



Ontario's Action Plan 2020: Responding to COVID-19

March 25, 2020

Financial Summary

- 2019–20 revenue approximately \$2.6 billion higher than projected in 2019 Budget. Estimated negative impact on revenues approximately \$5.8 billion in 2020–21. Projected 2020–21 revenues are \$3.5 billion lower than at the time of the 2019 Budget.
- Past sharp slowdowns in economic activity typically followed by strong recoveries. Growth expected to improve in the second half of 2020 and lift consumer, investment and business confidence heading into 2021.
- Compared to the outlook presented in the 2019 Budget, program expenses are projected to be higher by \$3.0 billion in 2019–20 and \$9.1 billion in 2020–21.
- A revised projected deficit of \$20.5 billion for 2020–21, up from the \$6.8 billion projected in the 2019 Ontario Budget.
- Net debt-to-GDP is forecast to be 39.9 per cent in 2019–20, lower than the 40.7 per cent forecast in the 2019 Budget and is projected to increase to 41.7 per cent by 2020–21.



Supporting health care

To tackle the COVID-19 outbreak, Ontario's Action Plan 2020 provides \$3.3 billion in additional resources for the health care system.

Of this total, \$2.1 billion is allocated for new measures to support the COVID-19 response, including:

- A dedicated \$1.0 billion COVID-19 contingency fund;
- \$548 million for hospital capacity (\$341 million) and long-term care home capacity (\$243 million);
- \$100 million for public health;
- \$170 million for community capacity, homecare and Telehealth Ontario;
- \$75 million for personal protective equipment and critical medical supplies; and
- Approximately \$70 million for infection control measures in retirement homes, residential facilities and emergency shelters.

The remaining \$1.2 billion is allocation to meet demand for services in the health and long-term care sector.



Supporting people and jobs

To support the provincial economy devastated by the COVID-19 pandemic, Ontario's Action Plan 2020 allocates an additional \$3.7 billion to support people and jobs, including:

- \$200 million in new funding to provide temporary emergency supports for people in financial need;
- Making electricity bills more affordable for residential, farm and small business consumers through a \$1.5 billion increase in electricity cost relief;
- Cutting taxes by \$355 million for about 57,000 employers through a proposed temporary increase to the Employer Health Tax exemption;
- Helping to support regions that have been lagging in employment growth with a proposed new Corporate Income Tax credit — the Regional Opportunities Investment Tax Credit; and
- Supporting the timely delivery of critical food and supplies by amending a regulation that restricted delivery trucks from operating during off-peak hours.



Supporting people and jobs

Ontario's Action Plan 2020 also provides \$10 Billion in support for people and businesses to improve cash flows by:

- Providing a 5-month interest and penalty-free period to make payments for the majority of provincially administered taxes, which provides \$6 billion in relief;
- Providing \$1.9 billion in new financial relief by the WSIB allowing employers to defer payments for six months; and
- Deferring the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days. This will provide municipalities with the flexibility to, in turn, provide property tax deferrals of over \$1.8 billion to local residents and businesses while ensuring school boards receive their funding.



What it means for municipalities

- \$200 million in new funding to provide temporary emergency supports for people in financial need as well as funding to municipalities and other service providers to respond to local needs such as food banks, homeless shelters, churches and emergency services.
- \$25 billion to Indigenous peoples and communities, including emergency assistance for urban indigenous people in financial need, costs for health care professionals and critical supplies to reach remote First Nations, emergency planning and self-isolation needs.
- Helping support regions lagging in employment growth with a proposed new Corporate Income Tax credit – the Regional Opportunities Investment Tax Credit.
- Deferring the upcoming quarterly remittance of education property tax to school boards by 90 days. This will provide municipalities with the flexibility to provide property tax deferrals.
- Approximately \$70 million for infection control and personal protective equipment in residential facilities for children and youth in care, children with complex needs and people with developmental disabilities, retirement homes, youth justice facilities and emergency shelters for women and families fleeing domestic violence.
- Enhanced funding for charitable and non-profit social services organizations, for example food banks, homeless shelters, churches and emergency services such as the Red Cross, to improve their ability to respond, by providing \$148 billion directly to Consolidated Municipal Service Managers and District Social Service Administration Boards who would allocate funding based on local needs.
- Approximately \$80 million for ambulance and paramedic services.



How KWM Consulting can help you

- Develop a comprehensive government relations strategy that will strengthen your presence among MPPs and political staff.
- Align your business objectives and policy priorities with the initiatives outlined by the Ford Government to identify opportunities and challenges.
- Work alongside you to execute engagement tactics with the decision-makers at Queen's Park and other stakeholders.

Shape perceptions.
Build reputations.
Spur action.





Kelly Mitchell

kelly@kwmconsulting.com
(416) 728-8287

Wayne Snow

wayne@kwmconsulting.com
(647) 338-0599

Matt Hiraishi

matt@kwmconsulting.com
(647) 462-9826

Georjann Morriseau

georjann@kwmconsulting.com
(807) 626-0399

Ralph Palumbo

ralph@kwmconsulting.com
(416) 561-1377

Ron Ross

ron@kwmconsulting.com
(416) 807-9061

Mark Holmes

mark@kwmconsulting.com
(647) 588-9707

Steve Pengelly

jsap@kos.net
(416) 720-7498