

2017 Document: Scalable Initiatives Illustrative Example

PRELIMINARY DRAFT

February 21, 2017 5:00PM

Contents

- Through PRRT presentations, ministries provided Scalable Initiatives that could be incorporated into the 2017 Document.
- Part 1 provides a brief recap of what the government has done up until now, including 2017-18 PRRT approvals-in-principle.
- Part 2 provides a summary of the Scalable Initiatives proposed by ministries and an illustrative example of what could be funded within a specific envelope.

DOCUMENT 2017

The government continues to implement its plan to create jobs and grow the economy in an inclusive way that benefits everyone. The government will balance the budget by investing in its people and communities, creating opportunities and making life more

RESTORING BALANCE: ONTARIO'S ECONOMIC AND FISCAL STRENGTH

Ontario's plan to create jobs and grow the economy is working. The plan has strengthened the Ontario's economy and restored the Province's finances to balance. The government has achieved this by making investments in its people, communities and public services that Ontarians rely on. The government has beaten its deficit targets every year over the past [8] years.



MAKING ONTARIO A MORE AFFORDABLE PLACE TO LIVE

Ontario is taking a balanced approach to make life more affordable for families and businesses now and at the same time build for the kind of future families need. The government is investing in priorities that help people in their everyday lives. This includes helping with people's daily costs and monthly bills, improving convenience and choice and reassuring people that their child or aging parents will receive the best possible care.

INCLUSIVE GROWTH: INVESTING IN TODAY'S JOBS & TOMORROW'S ECONOMY



TODAY'S JOBS

As Ontario's economy grows, everyone should be able to benefit from and contribute to inclusive growth. The province is harnessing this growth in the economy to create more opportunity and security in the life of every family.

TOMORROW'S ECONOMY

Ontario is preparing its workforce for the economy of tomorrow by building a highly skilled workforce for technology and knowledge-based jobs. The government is also creating a more innovation-driven economy, helping firms scale up into global leaders and modernizing regulations to lower the cost of doing business.

BUILDING STRONGER COMMUNITIES

HEALTH

Ontario continues to make improvements to the health system to deliver high-quality health care that puts patients and their families first. Ontario's plan is providing faster access to the right care, better home and community care, the information patients need to stay healthy and a health care system that's sustainable for generations to come.

EDUCATION

Ontario's strength has always been its people. The government is making investments that help create barrier-free access to education for everyone. These investments will prepare students to succeed now and for the economy of the future.



TRANSPORTATION

The government continues to invest in reliable transportation infrastructure to help move people and goods to support a competitive economy. The Province is building stronger public transit systems that will offer more travel options for commuters and families.



SOCIAL SERVICES

All Ontarians should have the opportunity to realize their full potential and participate equally in society. The government is working to create public services that all Ontarians can count on, everyday.

JUSTICE

Ontario's criminal justice system must work to protect the interests of all people — victims, the public and the accused — while keeping communities safe. The government continues to work on improving the criminal justice system to make it faster and fairer.



PARTNERSHIPS

Ontario believes that a collaborative approach to federalism is the best way to achieve lasting solutions. Ontario continues to work with the federal government and other partners such as municipalities to build Ontario up and ensure a bright future for its residents.



Part 1: RECAP

A brief recap of recent and current government investments (commitments already made in and since the 2016 Budget), including 2017-18 PRRT approvals-in-principle.

PROGRAM EXPENSE GROWTH

\$ Billions	16-17	17-18	18-19	19-20	20-21	Avg. Annl 15-16 to 19-20	Avg. Annl 16-17 to 19-20
2016 Budget Program Expense	122.1	124.2	127.6	129.4	131.6	1.7%	1.9%
Annual growth	1.0%	1.7%	2.8%	1.4%	1.7%		
Change in pension accounting	0.0	0.1	0.7	0.8	0.8		
In-year changes and allocation adjustments	0.9	1.9	1.8	2.7	3.0		
Preliminary Allocations Outlook	123.1	126.2	130.1	132.9	135.4	2.4%	2.6%
Annual growth	1.8%	2.5%	3.1%	2.2%	1.9%		
Expenses with revenue offsets and other changes		0.6	0.5	0.2	0.2		
Approved-in-principle above Preliminary Allocation		0.3	0.7	1.3	1.3		
Outlook with Approved-in-Principle		127.2	131.3	134.4	136.9	2.7%	3.0%
Annual growth		3.3%	3.3%	2.4%	1.9%		
Scenario 1: Scalable Initiatives (Illustrative) *		0.9	1.5	1.8	1.8		
Outlook including Scalable (Illustrative)		128.0	132.8	136.1	138.8	3.0%	3.4%
Annual growth		4.1%	3.7%	2.6%	1.9%		
Deferred Items		0.6	0.3	0.3	0.3		
Outlook including Deferred Items		128.6	133.1	136.4	139.1	3.1%	3.5%
Annual growth		4.5%	3.5%	2.5%	1.9%		
Scenario 2: Scalable Initiatives (High-end options)		1.4	2.5	3.2	3.7		
Outlook including Scalable (High-end)		128.5	133.8	137.6	140.6	3.3%	3.8%
Annual growth		4.5%	4.1%	2.9%	2.2%		
Deferred Items		0.6	0.3	0.3	0.3		
Outlook including Deferred Items		129.1	134.1	137.9	141.0	3.3%	3.9%
Annual growth		4.9%	3.8%	2.9%	2.2%		

- The illustrative example provides partial funding for the suite of scalable initiatives.
- Does not include funding for additional electricity proposals to move from the rate base to the tax base and costs associated with OMA negotiations.

The government has worked hard to make every day life more affordable for Ontarians. Recent and current initiatives include:

- **Electricity prices** – 8% rebates for residential, small business and farm electricity bills.
- **OSAP** reform – making average tuition free for students with financial need and improving affordability for middle-class families.
- **Drive Clean** – eliminating the \$30 fee for vehicle emissions tests.
- **UP Express** – Reduced one-way fare from \$19 to \$9.
- **Natural Gas** Grant Program – expanding access to communities that do not currently have service.

\$ Millions	2017-18	2018-19	2019-20	2020-21	Total
Approved Initiatives	1,152	1,199	1,176	1,150	4,677

The province is harnessing this growth in the economy to create more opportunity and security while preparing its workforce for the economy of tomorrow. Recent and current initiatives include:

- **Going Global** – expanding the province's presence in global markets.
- **Project Momentum / Jobs and Prosperity Fund** – support for Ontario's industry.
- **Ontario Youth Action Plan** – Addressing youth violence and resilience through youth-led grassroots groups.
- **Education Labour Agreements** – extending collective agreements to August 2019.
- **Postsecondary Major Capacity Expansion / Strategic Investment Fund** – access to high-quality programs closer to home.

\$ Millions	2017-18	2018-19	2019-20	2020-21	Total
Approved Initiatives	1,638	2,023	2,000	1,974	7,635

Ontario continues to deliver health care that put patients first, promote access to education, invest in transportation infrastructure, and provide supports for families with low-incomes and special needs. Recent and current initiatives include:

- **Health** investments – for hospitals, stem-cell treatments, mental health, shingles vaccinations, hospices, and the First Nations health action plan.
- Additional **School Renewal** funding – ensuring safe and modern places to learn.
- **Transportation** investments – including increased GO rail and bus services, regional express rail, SmartTrack, municipal transit and highway expansion along with increasing the municipal share of Provincial gas tax.
- **Truth and Reconciliation** – actions co-developed and implemented with Indigenous partners.
- **Social Services** investments – in Autism, Child Welfare Reform, Affordable Housing, along with exempting child support payments from benefit calculations.
- **Criminal Justice System Reform** investments – for immediate actions to improve conditions of confinement, reduce time to trial and enhance the bail and remand system.

\$ Millions	2017-18	2018-19	2019-20	2020-21	Total
Approved Initiatives	1,561	2,262	2,470	2,914	9,207

Our government is making the largest infrastructure investment in Ontario's history — more than \$160 billion over 12 years, starting in 2014-15. Projects expected to come into service over the next 4 years include:

- **Approximately 28 hospital projects valued at more than \$10 billion** including the Halton Healthcare Services - Milton District Hospital Redevelopment, CAMH - Phase 1C Client Care Building and Centre for Discovery and Knowledge Exchange
- **7 projects in the justice sector** valued at more than \$1.6 billion including Brampton courthouse addition, Phase Two of Ontario Provincial Police Modernization and the New Toronto Courthouse
- **19 projects in the transportation sector** value at more than \$7.6 billion including the GO East Rail Maintenance Facility, Hwy 407 East Phase 2 and Hwy 427 Extension
- **Repair and renewal projects benefiting more than 2,100 schools.** The Province committed an additional \$1.1 billion to school renewal over 2 years, bringing total repairs and renewal investments to \$2.3 billion over 4 years.
- **Approximately 15 post secondary education projects**, in addition to \$490M in provincial commitments to projects funded under the joint Provincial, Federal and Post-Secondary Institutions Strategic Investment Fund.

Part 2: SCALABLE INITIATIVES

A summary of the Scalable Initiatives proposed by ministries.

Context

- Not all of these Scalable Initiatives can be accommodated in the fiscal plan.
- For illustrative purposes, the following slides provide a summary of scalable options that could be funded from within this envelope:

\$ Millions	2017-18	2018-19	2019-20	2020-21	Total
Fiscal Impact	818.1	1,398.7	1,733.3	1,823.8	5,773.9

- Provide an opportunity to identify priorities and provide advice to the President of Treasury Board and the Minister of Finance.

MAKING ONTARIO A MORE AFFORDABLE PLACE TO LIVE

Initiative	Buys	Does not buy										
Childcare spaces	- Capital and ongoing operating funding for 100,000 new child care spaces for infants, toddlers, and pre-schoolers: 38,000 in schools and the broader public sector 7,000 in communities 55,000 through operating fee subsidy <table><tr><th>\$M</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>2020-21</th></tr><tr><td>Estimated fiscal impact</td><td>160</td><td>452</td><td>634</td><td>715</td></tr></table>	\$M	2017-18	2018-19	2019-20	2020-21	Estimated fiscal impact	160	452	634	715	
\$M	2017-18	2018-19	2019-20	2020-21								
Estimated fiscal impact	160	452	634	715								
Seniors Investments	- Extend current funding for Senior Community Grant - Fund 50% of cost per suite to install automated sprinklers in small/rural retirement homes 40 <u>new</u> Elderly Persons Centres <table><tr><th>\$M</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>2020-21</th></tr><tr><td>Estimated fiscal impact</td><td>9.7</td><td>13.9</td><td>6.9</td><td>3.9</td></tr></table>	\$M	2017-18	2018-19	2019-20	2020-21	Estimated fiscal impact	9.7	13.9	6.9	3.9	- Increased funding for the Senior Community Grant - Additional funding for <u>current</u> Elderly Persons Centres
\$M	2017-18	2018-19	2019-20	2020-21								
Estimated fiscal impact	9.7	13.9	6.9	3.9								

INVESTING IN TODAY'S JOBS

Initiative	Buys					Does not buy
Highly-Skilled Workforce	- Transformation of adult education and essential skills, including new dual credit opportunities and literacy, numeracy and essential skills enhancements - Expansion of experiential learning and essential skills programming for K-12 and PSE students - Establishment of demonstration and strategic productivity funds - Investments in: - Apprenticeship modernization - International Postsecondary Education Strategy - New funding model for Aboriginal Institutes - New mental health supports for post-secondary students including funding for institutions to hire mental health service workers - Investments in Education Sector: - Well-Being Strategy, to collect demographic data to inform policy making and increased mental health supports. - Transportation options for Youth In-Care students and establishment of education liaisons in Children's Aid Societies - Operating funding to support additional investments in the ongoing renewal of schools across the province to ensure safe and modern places to learn.					Additional supports for universities and colleges with financial sustainability challenges
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	175.5	198.6	208.0	179.6	
Youth Jobs Strategy	Investments in existing youth programming, e.g. Youth Job Connection and Youth Job Link <i>* To be funded out of HSW</i>					Does not maintain previous enhanced funding levels for existing youth programming

INVESTING IN TODAY'S JOBS (CONTINUED)

Initiative	Buys					Does not buy
OSAP	- Enhancements to fully exempt RESP contributions - Increased support for Indigenous learners					Additional year to complete income verification
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	40.0	50.0	52.0	55.0	
Ontario Black Youth Action Plan	<i>Approved by TB/MBC as early PRRT decision on February 14, 2016</i> Investment in direct services to increase access by 10,800 black children and youth in the Greater Toronto, Hamilton Ottawa and Windsor areas by 2019-20					Investment in the Spaces to Grow capital program
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	6.0	13.0	14.0	14.0	

INVESTING IN TOMORROW'S ECONOMY

Initiative	Buys	Does not buy										
Business Growth Initiatives (BGI)	- Investments in transformative technologies: 5G - Connected Vehicles - Quantum Valley Ideas Lab - Cybersecurity Pilot - Out-year funding for: - Small Business Innovation Challenge - Scale-Up Vouchers - Artificial Intelligence Institute	- Graduating Loans program - Scale Up Wrap-Around Services - Advanced Manufacturing Innovation Network Top-Up - Additional transformative technologies. - Other Quantum Computing - Fintech - Smart Cities										
	<table><tr><td>\$M</td><td>2017-18</td><td>2018-19</td><td>2019-20</td><td>2020-21</td></tr><tr><td>Estimated Fiscal Impact</td><td>9.8</td><td>9.2</td><td>28.9</td><td>11.7</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated Fiscal Impact	9.8	9.2	28.9	11.7
	\$M		2017-18	2018-19	2019-20	2020-21						
Estimated Fiscal Impact	9.8	9.2	28.9	11.7								
Going Global / Export Trades Strategy	- Investments in trade services to grow small/medium businesses - Extension of Going Global & international trade missions Budget initiative to support long-term planning - Locally Engaged Staff (LES) from Global Affairs Canada	More funding for the Ontario Chamber of Commerce for the Global Growth Fund										
	<table><tr><td>\$M</td><td>2017-18</td><td>2018-19</td><td>2019-20</td><td>2020-21</td></tr><tr><td>Estimated Fiscal Impact</td><td>11.6</td><td>11.0</td><td>21.0</td><td>26.2</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated Fiscal Impact	11.6	11.0	21.0	26.2
	\$M		2017-18	2018-19	2019-20	2020-21						
Estimated Fiscal Impact	11.6	11.0	21.0	26.2								
Project Momentum	Investments in: Toyota, Ford and Honda											
	<table><tr><td>\$M</td><td>2017-18</td><td>2018-19</td><td>2019-20</td><td>2020-21</td></tr><tr><td>Estimated Fiscal Impact</td><td>60.2</td><td>87.5</td><td>95.9</td><td>66.0</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated Fiscal Impact	60.2	87.5	95.9	66.0
	\$M		2017-18	2018-19	2019-20	2020-21						
Estimated Fiscal Impact	60.2	87.5	95.9	66.0								

INVESTING IN TOMORROW'S ECONOMY (CONTINUED)

Initiative	Buys	Does not buy								
Ontario Place Interim Activation	Approved by TB/MBC as early PRRT decision on February 14, 2016 Capital investments for near-term demonstration (Summer and Fall 2017) of visible progress	Long-term revitalization								
	<table><tr><th>\$M</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>2020-21</th></tr><tr><td>Estimated Fiscal Impact</td><td>2.1</td><td>0.5</td><td>0.5</td><td>0.5</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated Fiscal Impact	2.1	0.5
\$M	2017-18	2018-19	2019-20	2020-21						
Estimated Fiscal Impact	2.1	0.5	0.5	0.5						
Ontario150 Capital Funding		- Extension of the Ontario150 Community Capital Fund - Creation of a new Ontario150 Capital Fund – focused on new builds or major revitalization projects								

BUILDING STRONGER COMMUNITIES: HEALTH

MOHLTC approved in principle PRRT includes year-over-year growth at 3% including investments in hospitals (2.8% growth annually), physician services budget (2.5% growth annually), stem cell treatments, mental health and other priorities

\$ Millions	2017-18	2018-19	2019-20	2020-21	Total
Health at 3% growth	549	1,188	1,775	2,407	5,919

In addition to growth included in the 3% plan, the ministry has requested incremental funding for items listed below without scalable options:

Initiative	Buys	Does Not Buy
Compensation for Allied Health Professionals	Increased compensation for team-based primary care workers: nurses, dieticians, pharmacists, administrative staff	
Supporting Seniors and Dementia Strategy	- New beds and more dementia supports and information - For long-term care home residents: improved safety and quality of life, special equipment, expanded High Intensity Needs Fund	Capital funding for years 5-10 of the Enhanced Long-Term Care Renewal Strategy
Community Mental Health and Addiction	- New structured psychotherapy sites, addiction prevention and treatment services, mobile crisis response teams and supportive housing units <i>If health accord reached up to \$40M more in 2017-18 for mental health services (no fiscal impact)</i>	Full implementation of the Mental Health Advisory Council recommendations.
Vaccinations		Expanded use of vaccines including funding more effective flu vaccines
Northern Travel Grant Enhance		Increased payments for lodging to support access and equity
Alcohol Strategy		Screening, intervention, youth addiction and community services; holistic support workers; Fetal Alcohol Spectrum Disorder (FASD) screening

\$M	2017-18	2018-19	2019-20	2020-21
Total Estimated costs	52.1	107.3	166.0	228.2

BUILDING STRONGER COMMUNITIES: TRANSPORTATION

Initiative	Buys					Does not buy
GO Transit	- Support for the operating needs of: - New infrastructure coming into service - Customer service requirements to manage increased operations - New rail trips as part of the Regional Express Rail “Quick Wins” - Other general operating expenses					- Three-year fare freeze - New TTC fare integration initiative
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	24.2	47.4	75.2	79.8	

BUILDING STRONGER COMMUNITIES: SOCIAL SERVICES

Initiative	Buys	Does not buy										
Developmental Services , including investment in complex special needs	- Eliminate backlog of adults with complex special needs in children’s system over two years - Transition Crown Wards and individuals with urgent needs in 2017-18 - Establish one transition home	- Funding to address backlog of other inappropriately housed individuals needing developmental services - Additional transition homes - Investments in transformative initiatives - Adequate response to Ombudsman recommendations										
	<table><tr><td>\$M</td><td>2017-18</td><td>2018-19</td><td>2019-20</td><td>2020-21</td></tr><tr><td>Estimated fiscal impact</td><td>134.7</td><td>170.9</td><td>179.9</td><td>191.6</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated fiscal impact	134.7	170.9	179.9	191.6
	\$M		2017-18	2018-19	2019-20	2020-21						
Estimated fiscal impact	134.7	170.9	179.9	191.6								
Income Security Reform	2% across the board rate increase and asset limits increases	Harmonization of mandatory health benefits in Social Assistance										
	<table><tr><td>\$M</td><td>2017-18</td><td>2018-19</td><td>2019-20</td><td>2020-21</td></tr><tr><td>Estimated fiscal impact</td><td>71.4</td><td>134.7</td><td>140.3</td><td>142.2</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated fiscal impact	71.4	134.7	140.3	142.2
	\$M		2017-18	2018-19	2019-20	2020-21						
Estimated fiscal impact	71.4	134.7	140.3	142.2								
Basic Income Pilot	Doubles investment to \$50M, enabling a more robust evaluation of evidence.	Ability to include broad participation in Pilot (e.g., recipients and sites).										
	<table><tr><td>\$M</td><td>2017-18</td><td>2018-19</td><td>2019-20</td><td>2020-21</td></tr><tr><td>Estimated fiscal impact</td><td>25.0</td><td>25.0</td><td>25.0</td><td>25.0</td></tr></table>		\$M	2017-18	2018-19	2019-20	2020-21	Estimated fiscal impact	25.0	25.0	25.0	25.0
	\$M		2017-18	2018-19	2019-20	2020-21						
Estimated fiscal impact	25.0	25.0	25.0	25.0								

BUILDING STRONGER COMMUNITIES: SOCIAL SERVICES (CONTINUED)

Initiative	Buys					Does not buy
Fetal Alcohol Spectrum Disorder (FASD)	- Public education campaign - One-stop access to information/training 56 workers to support approximately 2,500 individuals - Parent support networks - Access to limited culturally appropriate initiatives					- Support for an additional 900 individuals - Advisory Group - Research initiatives - Increased access to support services developed by Indigenous partners.
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	5.8	5.3	6.2	5.7	
Refugee Settlement	Continued funding for refugee settlement and integration supports at current levels after 2018-19					
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	0.0	0.0	4.5	4.5	
Multicultural Community Capacity Grant	Establish new grant to support civic and community engagement and capacity building projects over two years					Ongoing funding after two years
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	0.1	2.4	0.0	0.0	

BUILDING STRONGER COMMUNITIES: JUSTICE

Initiative	Buys					Does not buy
Criminal Justice System Reforms	- Initiatives to reduce recidivism and improve reintegration of inmates into the community, including: - Renewed staffing models; - Modernized recruitment; - Capital investments; and - Analytics modernization.					- Additional investments beyond the announced initiatives - Funding will be required in the future to respond to recommendations in Howard Sapers, Independent Advisor on Corrections, report expected Spring 2017.
	\$M	2017-18	2018-19	2019-20	2020-21	
	Estimated fiscal impact	30.0	70.0	75.0	75.0	