is required on this to make sure we are respecting Cabinet Confidentiality -- but in the interest of giving you feedback today, we thought it was important to provide a potential alternative for consideration. If you consider making it clear that those projections of the pension adjustment are FAO projections -- and not a government projection -- then perhaps we may be able to avoid a breach of Cabinet Confidentiality. We understand from OPCD that they did provide you with the underlying data, and instructions on how to calculate -- but the pension adjustment itself, as presented in the tables, is an FAO estimate of the pension accounting impact and not the government's. As such, you should clearly label it as such and be held accountable for explaining and owning the calculation as well, if asked. If you feel these need additional conversation with us, please let us know....happy to have a follow-up discussion. Hope that makes sense.

Thanks to everyone across MOF/TBS world who worked hard and collaboratively to make sure we could get you something by eod today. We appreciate the opportunity to review and provide feedback. We are happy to have more conversations in the lead-up to the provision of the report to Ministers. If you could also let us know when you expect the release date to be, that would help us plan as well.

Thanks again

Tim Schuurman
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-----Original Message-----
From: David West [mailto:dwest@fao-on.org]
Sent: May-08-17 10:24 AM
To: Schuurman, Tim (MOF); Hughes, Karen (TBS); Lewis, Brian (MOF); Veinot, Cindy (TBS)
Cc: Tarin, Ghufran (MOF); Birks, Ryan (MOF); Laughton, Patrick (TBS); Hosick, Sarah (TBS); Edward Crummey; Luan Ngo; Mario Angastiniotis; Nicolas Rhodes
Subject: RE: FAO's Upcoming EFO Report

Good Morning,

Please find attached drafts of the Economic Outlook and Fiscal Outlook chapters from the FAO's upcoming 'Economic and Fiscal Outlook' report.
The chapters are password protected using the same password as in the past.

The FAO's fiscal forecast incorporates the tax revenue adjustments that we received on Friday afternoon -- and which brings our short-term forecast much closer the Budget 2017 forecast.

Unfortunately, we are on a very tight schedule to enable us to release this report at the end of the May.

So, we are asking for your comments/concerns including any potential cabinet confidentiality issues by end of day tomorrow (Tuesday, May 9)

Thanks again for your support and assistance.

David West
Chief Economist

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-----Original Message-----
From: David West
Sent: May 5, 2017 10:22 AM
To: 'Schuurman, Tim (MOF)' < Tim.Schuurman@ontario.ca >; Hughes, Karen (TBS) < Karen.Hughes@ontario.ca >; Lewis, Brian (MOF) < Brian.Lewis@Ontario.ca >; Cindy.Veinot@ontario.ca
Cc: Tarin, Ghufran (MOF) < Ghufran.Tarin@ontario.ca >; Birks, Ryan (MOF) < Ryan.Birks@ontario.ca >; Laughton, Patrick (TBS) < Patrick.Laughton@ontario.ca >; Hosick, Sarah (TBS) < Sarah.Hosick@ontario.ca >
Subject: FAO's Upcoming EFO Report

Hello,

Thanks again for our meeting on Tuesday. We appreciate the information you have provided as well as the responses to our questions at the meeting.

On Monday morning (as early as possible) we plan to provide you with draft copies of the Economic Outlook and Fiscal Outlook chapters (including Forecast Tables) from the FAO's upcoming EFO report.

We would hope you would be able to provide us with any comments or concerns on these chapters by Tuesday (May 9), end of day.

As in the past, the FAO will provide a final copy of the report 48 hours prior to release to both Ministers. I would email you a copy at the same time.

Thanks,

David West
416.579.1465

-----Original Message-----
From: Schuurman, Tim (MOF) [mailto:Tim.Schuurman@ontario.ca]
Sent: April 28, 2017 5:40 PM
To: David West < dwest@fao-on.org >; Hughes, Karen (TBS) < Karen.Hughes@ontario.ca >; Lewis, Brian (MOF) < Brian.Lewis@Ontario.ca >; Veinot, Cindy (TBS) < Cindy.Veinot@ontario.ca >
Cc: Tarin, Ghufran (MOF) < Ghufran.Tarin@ontario.ca >; Birks, Ryan (MOF) < Ryan.Birks@ontario.ca >; Laughton, Patrick (TBS) < Patrick.Laughton@ontario.ca >; Hosick, Sarah (TBS) < Sarah.Hosick@ontario.ca >; Luan Ngo < lngo@fao-on.org >; Edward Crummey < ecrummey@fao-on.org >; Mario Angastiniotis < MAngastiniotis@fao-on.org >; Nicolas Rhodes < nrhodes@fao-on.org >
Subject: Re: Follow-Up on the 2017 Budget

Thanks David,

We're working on pulling together the various information pieces and people for a meeting Tuesday between 1pm and 2pm, so will be in touch to confirm.

As in past approaches, we won't be able to have everything for you on Tuesday but will be able to provide a downpayment for sure.

Have a great weekend
Tim

From: David West
Sent: Friday, April 28, 2017 5:14 PM
To: Schuurman, Tim (MOF); Hughes, Karen (TBS); Lewis, Brian (MOF); Veinot, Cindy (TBS)
Cc: Tarin, Ghufran (MOF); Birks, Ryan (MOF); Laughton, Patrick (TBS); Hosick, Sarah (TBS); Luan Ngo; Edward Crummey; Mario Angastiniotis; Nicolas Rhodes
Subject: RE: Follow-Up on the 2017 Budget

As promised, please find attached more detailed questions.

Please confirm when we can meet early next week.

Thanks
dw

From: David West
Sent: April 28, 2017 9:32 AM
To: Tim Schuurman (Tim.Schuurman@ontario.ca) < Tim.Schuurman@ontario.ca >; karen.hughes@ontario.ca ; Lewis, Brian (MOF) < Brian.Lewis@Ontario.ca >; Cindy.Veinot@ontario.ca
Cc: Tarin, Ghufran (MOF) < Ghufran.Tarin@ontario.ca >; 'Birks, Ryan (MOF)' < Ryan.Birks@ontario.ca >; 'Laughton, Patrick (TBS)' < Patrick.Laughton@ontario.ca >; 'Hosick, Sarah (TBS)' < Sarah.Hosick@ontario.ca >; Luan Ngo (lngo@fao-on.org) < lngo@fao-on.org >; Edward Crummey < ecrummey@fao-on.org >; Mario Angastiniotis (MAngastiniotis@fao-on.org) < MAngastiniotis@fao-

on.org >; Nicolas Rhodes (nrhodes@fao-on.org) < nrhodes@fao-on.org >
Subject: Follow-Up on the 2017 Budget

Good Morning!

Congratulations on delivering yesterday's big, black budget!

I wanted to follow-up on the FAO's requests for some additional information.

First, as we have discussed, we have three requests for specific data/tables:

1. We would like to obtain the detailed revenue and expense tables (Tables 6.14 and 6.15) extended to 2019-20.

- Are these detailed tables available to 2020-21? If so, then please include (:))

2. As staff have been discussing, we would like to obtain more detailed information on the one-time adjustments to taxation revenues beginning in 2015-16 and extending over the forecast. This is basically additional information to that provided in tables 6.7, 6.8 and 6.9.

3. As detailed in the letter and background documents sent to Deputies Thompson and Angus on April 3, we are requesting pension expense and employer contribution details for the OTPP and OPSEUPP.

We would also appreciate a meeting early next week (preferably Tuesday afternoon) to allow you to respond to a number of questions that we have with regard to the 2017 Budget.

We'll provide a list of specific questions later this afternoon, but these questions will cover a number of areas, including:

- Clarification on where the Fair Hydro Plan appears in the expenses

- Additional details/clarification on new health spending, including the new pharmacare plan

- Clarification on future assumptions for asset sales and any details behind the 'Sales and Rentals' line in the detailed Revenue table.

- Clarification on the assumptions behind new federal funding announced in the 2017 federal budget (e.g. affordable housing, child care, home care)

- Some background on the decision to reduce the estimate of 'Carbon Allowance Proceeds' and assumptions on associated expense

- Additional details/clarification on new infrastructure spending

- Assumptions behind the plan to reduce net debt-to-GDP to 35% and eventually to 27%.

We'll provide a list later this afternoon that expands somewhat on these question topics.

Happy to discuss any of these requests.

Thanks again for your support,
David

David West
Chief Economist
[cid:image009.png@01D17ECB.966ECE00]

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