

Office of the Treasury Board

2017-18 PRRT Wrap-up Overview

TB/MBC

March 28, 2017

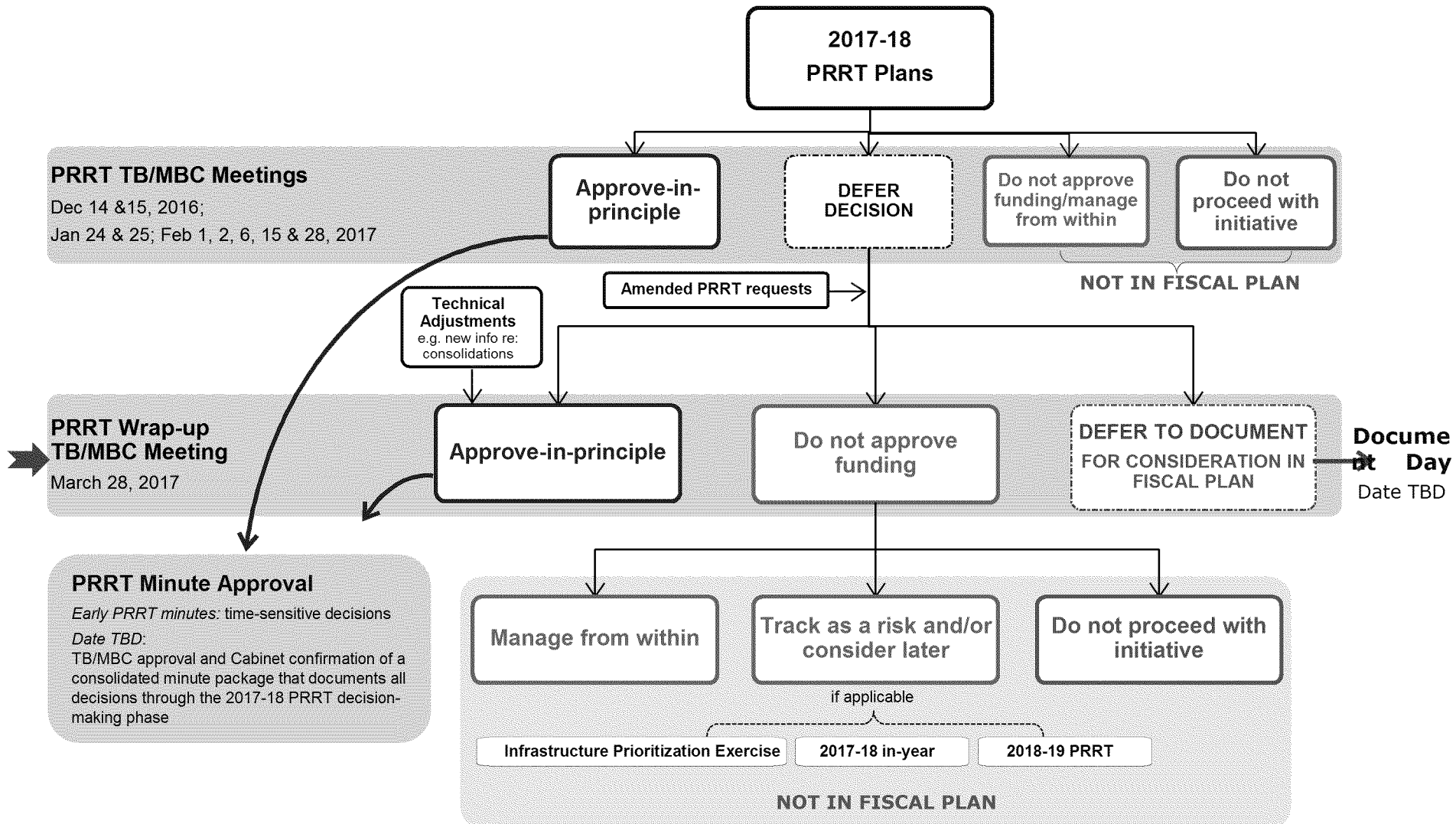
DRAFT - Mar 24, 2017 4:00pm

What was Different in the 2017-18 PRRT?



- **Planning horizon:** four-years for operating (2017-18 to 2020-21); additional six years to support the 10-year infrastructure plan (2017-18 to 2026-27).
- **Infrastructure:** capital PRRT components were shared with the Ministry of Infrastructure to support the development of the province's Long-term Infrastructure Plan.
- **Boulders:** to address varying states of development, boulder partners provided updates, focusing on implementation plans towards identified outcomes.
- **Scalable options:** for specific new priority initiatives, ministries provided a range of implementable options to scale fiscal requirements (e.g., low, medium, high) for consideration through the 2017 Document process.
- **Greenhouse Gas Reduction Account:** a new process was introduced to support decision-making on the use of cap & trade proceeds.
- **Key Performance Indicators:** refinement of ministry-level KPIs; identification of a program level outcome measure and a program level output/efficiency measure for each program.

TB/MBC Decision-making



Required Decisions



Overview Deck

- **Confirm recommendations** on operating deferred decisions/amended 2017-18 PRRT requests
 - Approve-in-Principle
 - Defer to Document
 - Do Not Fund
 - Manage from within
 - Track as risk and/or consider later
 - Do not proceed
- **Approve housekeeping adjustments** – operating and non-financial
- **Approve time-sensitive** 2017-18 PRRT decision
 - Reimbursement to Drive Clean testing facilities (MOECC)
- **Approve outstanding** 2016-17 issues
 - Minuting of additional savings and updated tax credit forecasts
- **Receive summary** of 2017-18 Key Performance Indicator results and I&IT approvals-in-principle

Capital Deck

- **Receive summary** of expenditure and expense impact of 2017-18 approvals-in-principle
- **Approve housekeeping adjustments** – capital

FTE Deck

- **Confirm recommendations** on FTE deferred decisions/amended 2017-18 PRRT requests

Recommendation: Approve-in-Principle



Ministry	Initiative \$M	2017-18	2018-19	2019-20	2020-21	Total
MOECC	Reimbursement to Drive-Clean testing facilities [requires early minute]; track remaining annual amounts as a risk	38.5	9.6	-	-	48.1
MCSCS	OPSEU Corrections Arbitration Award	15.9	2.4	2.4	2.4	23.1
MCSCS	First Nations Policing – Wage Parity	1.8	2.7	2.7	2.7	9.9
MTO	Additional highway emergency response crews	4.5	4.6	4.7	4.8	18.6
MTO	New Highway Infrastructure Maintenance (widening and extension of existing highways, turn lanes, and overpasses)	0.8	1.0	2.9	3.2	7.9
MOF	Support for the new Office of the Government Business Enterprises and Strategic Initiatives (GBESI)	3.8	3.9	4.0	4.1	15.8

Hydro One

ENE	Hydro One Secondary Share Sale Strategy as approved by TB/MBC Feb 14, 2017	30.0	-	-	-	30.0
ENE	Hydro One – Transfer Payment to First Nations	30.0	(15.0)	(15.0)		-
ENE	First Nations Conferred Benefit	135	-	-	-	135.0

Out-year impacts of in-year decisions made post PRRT consideration

ENE	Electricity Price Mitigation (RRRP, OESP, First Nations Delivery Credit, and Affordability Fund)	715.0	803.0	829.0	892.0	3,239
MEDG	Project Momentum – Ford and Honda	0.0	15.0	35.0	13.1	63.1
OMAFRA	Ontario Small Cidery and Small Distillery Support Program (with revenue offset)	1.9	1.7	1.7	-	5.3

Requests being deferred to Document



Ministry	Initiative \$M	2017-18	2018-19	2019-20	2020-21	Total
MNDM/ MNR	Capacity building for Resource Revenue Sharing	3.9	4.6	1.7	1.7	11.9
MOECC	Equipment to enhance ministry's capacity to monitor and protect Great Lakes (operating and capital)	2.7	3.2	3.1	2.6	11.6
MNDM	Increase the Ontario Focused Flow-through Share Tax Credit for minister development investment from 5% to 10% in 2017-18	4.1	-	-	-	4.1
Various	Scalable Options*	1,405	2,527	3,301	3,763	10,996
	Impacted ministries – EDU, MSA, MAESD, MEDG/MRIS, MCI, TBS, MCYS, MIT, MTCS, MTO, MOHLTC, MCSS, MCSCS					

*Total represents ministry requested funding through PRRT and includes items that have since been approved through in-year decisions (e.g. Black Youth Action Plan and Ontario Place Interim Activation), and items no longer tracking (e.g. Basic Income Pilot).

Recommendation: Do Not Fund – Manage from Within

TBS

Ministry	Initiative \$M	2017-18	2018-19	2019-20	2020-21	Total
MTO	New stabilization initiatives for highway maintenance	2.6	2.6	1.6	-	6.8
MTO	I&IT - Legacy System Upgrade	1.7	2.8	1.6		6.1
MTO	I&IT - Carrier Platform Refresh	1.0	4.5	-	-	5.5
MTO	Funding for province-wide education campaign for drug-impaired driving [pending approval of CO Communications and availability of funding in the Bulk Media Buy fund]	3.0	1.8	-	-	4.8
MTO	Funding to improve Ontario 511 Traveller Information website	0.9	0.6	0.6	0.6	2.7
MTO	Funding to implement changes related to impaired drinking and driving in the Making Ontario's Roads Safer Act	0.7	0.8	-	-	1.5
MNR	Funding for information management and activities related to the Invasive Species Act	1.8	2.3	2.3	2.3	8.7
MNR	Extension of Resource Revenue Sharing Pilot Projects	0.3	0.3	-	-	0.6
MIR	Enhance Support for Community Negotiations Fund	0.5	0.5	1.5	1.5	4.0
MIR	Operating funding for MIR properties on hold [MIR and MOI to resolve the issue within the fiscal plan]	0.4	0.4	0.4	0.4	1.6

Recommendation: Do Not Fund – Risk and/or Consider Later



Ministry	Initiative	\$M	2017-18	2018-19	2019-20	2020-21	Total
MCSS	Benefits Transformation residual pressure		11.8	48.7	65.2	57.2	182.9

Forecasts (track as risks)

MCSS	Social Assistance forecast		144.6	52.5	-	-	197.1
MCSS	IT Cluster application maintenance and support		9.6	12.7	12.7	-	35.0
MNDM	Funding for ONTC efficiency improvements and pension payments (operating)		10.8	17.5	21.0	21.0	70.3

No 2017-18 impact (defer consideration to 2018-19 PRRT)

MTO	Additional highway maintenance re-tenders		-	16.0	16.3	16.6	48.9
MTO	Funding for review of the Regional Transportation Plan and improvements to the Triplinx website		-	4.7	5.0	5.0	14.7
MTO	Funding for new Wolfe Island Ferry Services (personnel, training, fuel, maintenance)		-	0.3	2.3	4.1	6.7

Housekeeping Adjustments



Adjustments with Fiscal Impact	2017-18	2018-19	2019-20	2020-21	Total
• Consolidations					
• Pensions					
• Tax credits					
Fiscally Neutral Adjustments					
• Transfers between ministries					
• Internal realignments					
• Expense increases offset by revenue					
• Boulders - related					
Assets					
• Operating					
Non-Financial					
• Section 15					
• Ministry structures (Vote-items, TPs)					

Time Sensitive 2017-18 Decision



- **Reimbursement to Drive Clean testing facilities (MOECC)**
 - The ministry announced the elimination of the Drive Clean Emissions Test fee for light duty vehicles as of April 1, 2017.
 - MOECC is requesting funding of **\$38.5M in 2017-18; and \$9.6M in 2018-19** to reimburse Drive Clean facilities for qualifying Drive Clean Emissions Tests starting in April 2017.

Outstanding 2016-17 Decisions



- **MTO savings**

- Subsequent to Third Quarter Update to TB/MBC, MTO reported additional savings of **\$16.5M** mainly related to underspending in Highway 407 Municipal Transfer Payment and Public Transit Transfer Payment due to constructions delays.

- **Updated tax credit forecasts**

Tax Credit	2016-17 Adjustments \$M
Book Publishing (MTCS)	0.6
Computer Animation and Special Effects (MTCS)	23.8
Film and Television (MTCS)	(9.3)
Interactive Digital Media (MTCS)	45.8
Film Production Services (MTCS)	88.7
Sound Recording (MTCS)	0.5
Political Contribution (MAG)	0.4
Apprenticeship Training (MAESD)	(12.3)
Co-operative Education (MAESD)	8.1
Innovation (MEDG)	(23.0)
Business Research Institute (MEDG)	5.9
Small Beer Manufacturers (MEDG)	1.9
Children's Activity (MCYS)	(1.7)
Health Homes Renovation (MNDM)	(0.5)
Focused Flow-through Share (MOHLTC)	(1.1)
Total Fiscal Impact	127.6

Highlights of I&IT Approvals



- I&IT is a key enabler of ongoing business operations and supporting business transformations. The annual OPS I&IT expenditure is approximately \$1B in both operating and capital funding.
 - In PRRT, funding was approved for new I&IT initiatives, expansion/re-use of existing systems, re-profiling and other technical adjustments. Funding for new I&IT initiatives was generally offset from within ministry planned allocations.

New I&IT projects include:	Total Project 4-Year \$M	Recommendation
MCSCS – Modernization of Corrections Reporting/Analytics	9.9	Approve-in-principle
MCSS – FRO Case Management System Upgrades	10.5	Approve-in-principle
MGCS – Vital Events Modernization Project (funding offset from delays in DL/HC)	20	Approve-in-principle
MGCS – IFIS Upgrade Project (to be recovered from ministries)	28.7	Approve-in-principle
MGCS – CCM Phase 2	16.4	Approve-in-principle

- In some cases, funding was put on holdback, either pending more information or a more detailed review by the I&IT Project Approval Committee (ITPAC).
 - ITPAC's review will include looking for cross-cluster collaboration and leveraging systems for multiple-ministry use. Related procurements will be reviewed by the Supply Chain Leadership Council.
- Re-profiling approvals – funding for existing projects that has been re-profiled to future years

Reprofiled projects:	Recommendation
MAESD: Reprofiled of Private Career Colleges (PARIS) and OSAP IT	Approve-in-principle
MCSCS: Reprofiled of Public Safety Radio Network	Approve-in-principle
MGCS: reprofiling of SO Boulder Service Integration Drivers' License and Health Card; reprofiling of WIN upgrade; reprofiling of ONBIS IT project	Approve-in-principle
MOECC: Reprofiled of Hazardous Waste Information Network	Approve-in-principle
MTO: Reprofiled of Segment 1 and Segment 2 of Road User Safety Modernization; reprofiling of Smart Stations	Approve-in-principle

- Most re-profiling requests remain inside initial project envelopes but point to delay of deliverables and therefore business benefits of investments.

Ministry Key Performance Indicators



- As part of the 2017-18 PRRT process, the government continued momentum to implement a robust performance measurement and management system
- Overall, ministries identified 148 Key Performance Indicators (KPIs) including:
 - 43* that were recommended for approval
 - 49 that were recommended for approval with changes/additional development
- At the program level, ministries identified close to 300 measures for each of outcomes and output/efficiencies, with many still under development
- The Centre of Excellence for Evidence-Based Decision Making (CoE) will be working with and supporting ministries to revise their KPIs where needed, as well as their program level measures, with report backs recommended for 2018-19 PRRT
- Ongoing refinement of the KPIs and program level measures is intended to enable tracking of progress against mandate commitments and strategic priorities in continued collaboration with Cabinet Office

* Note that an additional 2 KPIs submitted by MCSS were recommended for approval. At the request of the ministry, however, each of MCSS' KPIs will only be noted as received by TB/MBC. MCSS is undertaking a comprehensive review of its performance measures, and intends to submit all new KPIs in 2018-19 PRRT.

Summary of Decisions



- Ministry **Reconciliation Sheets** (Attachment 2 TBC) provide an overview for each ministry of all decisions since the 2016 Budget, including:
 - 1) In-year TB/MBC approvals/changes
 - 2) Decisions made through 2017-18 PRRT ministry/boulder discussions

Next Steps



- **Document Day**
 - Final approval of Document Initiatives and an overview presentation of the 2017 Document.
- **2017-18 Expenditure Estimates**
 - Estimates are tabled within 12 sessional days after the Budget.
- **Final PRRT Minutes**
 - Post budget approval of final PRRT Minutes.

Appendices

A. I&IT Requests

Attachments

1. Minutes
2. Reconciliation Sheets

Appendix A: I&IT Requests without Offsets



Unfunded New I&IT projects included:	Total 4 Year Project (\$M)	Recommendation
MCSS – Funding to support ongoing IT services provided by the cluster	35	Do Not Approve
MCYS – CPIN upgrades, enhancements, new functionality, increased funding for CASs (no offset)	88	Defer
MOECC – replacing the Integrated Divisional System which is used to track all compliance activities in the Ministry, with a new modernized compliance system	14.6	Defer
MNRF – IT enhancements to enable the new Invasive Species Act	2	Manage from within
MTO – Ontario 511	2.7	Manage from within
MTO – IT Changes for Fee Increases	2.8	Manage from within
MTO - .NET	6	Manage from within
MTO – Carrier Platform Refresh and Legacy System Upgrade	5.5	Manage from within
MTO – Legacy System Upgrade	6.2	Manage from within