A. Approved-in-Principle Levers [low to medium risk]

Approved-in-Principle Levers		2016-17	2017-18	2018-19	2019-20	2020-21	Description
Social Assistance - 2/3 funding	O		-	(115)	(226)	(289)	Funding adjustment to reflect new approach to fund 2/3 of social assistance forecast pressures based on updated, lower forecast. Remaining 1/3 to be tracked against the Cfund. Approach taken in preliminary allocation was to fund 2/3 of pressures in 2017-18 and 1/3 of pressures in 2020-21, but forecasted pressures were higher than they are now. Consistent with past two years, a risk management approach is being recommended where forecasted Social Assistance pressures are partially funded. During this period, forecasted Social Assistance expenditures have tended to moderate over successive Forecasts. There is a risk that the ministry would require majority of the remaining funds. The estimated likelihood of this risk is high, with estimated moderate impact.
Lower mental health, ODB rebate and lower unemployment rate	O		(46)	(47)	(48)	(50)	Assumptions: - Flatline $35M higher ODB rebate reported in 2016-17. - Reduction of 100 ODSP cases each year due to potential increased provincial and federal investment in mental health in 2017 (ODSP caseload grows by about 12,000 per year. 100 cases represents 0.8% of the annual increase). $1.4M in 2018-19, $2.8M in 2019-20 and $4.2M in 2020-21 based on assumed cost per case of $14,000 per year. - Lower unemployment rate by 0.1 percentage points, to align with private sector forecast (MCSS's forecast is based on 6.4% unemployment rate in 2018 and CIBC is forecasting 6.3%). MCSS estimates that a 1 percentage point variance in the unemployment rate impacts the Ontario Works expenditures by 4% (roughly $100M per year) so a 0.1 percentage point decrease reduces Ontario Works expenditure by roughly $10M per year. All of these assumptions may not hold true, which may result in the ministry not achieving these savings. The estimated likelihood of this risk is moderate with estimated moderate impact.
Energy - Affordability Fund	O		(50)	(50)	-	-	Current multi-year profile for the Affordability Fund is $100M in 2016-17 and $50M in 2017-18 and 2018-19. Option to risk manage the additional $50M in 2017-18 and 2018-19 pending confirmation of program eligibility and demand. Unknown risk, to be assessed pending ENE report back on eligibility, program measures and uptake. Fair Hydro Plan has high profile, but if program is undersubscribed or can be delivered with lower-cost measures, the risk could be low.
Energy - Price Mitigation Programs	O		(100)	-	-	-	Program start in Q2. Medium risk given fiscal profile of the price mitigation programs are currently based on forecast. To date, Energy has not provided the assumptions behind the forecast.
Cap Trade / GGRA	C		(100)	-	-	-	Fiscal benefit of allocating proceeds to provincial assets. Amount in 2017-18 assumes $100M for PSE retrofits goes to colleges. Medium risk as MAESD has been directed to report back on a revised proposal to support retrofit projects in colleges and universities. Should MAESD decide to use a portion of the $100M for universities retrofits, the full fiscal benefit may not be realized.
Infrastructure Ontario Loan Loss Provision	O		(10)	(10)	(10)	(10)	Removing $10M annual loan valuation allowance approved through PRRT that IO included to more accurately reflect the credit risk of its loan portfolio. IO may have to reduce spending on other activities to cover potential loan losses. (The OFA, which lends IO funds that IO then lends to clients, requires IO to repay the full amounts regardless of whether IO's clients meet their obligations.To date, IO has been meeting its obligations to the OFA without issue.)
Major Capacity Expansion-Round 2 (Brampton/Milton)	C	-	(6)	(54)	33	(45)	Potential to delay for a year (start in 2018-19 instead) the Round 2 call for proposal currently underway. Low risk - delaying the project may delay the intention of meeting projected demand in the high growth areas.
Unallocated University Capital Expansion	C	-	-	(32)	-	-	Remove capacity expansion capital funding in plan that is not currently tied to any projects. Low risk - the funding has not been announced to the sector. However, may want to consider this lever in conjunction with GGRA colleges funding. If the plan is to funding colleges only in 2017-18, MAESD may want to balance that with new university investments.
Flow Honda, Ford early	O	29	(29)	-	-	-	Flow first tranch of Honda, Ford investments in 2016-17 (note: moved up from 'scalable' lever bucket below; removed from scalable options tab in workbook). This lever is tracking to TB/MBC and the ministry has not identified a risk associated with applying the lever. However, there is a risk that the lever will not be applied if the Ministry is unable to sign the agreements by year-end.
OCB accrual (one time revenue)	O		(160)	-	-	-	Opportunity to recognize a one-time revenue in the notional OCB accrual for prior years that have yet to be claimed. Amount to be confirmed with OPCD and MCYS. Zero risk with achieving savings. Moderate likelihood low impact associated with Auditor General asking questions about methodology and one-time revenue.
Subtotal (A) up-to		***29***	***(501)***	***(308)***	***(252)***	***(394)***	

B. Taking Down Scalable Levers [low to medium risk]

Taking Down Scalable Levers		2016-17	2017-18	2018-19	2019-20	2020-21	Description
Going Global	O		-	-	(10)	(10)	Do not approve continuation of budget initiative funding for Going Global / Int. Missions. Potential risk to 14 FTEs made permanent through 2017-18 PRRT and future business continuity / planning. The ministry can be directed to report back in 2018-19 PRRT.
Refugee Settlement	O		-	-	(5)	(5)	Do no approve continuation of funding for refugee supports. Pressure caused by recent refugee surge may not require ongoing supports.The ministry can be directed to report back in 2018-19 PRRT.
Youth Jobs Strategy	O		(40)	(40)	(40)	(40)	To be risk managed. Risk: if implemented, this lever would not maintain previous enhanced funding levels for existing youth programming (e.g., Youth Job Connection and Youth Job Link), beyond the current base of about $170 million annually.
BGI	O		(11)	(15)	(7)	(3)	Ministry to manage internally or not proceed with the Small Business Innovation Challenge and Scale Up Voucher program. MEDG was originally directed to manage these 2016 FES initiatives from within and the ministry has indicated they are now entering into multi-year agreements for these programs. There is a risk that funding for these programs may have to be reduced or the ministry could return and request funding in the out-years.
Project Momentum	O		(35)	(35)	(35)	(24)	Assume only $10M annually required for possible deal with Toyota. $10M annually may only support approx. 5% of Toyota's investment costs, less than the 8 - 10% covered for recent Honda and Ford investments. Ministry may be unable to find sufficient internal offsets to provide support for Toyota similiar to Honda/Ford.
Project Momentum	O		(10)	(10)	(10)	(10)	Treat possible $10M annually for Toyota as a risk. Ministry may be unable to find sufficient internal offsets to support Toyota's investment.
Subtotal (B) up to		***-***	***(96)***	***(100)***	***(107)***	***(92)***	

C. Further Scalable Levers [higher risk]

Further Scalable Levers		2016-17	2017-18	2018-19	2019-20	2020-21	Description
Childcare Spaces - reduce	O/C		-	(210)	(380)	(520)	Flatline operating funding for wage enhancement and fee subsidy at $160M a year. Full capital funding. (TBC - pending confirmation from EDU). Risk: although this lever would not affect program implementation in 2017-18, it would limit fiscal room available starting in 2018-19 to support the operating funding requirements for publicly announced child care expansion.
Criminal Justice	O/C		(30)	(70)	(75)	(75)	Would limit MAG/MCSCS to annualization of initial approval from November. MCSCS's remaining request is being tracked as a risk. Applying the lever may limit or prevent MCSCS from implementing the full wrap around care for inmates (such as health and mental health supports, alternative housing options, helping to reintegrate inmates in communities and reduce recidivism, etc.)
Subtotal (C) up to		***-***	***(30)***	***(280)***	***(455)***	***(595)***	

D. Contingency & Prudence Levers [higher risk]

Contingency & Prudence Levers		2016-17	2017-18	2018-19	2019-20	2020-21	Description
Program Implementation Review	O/C		(250)	250	-	-	Review implementation schedules with the objective of transferring 2017-18 expense to 2018-19. Risk: the magnitude of 2017-18 savings will be affected by the amount of in-plan expenses that can be delayed.
Program Review Targets	O/C		-	(500)	(500)	(500)	A $500M savings target in 2018-19 onward (in addition to the existing year-end savings target). Risk: implementation timelines and trade-off decisions will affect the likelihood of achieving savings targets.
Further Program Review targets	O/C		(100)	(500)	(1,000)	(1,000)	When combined with the Expand Program Review option in category (B) above, the total Program Review savings targets would be $0.1B / $1.5B / $1.5B / $1.5B in 2017-18 through 2020-21 (in addition to year-end savings targets of $1.2B / $1.2B / $1.1B / $1.2B). Risk: implementation timelines and trade-off decisions will affect the likelihood of achieving savings targets.
Reduce contingency fund	O/C		-	(208)	(558)	(579)	Would reduce balance to $600M annually, apart from Moving Ont. Forward component. Including Moving Ont Forward, contingency fund level would be $600M / $906M / $1,265M / $1,434M. Risks being tracked include compensation pressures of $0.3B / $0.7B / $1.4B / $2.2B (excluding OMA). Exceeding the contingency fund balance introducing the possibility that the fiscal plan would need to be revised to accomodate these pressures. Risk: Limits availability of funding for risks that materialize in-year.
Cap Trade / GGRA	C		-	(300)	(300)	(300)	Assume additional funding can be allocated to RER and/or school retrofits. When combined with option in part (A), overall impact is ($100M) / ($300M) / ($300M) / ($300M). High risk due to requirement for Minister of the Environment and Climate Change to re-evaluate the GHG reduction potential of RER and/or school retrofits at higher funding amounts. This wouild also reduce the amount of proceeds available for other CCAP initaitives. MOECC may not be supportive of additional GGRA funding being used for in-plan initiatives. Using this lever could also pose an audit or public perception risk given sensitivity of using GGRA funding for existing initiatives.
HOOPP and CAATPP Valuation Allowance	O		-	(765)	(914)	(914)	Amend governance structures for HOOPP and CAATPP to a model that supports the recognition of the full net pension asset. Risk: If goverance structures are not amended, fiscal savings targets will not materialize.
Subtotal Levers (D) up to		***-***	***(350)***	***(2,023)***	***(3,272)***	***(3,293)***	

All Levers = (A) + (B) + (C) + (D)	***29***	***(977)***	***(2,711)***	***(4,086)***	***(4,374)***	

Items bolded and italicized are new relative to the last update.