

# Still picking up the tab

Federal and provincial government  
COVID-19 spending

David Macdonald





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**ISBN 978-1-77125-569-1**

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**ACKNOWLEDGMENTS**

The author would like to thank the following people who reviewed earlier versions of this report and dataset: Simon Enoch, Iglia Ivanova, Josh Brandon, Andrew McNeill, Bill Moore-Kilgannon, Randy Robinson and Christine Saulnier. Thanks also to the Financial Accountability Office of Ontario for generously sharing their detailed methodology and calculations from their September 10 “Federal and Provincial COVID-19 Response Measures” report. Thanks also to several provincial finance departments for sharing detailed budgetary information.

## **Still picking up the tab**

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# Executive Summary

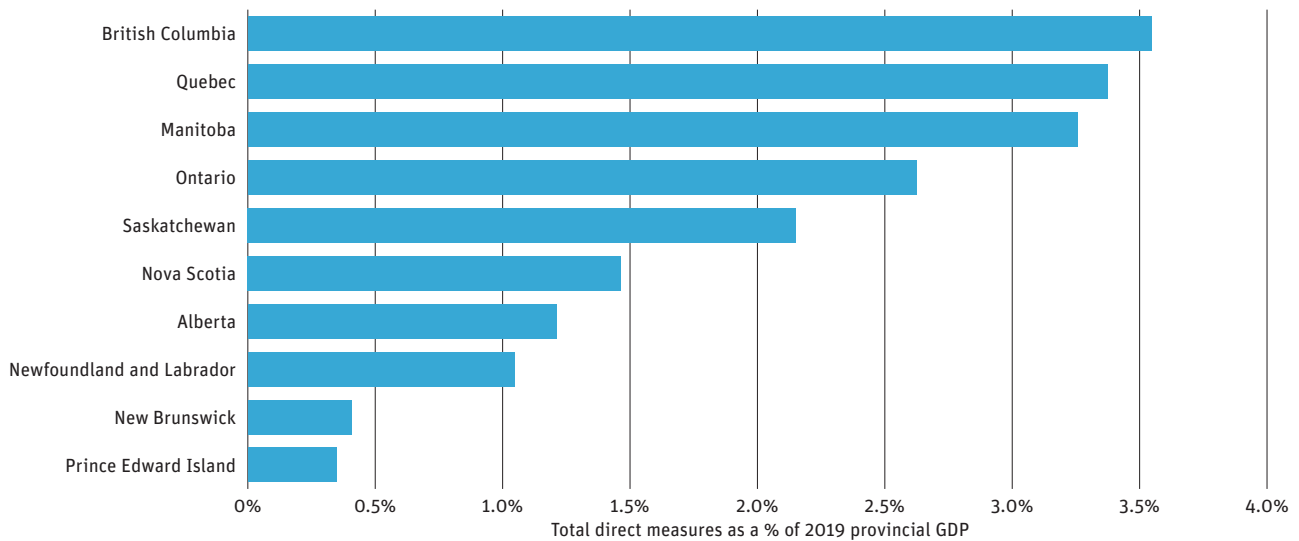
CANADIAN GOVERNMENTS HAVE shouldered historic costs in order to combat the multiple impacts of COVID-19 on individuals, businesses, workers, and communities. This report updates earlier analysis of how much federal and provincial governments in Canada have spent on COVID-related initiatives. It incorporates the latest round of spring budgets in 2021. Like the previous report, this one concludes that the federal government is still picking up the lion's share of the tab for COVID-19 measures. The total value of COVID-19 measures across both federal and provincial governments for the three fiscal years, ending with 2020–21, now amounts to almost \$620 billion, including liquidity and unallocated funds—an increase from the January report, where it stood at \$591 billion.

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## Overview of direct measures

As of the spring federal budget, federal COVID-19 direct measures—such as the Canada Emergency Wage Subsidy (CEWS), the forgiven portion of the Canada Emergency Business Account (CEBA), the Canada Emergency Response Benefit (CERB) and its replacement programs as well as funding for health care, child care, schools, infrastructure, and municipalities—stood at \$336 billion in direct spending, along with an additional \$29 billion in transfers to the provinces, for a total federal contribution of \$366 billion. For their part, the provinces are contributing an additional \$57 billion. That means

**FIGURE A** Net provincial COVID-19 direct measures compared to GDP



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

the federal government has covered 86% of all COVID-19 spending and the provinces have covered 14% of these costs. This has changed from the January update, when we estimated that the federal government was covering 92% of the costs and the provinces were only covering 8% of the costs.

## Provincial snapshots

Excluding federal spending, the B.C. provincial government has contributed the most to combat COVID-19, at 3.5% of its GDP. Quebec stands second, having contributed 3.4% of its GDP, with Manitoba coming in third at 3.3% of its GDP. Ontario sits at 2.6% of GDP, a full percentage point below B.C. At the bottom of the scale, the Atlantic provinces of P.E.I., New Brunswick and Newfoundland and Labrador have contributed the least, even after adjusting for their much smaller population size. Notably, the Atlantic provinces faced fewer COVID-19 impacts. However, Alberta, which continues to battle high levels of COVID-19 transmission, is among the provinces that have spent the least—contributing 1.2% of its GDP, roughly a third of what B.C. or Quebec has contributed. The following provides a snapshot of provincial support, per person, in order of the province with highest level of per capita support (mostly federally funded) to the lowest.

**Alberta (see page 36):** At \$12,350 a person, Albertans have received the highest level of COVID-19 support of any province—mostly federal, with 92% of the costs falling on the federal government and 8% falling on the provincial government. In fact, Alberta has received the most federal support of any province, at \$11,410 a person. Business support was the largest category, with the equivalent of \$6,370 a person in direct measures. Most of it—92%—came from the federal government through the CEWS (\$17.5 billion) and the CEBA loan forgiveness program (\$1.9 billion). Individual support was the second largest area of support in Alberta, accounting for \$3,940 a person, although this was essentially all federally led. The major federal individual support programs included the CERB, providing \$8.8 billion in support, the CRB, worth \$3.5 billion, and the EI enhancements, providing \$1.3 billion to Alberta’s jobless. As of the January report, the province had applied for basically none of the of the federal essential worker wage top up money to boost low-wage essential worker wages in the province. Following the release of the January report, Alberta announced that it would fully access the federal funds: this would mean receiving \$348 million in federal dollars combined with \$116 million in provincial funds for a program worth \$465 million for low-wage, front-line workers.

**Ontario (see page 31):** Ontarians have received the equivalent of \$11,470 per person to combat COVID-19—13% was provincially funded and 87% was federally funded. That’s the second highest level of support, thanks to federal funding. The federal component (\$9,940 a person) is the also second highest federal per capita support for any province. The largest area of support in the province went to businesses, amounting to \$4,740 a person. The largest federal support came through the CEWS (\$44.3 billion), the loan forgiveness portion of the CEBA (\$5.2 billion) and \$4.1 billion through the Canada Emergency Rent Subsidy (CERS). The second highest category of support was for individuals, which amounted to \$4,220 a person. The largest individual supports were federal and included \$28.9 billion through CERB, \$12.5 billion for the CRB and \$5.7 billion in EI enhancements to support jobless Ontarians. Health care spending amounted to \$1,760 a person, or about a third of what was spent on business support in the province. Of the health care spending, 34% was provincial and 66% was federal. Ontario was one of two provinces that fully matched federal municipal support. In the end, 64% of municipal support was provincial and 36% was federal.

**B.C. (see page 38):** British Columbians have received direct measures worth \$11,340 a person to combat COVID-19—86% of which was federal money and 14% was provincial. B.C. contributed more to combat COVID-19 than

any other province proportionately, at \$2,040 a person. Business support, at \$4,390 a person, was the largest category. The largest business support came from the federal CEWS program, providing \$13.3 billion in support for B.C. businesses and \$2.2 billion from the CEBA loan forgiveness for small business support. Individual per capita support was equivalent to \$4,360 a person, with a very high 17% of that paid from provincial dollars. In per capita terms, the province provided \$740 in support for individuals—three times more than Saskatchewan’s \$270 a person (the second place province). Despite provincial investments, most of the money still came from federal programs, notably the CERB (\$9.7 billion), the CRB at \$3.4 billion and the EI enhancements, providing \$2 billion in support. Health care measures were the third largest category in the province, amounting to \$1,480 a person—split 16% provincial and 84% federal. B.C. was one of only two provinces that completely matched federal support for municipal operating and transit budgets.

**Manitoba (see page 32):** The equivalent of \$10,930 per person has been spent on direct measures to combat COVID-19 in Manitoba—84% of which was federally funded and 16% was provincially funded. The largest category of support was for businesses, which amounted to \$4,160 a person. This came mostly from the federal government via its CEWS program (\$3.6 billion) and its \$430 million in CEBA loan forgiveness for Manitoban businesses. The second largest category went to support for individuals, amounting to \$3,510 a person. These supports were basically all federal, driven by \$2.3 billion in support from the CERB, \$760 million from the CRB and \$470 million from EI enhancements. Health care spending equated to \$2,100 a person in Manitoba. This was split 70% federal and 30% provincial. Manitoba didn’t match federal contributions to municipalities and, as such, the support for municipal budget shortfalls, worth \$80 a person, was entirely federal. Support for schools and child care centres was mostly provincial, with two thirds originating from the province and one third being federal. This represented a rare instance in this category in which provincial contributions exceeded federal contributions.

**Quebec (see page 29):** COVID-19 direct measures in Quebec has amounted to \$10,790 a person. Of that total, 84% was federally funded and 16% was provincially funded. The business category got the most support in Quebec, worth \$4,330 a person. The business support was primarily federal, through the CEWS program, which provided \$24.7 billion to Quebec businesses, and the CEBA loan forgiveness, which amounted to \$2.7 billion. The second largest amount of support went to individuals and amounted

to \$3,650 a person, 94% of which was federally funded. The programs that led the individual support were federal: the CERB (\$16.6 billion), the CRB (\$4.5 billion), and EI improvements (\$2.5 billion). The province had several wage improvement programs for essential workers, beyond the matching requirements of the federal essential worker wage top up, which included additional wage top ups, lump sum payments for full-time work and bonuses for those in private long-term care. Health care support was equivalent to half of business support and amounted to \$2,020 a person in Quebec—42% of which was provincial, higher than other the provinces for net provincial health care spending.

**Saskatchewan (see page 34):** COVID-19 direct measures in Saskatchewan have amounted to \$10,240 per person. This was primarily due to federal spending—85% was federal and 15% was provincial. The largest supports went to businesses, at \$3,650 a person. The largest business support programs were federal and included the CEWS (\$2.1 billion), CEBA loan forgiveness (\$460 million) and the cleaning up of former oil and gas wells (worth \$400 million). Individual support was the equivalent of \$3,630 a person. The largest individual programs were federal: \$2 billion from the CERB and \$680 million from the CRB. Saskatchewan is one of three provinces that spent essentially none of its own money on the health care impact of COVID-19, with all its bills ultimately covered by the federal government. Saskatchewan didn't match federal support for municipalities and, as such, all of the support for municipal budgets has been federal.

**Newfoundland and Labrador (see page 24):** Total per capita measures to combat COVID-19 in Newfoundland and Labrador has amounted to \$9,700 per person—93% was federal money and 7% was provincial. The biggest category of support was transfers to businesses, which amounted to \$4,170 a person. This category was dominated by the federal Canada Emergency Wage Subsidy (CEWS), amounting to \$975 million in support, the federal offshore energy fund, worth \$320 million, and the Canada Emergency Business Account forgiveness portion, worth \$583 million. The second largest category of support was for individuals, amounting to \$3,550 a person—\$400 a person less than what businesses received. Individual support primarily came through the Canada Emergency Response Benefit (\$996 million) and the Canada Recovery Benefit (\$284 million). There was almost no provincially led individual support outside of the \$30 million residential construction rebate.

**P.E.I. (see page 25):** Prince Edward Island residents have received the equivalent of \$8,445 in direct COVID-19 measures. Of this total, 98%



was federal money and only 2% was provincial money. This represents the lowest net provincial contribution of any province. It should be stated that, despite its spring budget, the province has yet to detail its COVID-19 measures in 2021–22 and, instead, is maintaining a \$50 million contingency plan whose distributional details will only be published in the fall. Most of that \$50 million is unspent federal money for health care, child care and school re-openings. The largest category of support has gone to businesses, which received the equivalent of \$3,230 a person—92% of which is federal money, with the largest programs being the CEWS (\$370 million) and CEBA loan forgiveness (\$74 million). Individual support was the second largest category, amounting to \$3,920 a person. The individual supports were almost entirely federally funded, with 98% coming from federal dollars. The largest federal programs on the island were the CERB, worth \$300 million and the CRB, which dispursed \$68 million in support.

**Nova Scotia (see page 27):** Nova Scotians have received the equivalent of \$8,800 in direct COVID-19 measures. Of this total, 92% was federal money and 8% was coming from the provincial government. Individual support amounted to the largest group of measures in the province, worth \$3,490 a person. This was almost entirely federal money, with the CERB providing \$1.8 billion and the CRB providing \$560 million in support of jobless Nova Scotians. The second highest level of support went to businesses, worth \$3,130 a person. This was almost all federal money coming from CEWS, which provided \$1.9 billion in support, and the CEBA loan forgiveness program, which amounted to \$334 million. The provincial contribution to support business was 2% of the total.

**New Brunswick (see page 28):** New Brunswick had COVID-19 measures worth \$8,080 per person—98% of which was federally funded and 2% was provincially funded. This represents the second lowest proportional provincial contribution of any province (P.E.I. had the lowest). Individual supports (\$3,240 per person) were slightly larger than business supports (\$3,210 per person), although not by much. Across both individual and business support, the funding was overwhelmingly federal. The federal support included the CEWS, which provided \$1.7 billion to support the province's businesses, along with the CEBA loan forgiveness of \$278 million for small businesses. For individuals, the CERB contributed \$1.4 billion and the CRB contributed \$380 million to support jobless workers.

# Introduction

THIS REPORT IS an update to *Picking up the Tab*, a report that documented federal and provincial spending related to the COVID-19 pandemic, which was published in January 2021.<sup>1</sup> This report replicates the methodology of the previous report and incorporates the 2021 spring federal and provincial budgets, which were published between February and June 2021.<sup>2</sup>

This report examines 920 COVID-19 measures from both the federal and provincial governments. Almost 100 new direct measures have been added in this report compared to the previous one, largely due to new 2021–22 measures announced in spring budgets. The count of liquidity programs is little changed—few new measures on that front have been announced.

The total value of COVID-19 measures across both federal and provincial governments for the last three fiscal years now amounts to almost \$620 billion—an increase from the January report, where it stood at \$591 billion.

There has also been a substantial change in where those measures are recorded: there are fewer unallocated amounts. Ontario funds were ultimately distributed in its 2021 budget. Saskatchewan infrastructure funds were shifted into future years and are, therefore, outside the scope of this report.

The value of liquidity measures are down somewhat, as more precise estimates of program utilization have become available.

Direct measures have gone up substantially, from \$373 billion in January to \$423 billion in this update, representing an increase of almost \$50 billion in new measures. These measures are either new measures that were announced in 2021 budgets or upward revisions of existing programs.

On a per capita basis, governments have committed \$11,130 a person to combat COVID-19 between 2019–20 and 2021–22.

# Summary results

FEDERAL COVID-19 DIRECT measures stand at \$336 billion in direct spending, along with an additional \$29 billion in transfers to the provinces, for a total federal contribution of \$366 billion. For their part, the provinces have announced an additional \$57 billion in contributions. That means the federal government has covered 86% of all COVID-19 spending and the provinces have covered 14% of these costs. This has changed from the January update, when we estimated that the federal government was covering 92% of the costs and the provinces were only covering 8% of the costs. This is due, in part, to the announcement of new programs at all levels of government, along with the allocation of contingency funds to actual programs. [A full list of federal and provincial COVID-19 programs is available here.](#)

**TABLE 1** COVID-19 costs by program type, federal and provincial (\$mil)

	Federal	Federal transfer to province	Net Provincial	Total
Direct	\$336,176	\$29,376	\$57,448	\$423,000
Liquidity	\$153,207	\$0	\$38,186	\$191,393
Unallocated	\$0	\$0	\$3,137	\$3,137
Total	\$489,384	\$29,376	\$98,770	\$617,530

**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

# Unallocated COVID-19 funds

THE CREATION OF similar large unallocated funds (in some cases called contingency funds) is a trend across several provinces where, instead of tabling specific plans for COVID-19 measures, provincial governments have opted to create large funds that can be the equivalent of most, or almost all, of their COVID-19 spending.

This approach offers provincial governments legislative authority to spend the money and provides discretionary wiggle room in rapidly designing programs to meet the changing needs as the pandemic situation evolves (new virus waves, etc.). However, sometimes those funds make up most, or all, of the COVID-19 spending in a year. At that point, critical details of how money will be spent are missing, meaning these programs can only be evaluated after the fact, as no notice of a government's plans are published in advance. Also, it's possible that the funds won't be spent at all and will, instead, go toward deficit reduction.

As shown in Table 2, given its size, P.E.I. has created a substantial \$50 million unallocated fund for 2021–22, with essentially no details about how the province plans to spend it. Finance officials promise a full accounting in the fall 2021 fiscal update. In P.E.I.'s case, most of those unallocated funds are actually unspent federal COVID-19 transfers to health, K-12 and child care.

Considering the province's size, Newfoundland and Labrador created a relatively large \$120 million fund, although the 2021 budget allocates

**TABLE 2** Unallocated COVID-19 funds by province (\$ mil)

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Count of funds	1	1	-	-	-	-	1	-	3	1
Unallocated COVID-19 funds	\$57	\$50	\$-	\$-	\$-	\$-	\$162	\$-	\$1,768	\$1,100

**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

roughly half of that fund in 2021–22 to new small business and tourism support programs and continued COVID-19 staffing in K-12, leaving \$57 million unallocated after the spring budget.

Ontario had the largest unallocated funds in the January report, which stood at \$6.4 billion over two years. However, those funds had all been allocated by the time the province’s 2021 budget was published. This report doesn’t include measures after the 2021–22 fiscal year but, so far, Ontario has a new unallocated fund worth \$2.8 billion in 2022–23.<sup>3</sup>

Manitoba also has poor disclosure of the detailed spending plans for its COVID-19 measures in 2021–22. The disclosure for the 2020–21 year was quite good, with reasonably detailed listings of program costs and departmental breakdowns. In 2021–22, there is a significant \$1.18 billion “enabling appropriation” for COVID-19 expenditures. There are several broad categories of health care, school supports, capital transfers and job creation, but very few details within those broad categories. In the end, over a billion of the \$1.18 billion contingency fund was allocated, with few details.

In the January report, Saskatchewan had a substantial amount of unallocated funds related to stimulus infrastructure spending that wasn’t allocated to particular departments. A small amount of those infrastructure funds did go into infrastructure projects in 2021–22, as promised. However, most of the money was shifted to beyond 2021–22 and, therefore, is outside the scope of this report, as well as being outside of the originally promised time frame.

Alberta has substantially increased its unallocated funds, from \$750 million in the January report to almost \$1.8 billion after the 2021 budget. Its initial \$750 million contingency fund was boosted to \$1.25 billion in Budget 2021. It was accompanied by an additional “recovery plan” contingency fund worth \$500 million and a minor \$18 million in the Department of Jobs, Economy and Innovation that hasn’t yet been designated to a particular program. In 2021–22, Alberta has planned expenditures of \$1.1 billion, on

**TABLE 3** Result of unallocated funds prior to spring 2021 budgets (\$ mil)

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Unallocated COVID-19 funds prior to 2021 spring budgets	\$82	\$60	\$-	\$-	\$300	\$6,415	\$-	\$1,436	\$750	
Allocated by Spring 2021 budget	\$82	\$32			\$300	\$6,415		\$330		
Likely lapsed	\$-	\$28			\$-	\$-	\$-		\$-	
May be spent in the future	\$-	\$-						\$1,107	\$750	

**Source** Table 2 of *Picking up the Tab*, along with spring 2021 provincial budgets

top of its unallocated fund of \$1.8 billion. In other words, its unallocated fund exceeds its total detailed expenditures in 2021–22.<sup>4</sup>

British Columbia, for its part, has a new \$1.1 billion COVID-19 unallocated reserve. This is similar to its \$1.5 billion economic recovery fund, which was spent in the fall of 2020.

Looking back on the January report, several provincial governments also had substantial unallocated funds. Table 3 examines what happened to those funds between January 2021 and the spring 2021 budgets. The picture is mixed: three provinces fully allocated their unallocated amounts and three provinces had mixed results.

P.E.I. is the only province in which COVID-19 unallocated funds actually lapsed and likely won't be spent at all. It initially had a \$65 million contingency fund for 2020–21 that it split into individual departmental contingency funds, but those funds don't seem to have been entirely spent, with \$32 million of the original \$65 million fund going to deficit reduction. As noted above, a new \$50 million COVID-19 contingency plan has been created for 2021–22.

Saskatchewan and Alberta still hadn't allocated certain funds within the time frame of this report, but those funds remain on the books and may be allocated in the future. In Saskatchewan's case, the \$1.1 billion in infrastructure funds were moved into 2022–23 or later. The government originally planned to disperse them by the end of 2021–22.

In the case of Alberta, the province had a \$750 million COVID-19 contingency fund for 2021–22, which was already allocated in the second quarter of 2020. In the 2021 spring budget, this was not allocated and that unallocated amount was increased to \$1.25 billion. Since this fund was always for the 2021–22 year, the initial \$750 million could still get spent in 2021–22.

The three other provinces with unallocated amounts in January 2021 had allocated them in the full accounting of their 2021 spring budgets.

Beyond this point, these unallocated funds are not included in the analysis. Given that they are unallocated, they are impossible to categorize. If those unallocated funds get spent, then they will increase provincial direct measures. The other possibility is that they remain unallocated and unspent by the end of the fiscal year. At that point, they would simply reduce the value of the deficit and do nothing to combat the impacts of COVID-19.

Large unallocated funds can often be considered poor budgeting practice, in that they provide no detail in advance to citizens as to how large amounts of money will be spent. Their main *raison d'être* is to put a placeholder in the budget that is large enough so that the projected deficit figure and the actual figure after the fact don't differ significantly. In the worst-case scenario, unallocated funds can be a means of inflating the value of the crisis response while, in the end, being meant only to reduce the deficit.

# Direct measures by type

IN ORDER TO better determine the differences in provincial contributions to the COVID-19 effort, measures are disaggregated into seven broad types.

**Business support:** This is the largest category of support and includes direct transfers to businesses. Federally, the biggest programs were the Canada Emergency Wage Subsidy (CEWS) and the forgiveness portion of the Canada Emergency Business Account (CEBA). Provincial support includes everything from rehiring programs to business tax cuts, along with re-opening transfers. Businesses in provincially important sectors often have programs that they can draw upon. Looking at the provincial supports alone, the provinces contributed more to business support than they did to individual support.

**Individual support:** This category includes direct transfers to people, including wage boosts or a reduction in the amount owed to governments from taxes and fee reductions. Federally, the main individual measures are the Canada Emergency Response Benefit (CERB) and its replacement programs: EI and the Canada Recovery programs. The scale of these programs was considerably larger than all provincial individual COVID-19 supports.

**Health care:** The Safe Restart agreements with the provinces for health care were simple cash transfers requiring no provincial cost matching. Since there is no cost matching, the provinces could have received more in transfers from the federal government than they have plans to spend. There are several related health Safe Restart streams that are grouped in



this report, as it is often difficult to determine how provinces will account for spending, given the overlap. The vulnerable populations stream could be used for other purposes beyond health care but, in most provinces, the bulk of the funding has been spent on long-term care. The federal transfers for health care include:

1. Safe Restart—Testing, contact tracing and data management
2. Safe Restart—Health care system capacity
3. Safe Restart—PPE
4. Safe Restart—Vulnerable populations
5. Safe Long-term Care Fund
6. COVID-19 Response Fund (2019–20)

The federal Budget 2021 included two new COVID-19 health care transfers that are also grouped under this category:

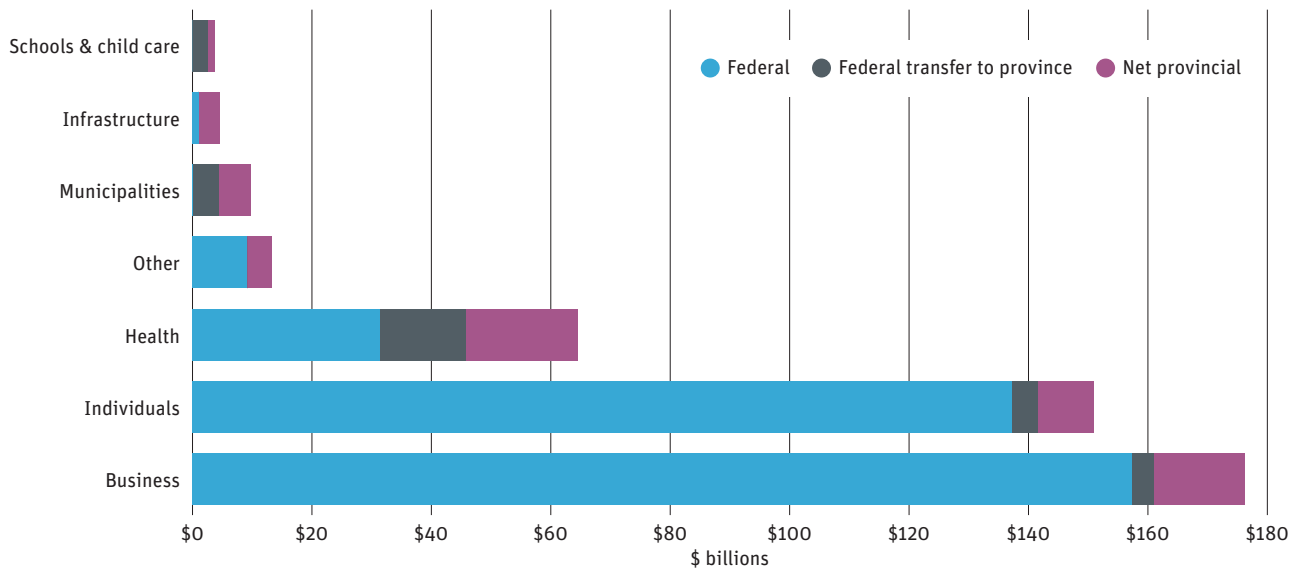
7. Helping provincial health care system recover (\$4 billion)
8. Provincial immunization plans (\$1 billion)

**Municipalities:** Municipal coffers have been hard-hit by this pandemic, with user fees and transit fares plummeting. One of the Safe Restart agreement streams was earmarked to support municipal operating and transit budgets. This portion of the agreements was purportedly cost-shared 50/50 with the provinces, up to the federal cap. In the larger provinces, the provinces roughly matched federal funding, with some provinces providing more than the federal cap and, therefore, exceeding 50% of contributions. The municipalities category does not include infrastructure spending administered by cities that is unrelated to supporting operating budgets.

**Child care and K-12 schools:** The federal contribution in this category is exclusively transfers to the provinces through the child care stream of the Safe Restart agreements and the Safe Return to Class fund. Since these are straight transfers, not requiring any cost matching, provinces could have received more than they plan to spend in these areas.

**Infrastructure:** Infrastructure spending to stimulate growth is the one area in which several provincial governments outspent the federal government. This is partly due to how few federal government COVID-19 programs are directly related to infrastructure. The biggest federal expenditure is the \$1 billion Rapid Housing Initiative. Half of that expenditure was transferred directly to large cities and half was used to purchase existing housing, like hotels, to rapidly convert to emergency housing.<sup>5</sup> The federal government did make a substantial change in the Canada Infrastructure Program through a new COVID-19 resilience stream, where it is offering to cover 80% of a project's

**FIGURE 1** Direct measures by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

cost if it can be quickly started. However, the federal government doesn't record this as a cost since it is merely shifting money that had already been allocated to infrastructure spending.<sup>6</sup>

**Other:** These measures often support worker retraining, community organizations and vulnerable populations beyond those living in long-term care settings. These measures include supporting food banks, shelters, people with developmental disabilities, the homeless, those attempting to flee domestic violence, etc. Aid for post-secondary students, arts and culture organizations, along with the cost of government adaptation to COVID-19 for shifting to more online services are also included in this category.

Support for businesses represents the largest category of direct support and amounts to \$176 billion between 2019–20 and 2021–22, the equivalent of \$4,640 per person. The support is almost all federal, with 91% of all business support coming from the federal government and only 9% from provincial sources. Business support has barely changed from the January report, with increased federal spending in this category offset by lower provincial contributions, largely due to the under-subscription to provincial programs.

Support for individuals is the second largest category of support, worth \$151 billion over the past three fiscal years. This equates to \$3,970 a person. Individual support includes jobless support and other transfers to people,

such as one-time increases to the Canada Child Benefit and the GST/HST credit. This category is even more federally supported than business transfers: the federal government has paid for 94% of all individual support versus 6% by the provinces.

Health care costs originating from COVID-19 are in a distant third category. It's worth highlighting that the economic costs of the pandemic (in direct support to individuals and businesses) have been more than five times larger than direct health care costs, including the cost of testing, contact tracing and vaccination programs. Despite being a provincial responsibility, 71% of COVID-19-related health care spending was federal and 29% was provincial. The total health care cost was \$65 billion across all governments, amounting to \$1,700 a person.

The health care category represented the largest change since the January report, with a substantial expansion in provincial own-source spending. This was due to upward revisions in the 2020–21 health care costs and the addition of new 2021–22 costs, particularly for vaccination programs. The federal government introduced two new transfers in its 2021 budget, for provincial vaccination programs and for clearing health care backlogs, but these were relatively smaller than the new provincial spending.

Support for municipal operating and transit budgets has been roughly split between federal and provincial contributions. However, that split obscures the fact that only the big provinces made any effort at matching (and sometimes exceeding) federal transfers to cities.

The Safe Restart stream for municipal operating and transit budgets was nominally meant to be 50% federal and 50% provincial, although the provinces were allowed to count pre-existing transfers as their “contribution” in the final agreements, effectively making provincial matching money voluntary. Ontario and B.C. were the only provinces to fully match the federal money, with Quebec and Alberta coming close. The other provinces provided little to no additional support for city budgets over and above the federal dollars. In total, municipalities received \$10 billion, the equivalent of \$260 a person.

Infrastructure spending is the one area in which provincial programs often substantially outspent federal initiatives. These measures amounted to \$5 billion, \$120 a person. Provincial spending on infrastructure accounted for 78% of the money spent on infrastructure, with only 22% being federal.

The federal COVID-19 response was limited to the rapid housing initiative that was meant to support rapid conversion of existing buildings, including hotels and motels, to address homelessness. As noted above, the federal government also provided specialized access to its Canada Infrastructure

**TABLE 4** Federal amounts transferred but not allocated by the provinces (\$mil)

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Safe Restart—Health, testing, PPE, LTC + Health system recovery & immunization plans	-	\$33.3	-	\$2.5	-	-	-	-	-	-
Safe Restart—Municipalities	No cost matching	No cost matching	Incomplete matching	No cost matching	Incomplete matching	-	No cost matching	No cost matching	Incomplete matching	-
Safe Restart—Child care	-	\$5.3	-	-	-	-	-	-	-	-
Safe Return to Class Fund	-	-	-	-	-	-	-	-	-	-
Job training fund for workers in hard hit sectors	-	-	\$3.1	-	-	-	-	-	-	-

**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Program through a new “resilience” stream, but this wasn’t new money—the federal government just shifted money that was already in the fiscal framework. On the other hand, western provinces had a heavy focus on introducing new infrastructure investments as a means of stimulating their economic recovery.

Support for schools and child care was roughly one third provincial and two thirds federal. The federal support came in the form of the Safe Return to Class fund and the Safe Restart child care stream. Provincial programs built on this, generally, through additional support to school boards for additional staffing and PPE. Their total value was \$4 billion, \$99 a person.

Table 4 shows whether provincial budget commitments were less than what the federal government transferred to them through various COVID-19 transfers, tracking whether any provinces received more from the federal government than they had budgetary plans to spend. In the January report, there were several areas in which the provinces didn’t yet have plans to spend the federal money that they had received. That situation has been mostly rectified in the spring budgets, with exceptions in the Atlantic provinces.

There was the broad spate of health care transfers across various streams of the Safe Restart agreement, as well as the new federal 2021 transfer for health system recovery (\$4 billion) and the immunization transfer (\$1 billion). Since it is difficult to differentiate how the provinces might slot spending into these various streams, they are all combined in Table 4.

Generally speaking, the provinces have now essentially spent, or budgeted to spend, the entirety of the federal health care funds. The exceptions are P.E.I. and New Brunswick. P.E.I. is still without plans for \$33 million of the health

**TABLE 5** Remainder left in application-based federal funds, unused (\$ mil)<sup>9</sup>

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Essential Workers Wage Top-up	\$-	\$-	\$6.4	\$30.0	\$-	\$-	\$10.5	\$49.4	\$-	\$29.8
Safe Long-term Care Fund	\$-	\$4.2	\$-	\$20.7	\$-	\$-	\$-	\$-	\$3.7	\$-

**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

care funds that it has received. New Brunswick is closer to fully allocating its federal COVID-19 health care transfers, with \$2.5 million remaining.

As noted above, only Ontario and B.C. have completely matched the federal support for municipal operation and transit budgets. Quebec and Alberta came close, but it wasn't a full match. The smaller provinces matched little, if any, of the federal support for cities.

The federal Safe Return to Class funds are now fully built into provincial budgets, except in P.E.I. Poor budget disclosure makes it difficult to disaggregate child care and K-12 measures. However, combining both still reveals \$3 million has been received from the federal government but still not budgeted.

In terms of new job training transfers in hard-hit sectors through the Workforce Development Agreements, these funds have been fully allocated provincially, except in the case of Nova Scotia, which is slated to receive \$37 million from the federal government but has only budgeted \$33.9 million—leaving \$3.1 million yet to be budgeted.

Table 5 looks at additional COVID-19 federal funds, but these were application-based. If a province didn't apply, it couldn't get the money, in contrast to Table 4, which shows straight transfers to the provinces, whether they had a plan for it or not.

The take up of the essential worker wage top up is essentially unchanged from the January report, with the exception of Alberta. This program was meant to boost the wages of low-wage “essential workers” where, generally, the province paid one quarter of the cost and the federal government paid three quarters of it. The essential workers were mostly in the health care field, but it was up to provincial discretion to determine which workers would get a wage boost. Following the January report, which highlighted that Alberta had accessed almost none of the \$348 million that it could have received from the federal government for this purpose, the province changed course. It has now budgeted to take full advantage of the federal program to boost wages for its lowest-paid essential workers.

As of the spring 2021 budget, it is now Saskatchewan that is leaving, proportionally, the most on the table from this fund, with \$49 billion of federal money that it hasn't accessed. The federal government would provide up to \$103 million to help low-wage essential workers in Saskatchewan, but the province has only applied for \$53 million of that money. This is despite the sweetheart matching deal that Saskatchewan got, matching 5% instead of the 25% of federal funds required from other provinces.<sup>7</sup> On top of that, access to information requests reveal that, as of March 31, 2021, the province has only distributed \$34 million of the \$53 million that it has received.<sup>8</sup> In other words, out of the possible \$103 million in federal money, and despite a very low 5% matching deal, the province has only managed to spend one third of the federal money to support low-wage essential workers, leaving \$69 million that is earmarked to boost the wages of the lowest-paid essential workers either undistributed or unapplied for. The program could be tripled in size at almost no cost to the province.

New Brunswick has also, proportionately, left a fair amount on the table. The province could have accessed \$72 million but it only applied for—and got—\$42 million, leaving \$30 million on the table that could have gone to support its essential workers.

Several other provinces have left smaller amounts on the table, including \$30 million in B.C., \$10.5 million in Manitoba and \$6.4 million in Nova Scotia.

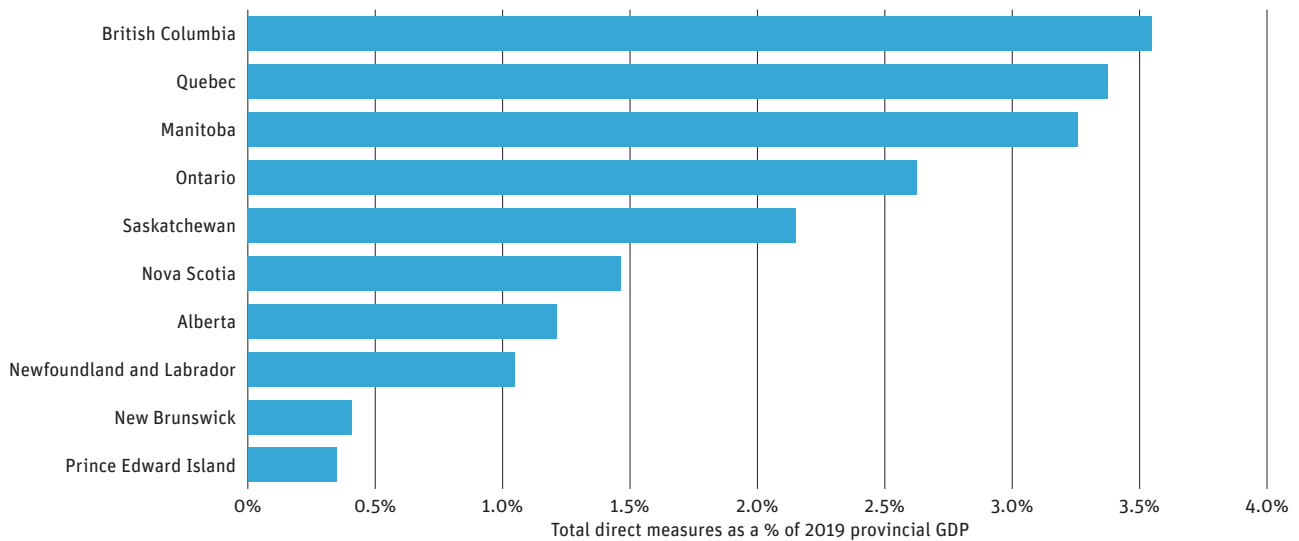
It's unclear whether there is an expiry date for this program, although Alberta's late application in February 2021 may provide some leeway for other provinces to get final cash amounts to support their low-paid essential workers, if they bother to apply.

The Safe Long-Term Care fund differs from the other provincial health care transfers in that it is application-based. Provinces don't automatically get their allotment; first they have to show which long-term care COVID-19 projects need additional funding. Those receipts could be for any project with costs exceeding existing health care COVID-19 transfers.

In smaller provinces, it is sometimes hard to tell what health care spending is for—long-term care vs. general health care. In those cases, if there is any health care spending that exceeds federal transfers for health care, we assume that the additional amount is covered by the Safe Long-term Care fund. In the larger provinces, there is greater budget transparency, so any long-term care funding that is over and above the Vulnerable Safe Restart stream is booked against the Safe Long-term Care fund in this analysis.

In most cases, the provinces have sufficient long-term care COVID-19 expenses to take full advantage of this application-based fund. The exceptions

**FIGURE 2** Net provincial COVID-19 direct measures compared to GDP



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

are P.E.I. and New Brunswick, whose 2021 spring budgets indicated they may leave \$20.7 million and \$4.2 million, respectively, in the fund. In both cases, this is basically the entire allotment, since all other COVID-19 health expenditures have already been covered by the federal COVID-19 health transfers. Alberta also looks like it might leave a small amount in the fund.

Once all federal transfers to the provinces for COVID-19 are removed, Figure 2 shows the proportion of its own money that each province is contributing to the effort, adjusted for the size of their economy. This also excludes sometimes large, unallocated funds that might push expenditures up further. B.C. has been contributing the most to combat COVID-19, at 3.5% of its GDP. Quebec stands second, contributing 3.4% of its GDP, with Manitoba coming in third at 3.3% of its GDP. Ontario sits at 2.6% of GDP, a full percentage point below B.C. At the bottom of the scale, the Atlantic provinces of P.E.I., New Brunswick and Newfoundland and Labrador have contributed the least, even after adjusting for their much smaller population size. Notably, the Atlantic provinces faced fewer health impacts of COVID-19. However, Alberta, which continues to battle high levels of COVID-19 transmission, is among the provinces that has spent the least—contributing 1.2% of its GDP, roughly a third of what B.C. or Quebec have been contributing.

## Newfoundland and Labrador

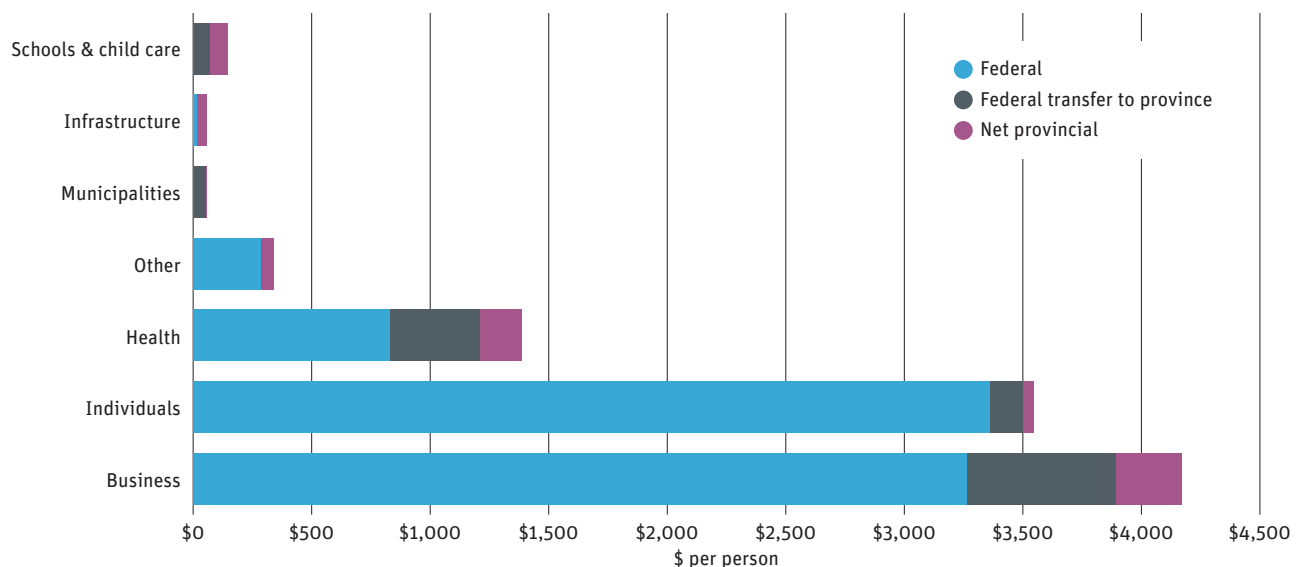
Total per capita measures to combat COVID-19 in Newfoundland and Labrador amount to \$9,700 per person—93% has been federal money and 7% provincial.

The biggest category of support was transfers to businesses, which amounted to \$4,170 a person. This category was dominated by the federal Canada Emergency Wage Subsidy (CEWS), amounting to \$975 million in support, the federal offshore energy fund, worth \$320 million, and the Canada Emergency Business Account forgiveness portion, worth \$583 million. The provincial government provided its own business support, although it was much smaller. It included a \$55 million tourism and hospitality support program and a small business assistance program, worth \$25 million.

The second largest category of support was for individuals, amounting to \$3,550 a person—\$400 a person less than what businesses received. Individual support primarily came through the Canada Emergency Response Benefit (\$996 million) and the Canada Recovery Benefit (\$284 million). There was almost no provincially led individual support outside of the \$30 million residential construction rebate.

In a distant third place was health care spending, which amounted to \$1,390 a person. Despite being a provincial responsibility, 87% of the health

**FIGURE 3** Direct measures in Newfoundland and Labrador by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.



care costs in Newfoundland and Labrador were ultimately borne by the federal government and 13% by the province.

Municipal operating support was entirely federally funded since the province didn't match federal transfer to cities. The province, instead, claimed that pre-existing transfers to municipalities counted as its 50% contribution.

School and child care spending was split 50/50 between the province and the federal government. The federal part was made up of the Safe Return to Class fund and the child care stream of the Safe Restart agreement. The province also had a significant \$20 million expenditure on laptops for K-12 schools for remote learning, as well as deciding to maintain COVID-19 staffing ratios in 2021.

COVID-19 infrastructure spending was limited to a COVID-19 stimulus program for communities, worth \$23.4 million.

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## Prince Edward Island

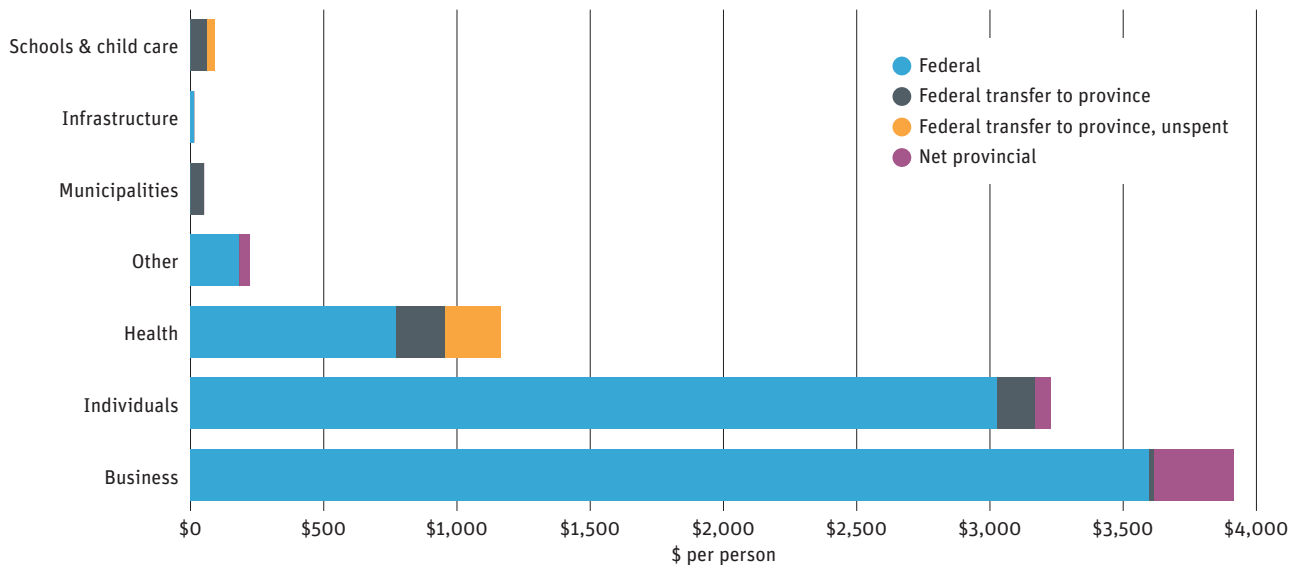
Prince Edward Island residents have received the equivalent of \$8,445 in direct COVID-19 measures. Of this total, 98% has been federal money and only 2% has been provincial money. This is the lowest net provincial contribution of any province. It should be stated that, despite its spring budget, the province has yet to detail its COVID-19 measures in 2021–22 and, instead, is maintaining a \$50 million contingency plan whose distributional details will only be published in the fall.

The largest category of support has been for businesses, which received the equivalent of \$3,230 a person—92% of which is federal money, with the largest programs being the CEWS (\$370 million) and the CEBA loan forgiveness (\$74 million). While provincial program details have been hard to determine, it seems the forgivable tourism industry loan program and the fisheries assistance programs comprise the largest provincial efforts.

Individual support was the second largest category, amounting to \$3,920 a person. The individual supports were almost entirely federally funded, with 98% coming from federal dollars. The largest federal programs on the island were the CERB, worth \$300 million and the CRB, which dispensed \$68 million in support. The largest provincial program was likely the Income Support Fund, for which \$10 million has been budgeted.

In a distant third place was health care COVID-19 spending, which amounted to \$950 a person. Much of the federal funds transferred to the provincial government to support health care efforts still hadn't been allocated as of

**FIGURE 4** Direct measures in Prince Edward Island by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

the 2021 spring budget, although details are promised to come in the fall. Of the \$50 million contingency fund in 2021, \$33 million appears to be unspent federal money allocated through last year’s Safe Restart health streams and two new 2021 federal health transfers for vaccinations and health system re-builds. As such, 100% of the money spent on COVID-19 health care in the province has been federal, with quite a bit left over. P.E.I. had a minor health impact from the virus, largely due to early border closures, potentially explaining why so little of these funds were spent.

The province did not match the federal municipal supports. As such, the cities received the equivalent of \$52 a person in purely federal support.

Infrastructure spending to boost economic growth from either the federal and provincial governments was limited.

In terms of protecting K-12 schools and child care centres, the equivalent of \$60 a person has been spent. However, like health care, P.E.I. hasn’t fully spent the money that it received from the federal government from the Safe Return to Class fund nor the Safe Restart child care stream: \$5 million remains unspent, as of the 2021 spring budget.

## Nova Scotia

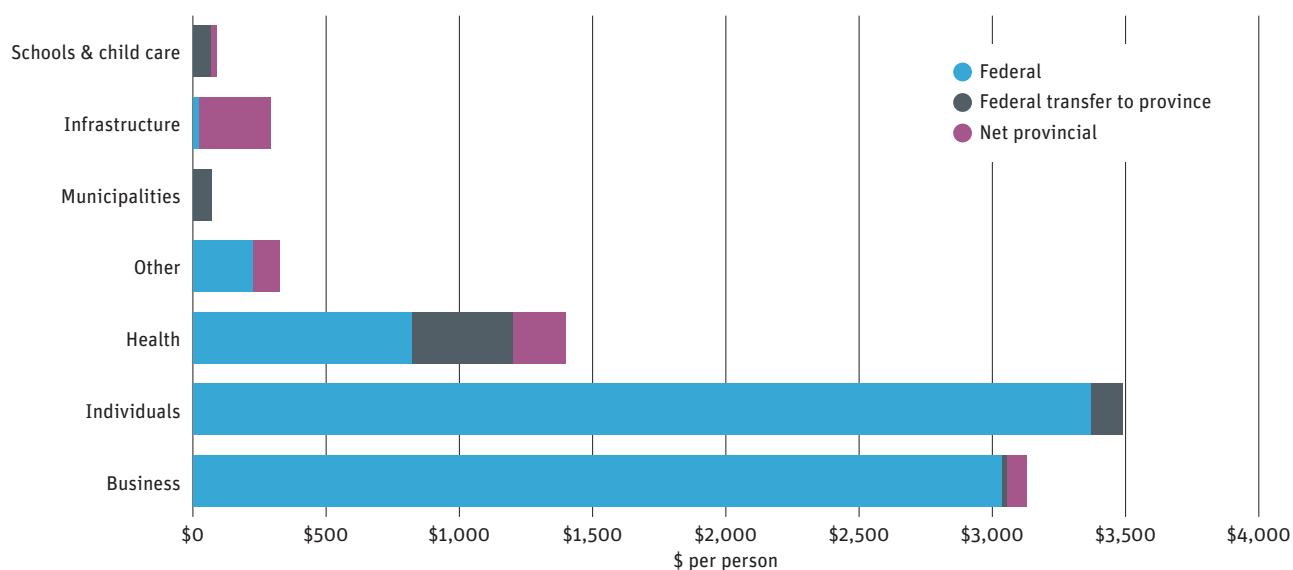
Nova Scotians have received the equivalent of \$8,800 in direct COVID-19 measures. Of this total, 92% has been federal money and 8% came from the provincial government.

Individual support amounted to the largest group of measures in the province, worth \$3,490 a person. This has been almost entirely federal money, with the CERB providing \$1.8 billion and the CRB providing \$560 million in support of jobless Nova Scotians. The province has initiated few additional measures for individuals.

The second highest level of support has gone to businesses, worth \$3,130 a person. This has been almost all federal money coming from CEWS, which has provided \$1.9 billion in support, and the CEBA loan forgiveness program, which amounts to \$334 million. The provincial contribution to support business was 2% of the total. The largest provincial programs have been a small business re-opening and support grant, worth \$20 million, and a tourism accommodations real property tax rebate, worth \$14 million.

Health care spending has been a distant third place, costing the equivalent of \$1,400 per person. Despite being a provincial responsibility, 86% of the funding for COVID-19 health care costs in the province was covered by the federal government, only 14% was covered provincially.

**FIGURE 5** Direct measures in Nova Scotia by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Nova Scotia did not match federal funding in transfers to municipalities, so basically all support was federally funded.

Similarly, support for schools and child care was almost entirely federal. The province capped child care capacity at 60% in the third wave and provided additional funds to support that. It also conducted a three-month shut down of the child care sector. This was, essentially, all paid for with federal money.

Nova Scotia did have a larger focus on infrastructure, significantly outspending the federal government. The province's main effort is a capital stimulus program, amounting to \$229 million over two years, the equivalent of \$292 a person—the largest of the Atlantic provinces.

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## New Brunswick

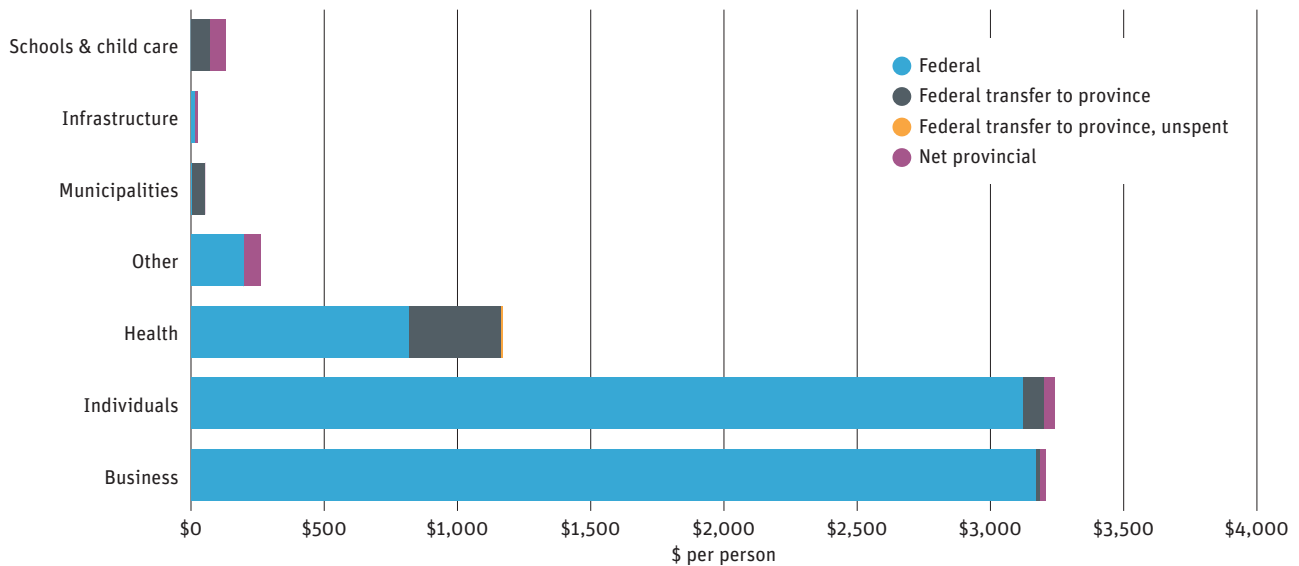
New Brunswick had COVID-19 measures worth \$8,080 per person—98% of which was federally funded and 2% was provincially funded. This represents the second lowest proportional provincial contribution of any province (P.E.I. had the lowest).

Individual supports (\$3,240 per person) were slightly larger than business supports (\$3,210 per person), although not by much. Across both individual and business support, the funding was overwhelmingly federal. The federal support included the CEWS, which provided \$1.7 billion to support the province's businesses, along with the CEBA loan forgiveness of \$278 million for small businesses. For individuals, the CERB contributed \$1.4 billion and the CRB contributed \$380 million to support jobless workers. The provincially led programs in these areas were limited and involved the New Brunswick Small Business Recovery Grant and New Brunswick business working capital above \$100,000, worth \$12.7 million, along with a tourism travel incentive budgeted at \$7.9 million.

Health care was a distant third, amounting to \$1,160 per capita. Total health care expenditures combatting COVID-19 were, essentially, what the province received in federal transfers—the province didn't put up any additional money of its own to combat the health impacts of COVID-19. This is also the reason why New Brunswick doesn't seem poised to access the federal Safe Long Term Care fund; it doesn't need the money to cover any additional expenses.

New Brunswick did not match federal support for municipal operating budgets and, as such, all support for municipal budget shortfalls has been, essentially, federal.

**FIGURE 6** Direct measures in New Brunswick by type



Source Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

The support for schools and child care centres was shared roughly 50/50. The province topped up the federal Safe Return to Class fund and, importantly, extended it to 2021–22 at its own cost, boosting its overall contribution. In the end, support for schools and child care amounted to \$130 a person.

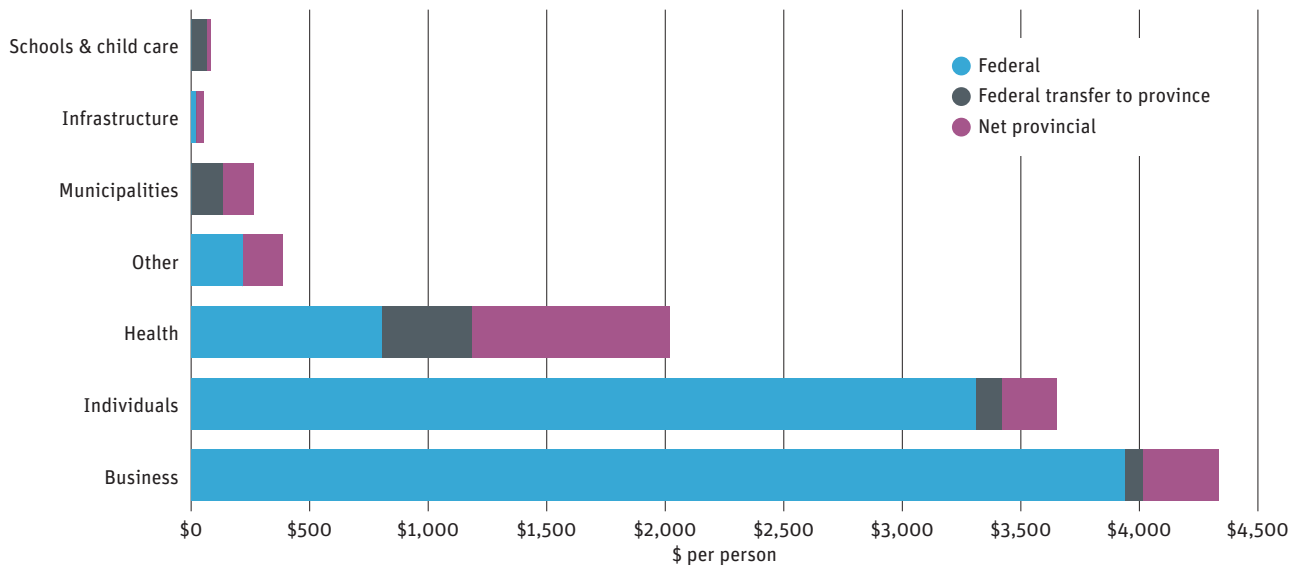
Both federal and provincial infrastructure spending in New Brunswick was comparably limited.

## Quebec

COVID-19 direct measures in Quebec amount to \$10,790 a person. Of that total, 84% is federally funded and 16% provincially funded.

The business category received the most support in Quebec, worth \$4,330 a person. The business support was primarily federal, through the CEWS program, which has provided \$24.7 billion to Quebec businesses, and the CEBA loan forgiveness, which amounts to \$2.7 billion. The largest provincially led business support came in the form of the Concerted Temporary Action Program for Businesses (PACTE), worth \$625 million. This is a loan program to small business with a forgiveness component that is similar to the federal CEBA program.

**FIGURE 7** Direct measures in Quebec by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

The second largest support went to individuals and amounted to \$3,650 a person, 94% of which was federally funded. The programs that led the individual support were federal: the CERB (\$16.6 billion), the CRB (\$4.5 billion), and EI improvements (\$2.5 billion). The province had several wage improvement programs for essential workers, beyond the requirements of the federal essential worker wage top up, which included additional wage top ups, lump sum payments for full-time work and bonuses for those in private long-term care. These exceeded the federal co-pay for the essential worker wage top up program.

Health care support was equivalent to half of business support and amounted to \$2,020 a person in Quebec—42% of which was provincial, higher than other the provinces for net provincial health care spending.

Quebec was close to matching the federal support for municipal and transit operating budgets, but fell \$32 million short in matching the full \$1.15 billion that the federal government spent.

School and child care support amounted to \$82 a person in the province—81% of which was federal and 19% was provincial. The federal measures included the Safe Return to Class fund and the Safe Restart child care stream. The largest provincial effort focused on a broad “consolidation

of knowledge fund” (\$170 million) which was meant to provide a variety of supports to students to keep them engaged and motivated.

Both the province and the federal government contributed very little to new infrastructure money to combat the economic impact of COVID-19.

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## Ontario

Ontarians received the equivalent of \$11,470 per person to combat COVID-19—13% was provincially funded and 87% was federally funded. That’s the second highest level of support of any province after Alberta, thanks to federal funding. The federal component (\$9,940 a person) was also the second highest federal per capita support in any province (the highest being in Alberta, at \$11,410 a person).

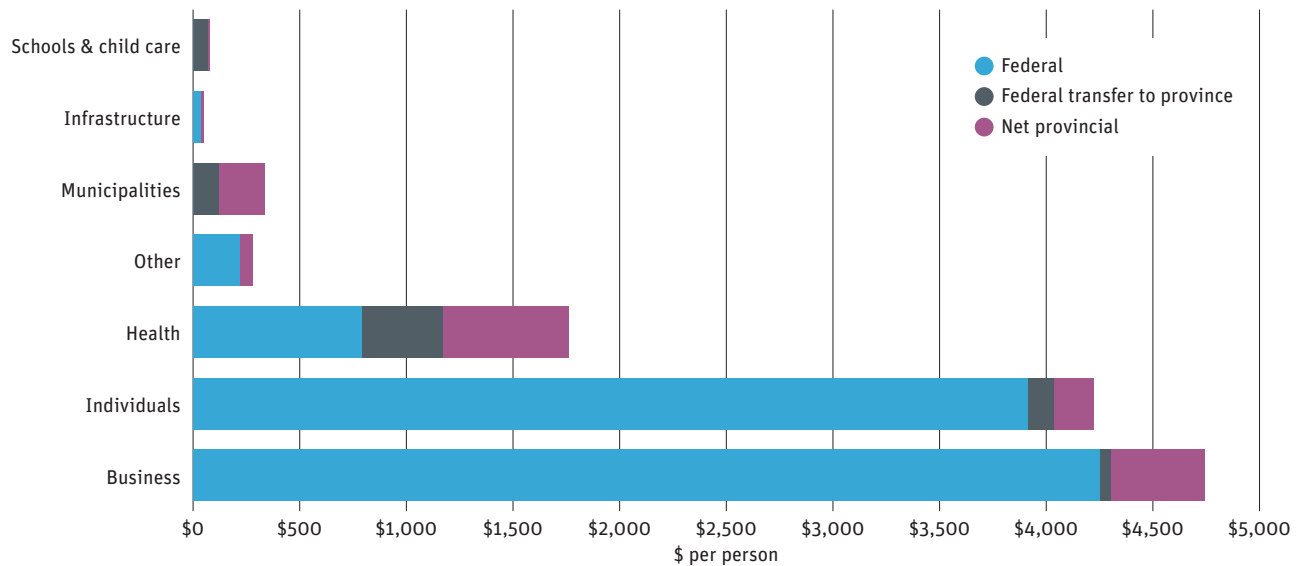
The largest area of support in the province was for business, amounting to \$4,740 a person. The largest federal support came through the CEWS (\$44.3 billion), the loan forgiveness portion of the CEBA (\$5.2 billion) and \$4.1 billion through the Canada Emergency Rent Subsidy (CERS). The largest provincial effort was the small business support grant, worth \$3.4 billion—it’s how Ontario spent a large portion of its unallocated funds that we noted in the January report.

The second highest category of support was for individuals, which amounted to \$4,220 a person. The largest individual supports were federal and included \$28.9 billion through CERB, \$12.5 billion for the CRB and \$5.7 billion in EI enhancements to support jobless Ontarians. Provincially led individual measures were more limited and primarily focused on cash transfers for families with children, including the Support for Learners initiative, the Support for Families and the COVID-19 child benefit (totalling \$1.7 billion across all three programs).

Health care spending amounted to \$1,760 a person, or about a third of what was spent on business support in the province. Of the health care spending, 34% was provincial and 66% was federal.

Ontario was one of two provinces (the other being B.C.) that fully matched federal municipal support. In the end, 64% of municipal support was provincial and 36% was federal—an unusually high proportion of provincial support for municipal budget shortfalls. Ontario is also home to the Canada’s largest city and largest metropolitan area, the Greater Toronto Area, which was hit hard by the pandemic and its economic effects.

**FIGURE 8** Direct measures in Ontario by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Support for schools and child care was predominantly federal money, with the province distributing \$1 billion dollars in federal funds. One provincial effort on this front was \$40 million over two years to improve remote and online learning.

There was little new infrastructure spending in Ontario from either the federal or provincial governments. There was limited federal funding through the rapid housing initiative and a provincial sports and community infrastructure fund.

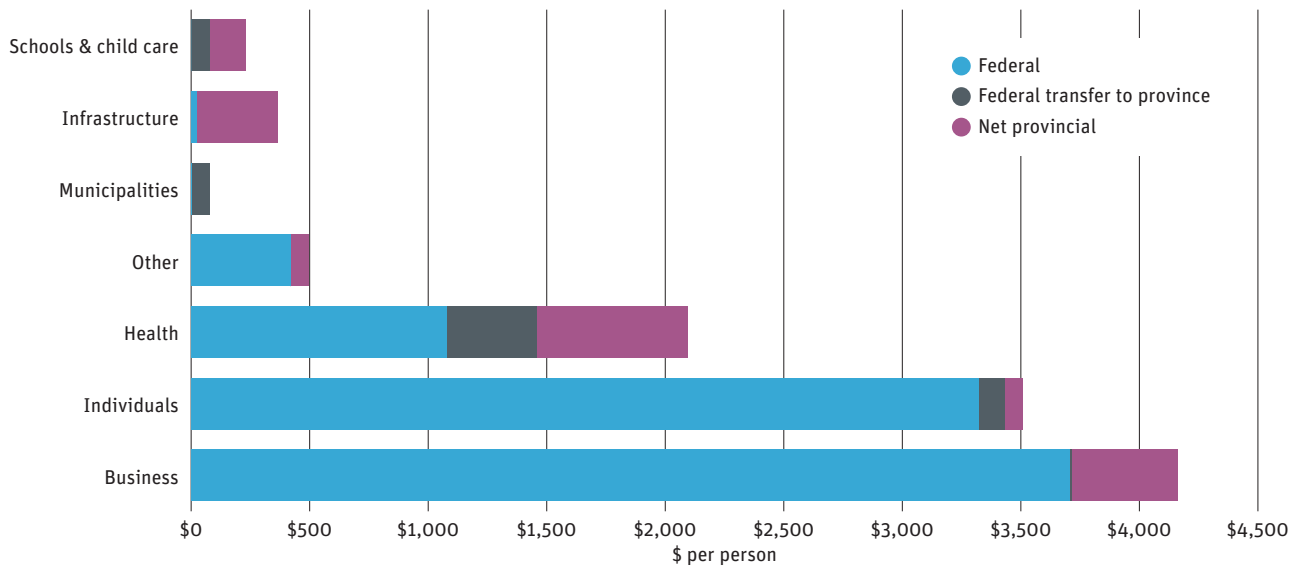
## Manitoba

The equivalent of \$10,930 per person was spent on direct measures to combat COVID-19 in Manitoba—84% of which was federally funded and 16% was provincially funded.

The largest category of support was for businesses, which amounted to \$4,160 a person. This came mostly from the federal government via its CEWS program (\$3.6 billion) and its \$430 million in CEBA loan forgiveness for Manitoban businesses. The largest provincial efforts included the Manitoba Bridge Grant, worth \$215 million, the Manitoba Gap Protection Plan (\$59 million) and the Long-term Recovery Fund (\$50 million). The \$50 million



**FIGURE 9** Direct measures in Manitoba by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Long-Term Recovery fund is administered by the Manitoba Chamber of Commerce and was at least partially funded by the federal Workforce Development Agreement top up meant to retrain workers in hard-hit industries.

The second largest category was support for individuals, amounting to \$3,510 a person. These supports were basically all federal, driven by \$2.3 billion in support from the CERB, \$760 million from the CRB and \$470 million from EI enhancements. The largest provincially initiated support was the Seniors Economic Recovery Credit, worth \$45 million.

Health care spending equated to \$2,100 a person in Manitoba. This was split 70% federal and 30% provincial.

Manitoba didn't match federal contributions to municipalities and, as such, the support for municipal budget shortfalls, worth \$80 a person, was entirely federal.

Support for schools and child care centres was mostly provincial, with two thirds originating from the province and one third being federal. This is a rare instance in this category in which provincial contributions exceeded federal contributions—and Manitoba had the highest proportional contribution of any province. Of the federal Safe Restart fund, \$39.5 million was retained in a safe restart contingency fund that schools needed to apply for. It's unclear how much of that fund was ultimately distributed. The large

provincial contribution was due to allocating \$160 million to schools and education needs from the 2021–22 contingency fund.

Infrastructure spending in Manitoba was relatively large, at \$370 a person, and it's almost entirely provincially led. This is the impact of the Manitoba Restart Capital Program, most of which will be spent by end of 2021–22, but some bleeds over into 2022–23 and is outside scope of this analysis.

It's worth pointing out that Manitoba's budgeting of planned 2021–22 COVID spending has been particularly opaque. The process started with a \$1.18 billion "enabling appropriation" line in the budget for 2021 COVID-19 expenses, with absolutely no detail. In the "Budget in Brief", outside of the main budget document, there is a broad breakdown of how those funds will likely be used (and that is how they are allocated in this report). However, there are no detailed program listings, unlike the province's 2020–21 COVID-19 measures, where there were quite detailed program and cost estimates.<sup>10</sup>

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## Saskatchewan

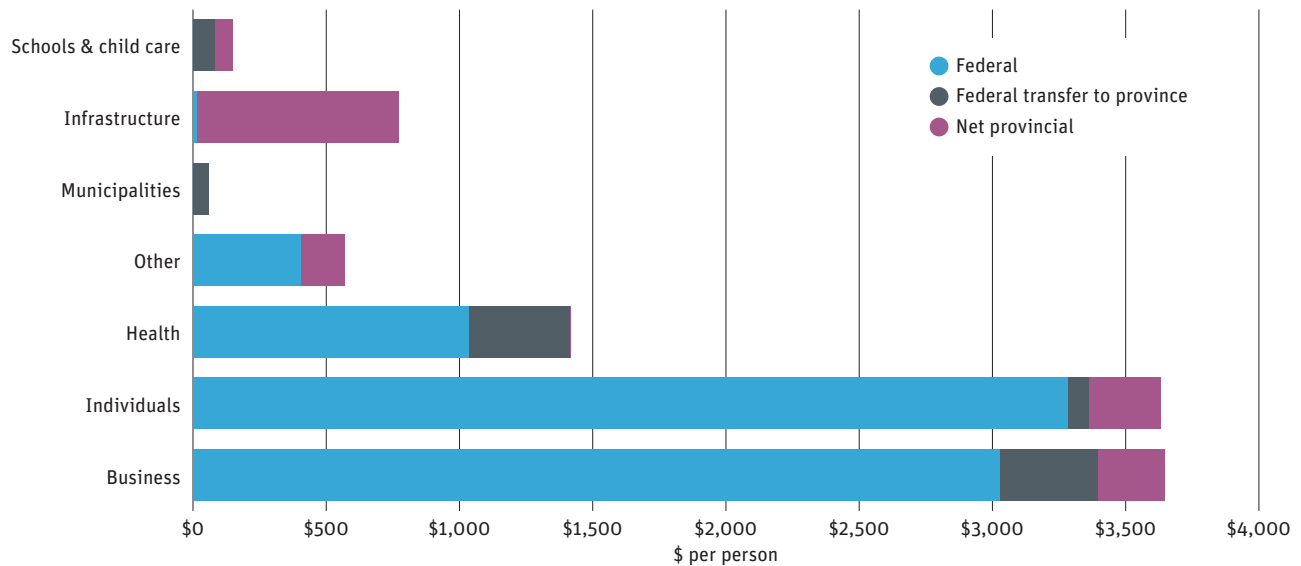
COVID-19 direct measures in Saskatchewan amounted to \$10,240 per person. This was primarily due to federal spending—85% was federal and 15% was provincial.

The largest supports have been for businesses, at \$3,650 a person. The largest business support programs have been federal and included the CEWS (\$2.1 billion), CEBA loan forgiveness (\$460 million) and the cleaning up of former oil and gas wells (worth \$400 million). The largest provincial programs have been the Small Business Emergency Payment Program, with a budget of \$70 million, and tourism sector support, worth \$40 million.

Individual support was slightly smaller than business support, the equivalent of \$3,630 a person. The largest individual programs have been federal: \$2 billion from the CERB and \$680 million from the CRB. On the provincial side, the largest program has been the SaskPower customer rebate program, which will provide rebates for electricity through to November 2021, worth \$260 million.

Health care was a distant third, amounting to \$1,420 a person in the province. Basically all of the province's health care spending was ultimately covered by the federal government through its various health care transfers. Saskatchewan is one of three provinces that spent essentially none of its own money on the health care impact of COVID-19, with all of its bills ultimately covered by the federal government.

**FIGURE 10** Direct measures in Saskatchewan by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Saskatchewan didn't match federal support for municipalities and, as such, all of the support for municipal budgets was federal.

Schools and child care support amounted to \$150 a person in Saskatchewan. These were basically split 50/50 between federal and provincial contributions. The province topped up the federal transfers as part of its own Safe Schools Plan.

Infrastructure stands out, at \$770 per person—the highest amount spent of any province (proportionally) in this category and double the next highest province on infrastructure, Manitoba (at \$370 per person). This has been almost entirely provincial money, as part of Saskatchewan's stimulus infrastructure program. Initially, this program planned to spend \$2 billion by the end of 2021–22. However, much of the money is now projected to be spent after March 2022, with only \$893.5 million of the \$2 billion spent within the initial 2020–21 and 2021–22 time frame.

The 2020 budget, published on June 15, 2020, allocated \$724 million in stimulus capital to specific departments but left \$1.3 billion of the \$2 billion unallocated to specific departments—although still to be spent in either 2020–21 or 2021–22.<sup>11</sup> Additional allocation details on a portion of this are available on a SaskParty campaign website,<sup>12</sup> although it appears that many of these projects won't proceed until after April 2022, at the earliest. Budget

2021 concluded that only \$894 million would be spent in 2020–21 or 2021–22 and \$1.1 billion of the \$2 billion wouldn't be spent until future years.<sup>13</sup>

The net result is that the Saskatchewan per capita expenditure on infrastructure is little changed from the January report and the people of Saskatchewan need to pick through the SaskParty's campaign website to get needed budget details.

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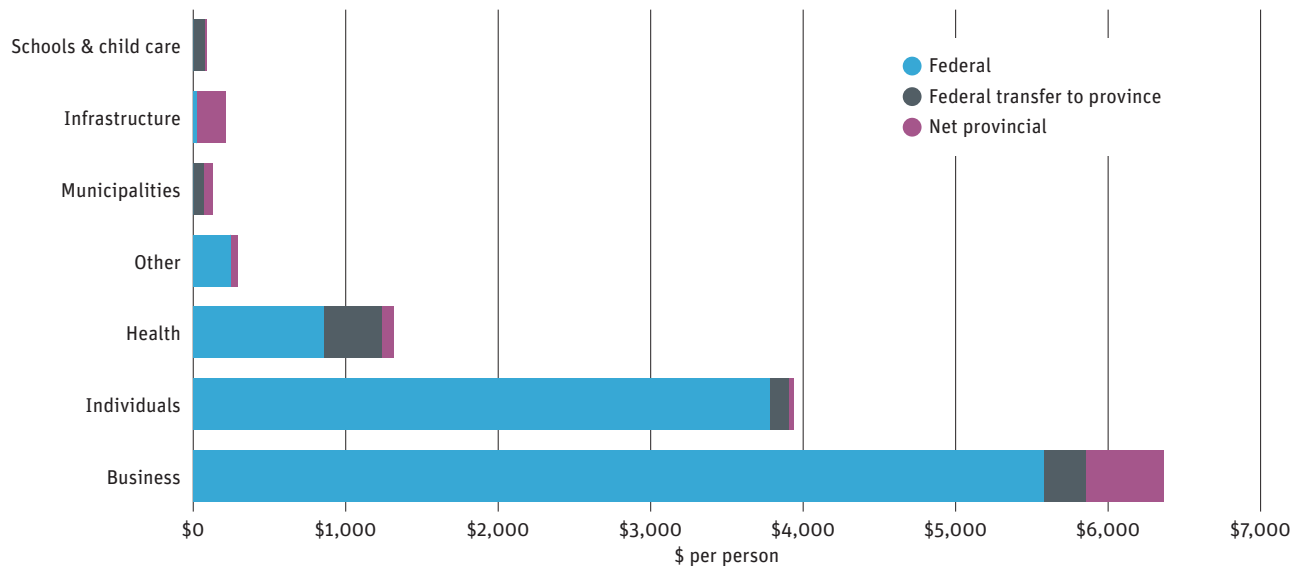
## Alberta

At \$12,350 a person, Alberta had the highest level of COVID-19 support of any province—mostly federal, with 92% of the costs falling on the federal government and 8% falling on the provincial government. In fact, Alberta has received the most federal support of any province, at \$11,410 a person. The second highest was Ontario, which received \$9,940 a person—\$650 a person less than Alberta. Alberta's large share of federal support has been, in part, due to the \$1 billion oil and gas well closure program, as well as proportionally more companies taking advantage of federal business support due to the province's economy being hard hit by COVID-19.

Business support was the largest category, by far, in Alberta, with the equivalent of \$6,370 a person in direct measures. Per capita support for businesses was actually the highest of any province, the next largest being Ontario, at \$4,740 a person. But most of it—92%—came from the federal government through the CEWS (\$17.5 billion) and the CEBA loan forgiveness program (\$1.9 billion). The largest provincially initiated business support programs were the re-launch grants for small- and medium-sized businesses, worth \$575 million, and investments in carbon capture, utilization and storage, worth \$323 million.

Individual support was the second largest area of support in Alberta, accounting for \$3,940 a person, although this was essentially all federally led. The major federal individual support programs included the CERB, providing \$8.8 billion in support, the CRB, worth \$3.5 billion, and the EI enhancements, providing \$1.3 billion to Alberta's jobless. As of the January report, the province had applied for basically none of the of the federal essential worker wage top up money to boost low-wage essential worker wages in the province. Following the release of the January report, Alberta announced that it would fully access the federal funds: this would mean receiving \$348 million in federal dollars, combined with \$116 million in provincial funds, for a program worth \$465 million for low-wage, front-line workers.

**FIGURE 11** Direct measures in Alberta by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Health care spending was a distant third place, with supports worth \$1,310 a person. Despite being a provincial responsibility, 94% of the budgeted health care costs were borne by the federal government, with the province picking up 6% of those costs.

Like other large provinces, Alberta did make an effort to mostly match federal support for municipalities operating and transit budgets. However, the province did use the loophole that many smaller provinces used in claiming pre-existing spending as their match. In Alberta’s case, it claimed that \$30 million of its municipal support came from the Municipal Sustainability Initiative (MSI), but this funding pre-existed COVID-19 and was already in the pre-Covid 2020 budget.<sup>14</sup> As such, Alberta was \$30 million short on matching the federal support of \$303 million for municipalities and transit.

Schools and child care support amounted to \$90 a person in the province—85% of which was federal and 15% was provincial, mostly due to the federal Safe Return to Class fund and the Safe Restart child care money.

Like other western provinces, Alberta contributed more to infrastructure than the federal government did in that province. Across both governments, infrastructure investments amounted to \$220 a person. Basically, all of the infrastructure dollars (89%) were provincial, compared to only 11% federal funding.

Alberta now has the largest amount in unallocated COVID-19 funds—worth \$1.8 billion. This isn't the largest per capita (that's Manitoba), but it's now the largest in absolute terms and is much larger than the \$750 million recorded in the January report. This represents poor budget transparency, with the lack of detailed plans for a significant portion of its COVID-19 measures, as many other provinces have managed to do. It's not entirely clear whether all or any of this money will have been spent to combat COVID-19 or whether it will just be used at year's end to reduce the deficit. Unfortunately, it's not possible to evaluate whether this money will be used effectively in advance, only after the fact, as there are no detailed plans for it in the budget.

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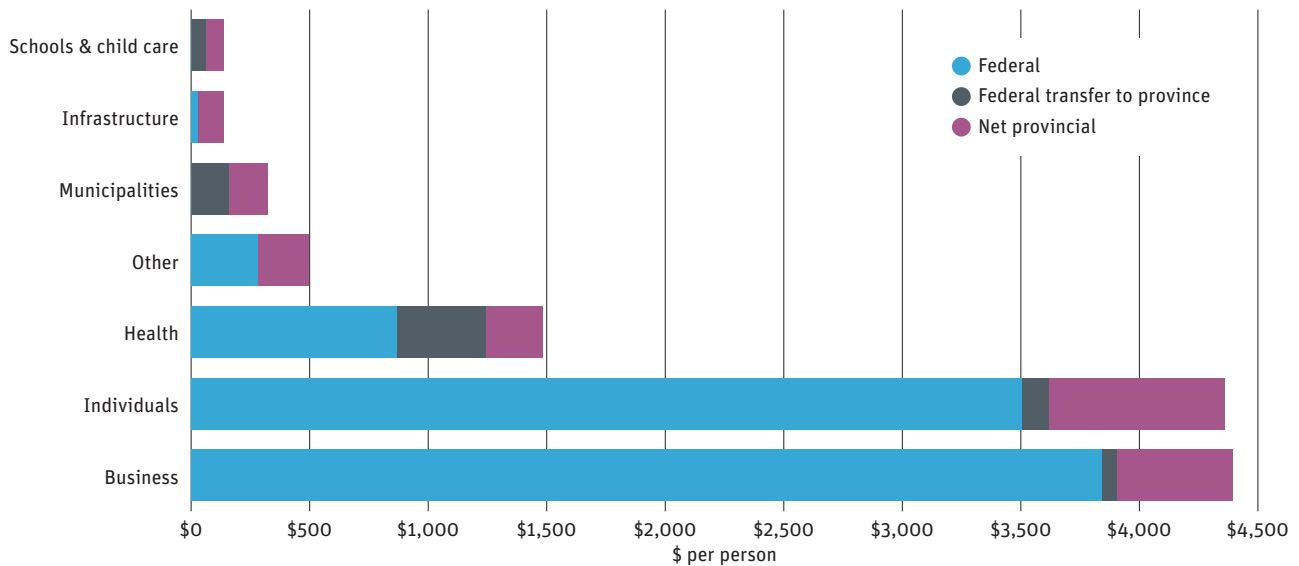
## British Columbia

British Columbians have received direct measures worth \$11,340 a person to combat COVID-19—86% of which is federal money and 14% is provincial. B.C. has administered the largest provincial contribution to combat COVID-19 of any province, at \$2,040 a person, with the next highest being Quebec, at \$1,740 a person. The province has a large unallocated fund that, if allocated to direct measures, would further boost these figures.

Business support, at \$4,390 a person, was the largest category, slightly ahead of individual support. The net provincial business support amounted to \$490 a person, compared to the largest provincial spender Alberta, at \$520 a person. The largest business support came from the federal CEWS program, providing \$13.3 billion in support for B.C. businesses and \$2.2 billion from the CEBA loan forgiveness for small business support. The largest provincial business support came from the Small and Medium Sized Business Recovery Grant, worth \$345 million, and new tourism sector support announced in 2021, worth \$100 million.

Individual per capita support was equivalent to \$4,360 a person, with a very high 17% of that paid from provincial dollars (the next highest province was Saskatchewan, at 7%). In per capita terms, the province provided \$740 in support—three times larger than Saskatchewan's \$270 a person. Despite provincial investments, most of the money still came from federal programs, notably the CERB (\$9.7 billion), the CRB at \$3.4 billion and the EI enhancements, providing \$2 billion in support. The substantial provincial support for individuals included the B.C. recovery benefit, worth \$1.4 billion, as well as the B.C. emergency Benefit for Workers, Crisis Supplement, Climate Action Tax Credit which, together, totalled \$1.8 billion.

**FIGURE 12** Direct measures in British Columbia by type



**Source** Provincial and federal government estimates of COVID-19 direct measures. See appendix for full source list.

Health care measures were the third largest category in the province, amounting to \$1,480 a person. Those measures were split 16% provincial and 84% federal.

B.C. was one of only two provinces (the other was Ontario) that completely matched federal support for municipal operating and transit budgets. In fact, the province slightly exceeded its matching requirement through other measures that were meant to support municipalities.

Support for schools and child care in the province was roughly split 50/50 between the federal and provincial governments. The province distributed the federal money, but it also substantially topped up support for child care, in particular, from provincial funds through temporary emergency funding and space and safety grants to providers during the early months of the pandemic.

Infrastructure spending was relatively limited compared to other western provinces, at \$140 a person, although it was larger than investments in Quebec or Ontario. Spending in this area was mostly provincial, with the federal government only contributing 21% of funds. The provincial programs included \$196 million in housing priority initiatives and smaller projects that were funded as part of the \$1.5 billion economic recovery fund distributed in the fall of 2020.

# Conclusion

FOLLOWING A VERY challenging year, the cost estimates to combat the impacts of COVID-19 are stabilizing. This update to the January report provides clearer estimates of what the provincial and federal governments have spent and are planning to spend in order to offset the health and economic impacts of the pandemic. This includes clearer estimates of the initial programs in 2019–20 and 2020–21, as well as clearer estimates of measures budgeted for 2021–22.

Broadly speaking, this update continues to show that the vast majority of the cost of combatting COVID-19 fell to the federal government. This was because the federal government bore the cost directly through its own direct support to individuals and businesses as well as the purchase of vaccines. The federal government also created significant one-time transfers to the provinces to offset the cost in areas of provincial jurisdiction, like health care, education, child care and municipal support.

The provinces contributed their own funds as well, but in much smaller amounts. In some cases, this meant matching federal contributions and, in others, it meant creating their own programs, unrelated to the federal ones. But make no mistake: the \$354 billion federal deficit incurred in 2020–21 would have otherwise been a provincial, household or business deficit, given how much support these sectors received from the federal government—which eventually covered 86% of all COVID-19 direct support.

This is the role that the federal government can and should play in Canada. It has access to lower interest rates, it was carrying lower debt than the provinces as Canada entered the crisis, and it has a direct line to the Bank of



Canada to manage such a deficit. The substantial fiscal power of the federal government—in one of the biggest economies on the planet—was put on full display during the crisis. The net result was that individuals and businesses were supported through the pandemic crisis, Canada’s health care system received a substantial boost in its capacity to protect public health, while provincial books were spared a deep financial hit. At the same time, federal support kept business bankruptcies down and kept the jobless afloat until economies could re-open.

While a strong vaccination campaign is leading to increasingly open provincial economies, the long-term impacts of COVID-19 cannot be understated. There will almost certainly be permanent job losses in some sectors and the crisis has exposed devastating gaps in our social safety net. Some sectors, like child care, have significant new initiatives to attempt to address those gaps through a new national plan. But other gaps, like a disastrous death rate in long-term care, have few long-term initiatives that could stop this from happening in future. In that sense, the recovery from COVID-19 is a long way from finished. The crisis has pointed out important lessons that should have been learned, some at great personal cost to Canadians. The challenge for all levels of government is to learn those lessons so that we’re better prepared for new crises in the future.

# Methodology

AS WITH THE January report, this update tracks COVID-19 related measures in federal and provincial budgets and other financial statements from the 2019–20 through the 2021–22 fiscal years. Unless otherwise stated, all figures in this report are the sum of measures across those three years. Measures can either be increases in expenditures or purposeful decreases in revenue (tax cuts, for instance). However, this report does not include unintended decreases in revenue, reduced tax revenue due to reduced economic activity, for example. Liquidity measures, such as loans or deferral of tax payments, are tracked but, generally speaking, are not included beyond the initial summary tables. Only the fiscal implication of those measures, like loan forgiveness portions of loan programs, are included as “direct measures.”

Measures are disaggregated between exclusively federal measures, federal transfers to the provinces that the provinces then spend, and net provincial measures, excluding the federal transfers. Spending is categorized across several broad categories to illustrate different provincial approaches. This report does not, generally speaking, access government actual expenditure and revenue changes. Instead, it relies on budgeted amounts, although for 2019–20 and 2020–21, the amounts published in budgets should be fairly close to the eventual actual figures, since those fiscal years were complete at the time of publication. For 2021–22, we draw upon budgeted amounts for programs since we’re only half way into the fiscal year. The actual cost of these measures may be different when the actuals are eventually published, given things like program uptake rates or fourth-wave COVID-19.

All federal measures are allocated to specific provinces. If the allocated amount is explicit, such as a transfer or the known uptake of a program, like the Canada Emergency Wage Subsidy, then the known values are used. If the allocation isn't known, a proxy variable is used to distribute the federal expenditure to the provinces. For instance, the value of vaccines purchased by the federal government is distributed to the provinces on a per capita basis.

Compared to the January 2021 report, clearer estimates are now available for the 2021–22 expenditures both federally and provincially. Uptake of programs can be more clearly estimated, particularly in health care, and they can be more clearly projected as well. In the spring 2021 budget documents, COVID-19 measures—particularly expenditures—were disaggregated more transparently, generally, from ongoing government operations, enabling clearer estimates. This report provides a clearer foundation on which to include some measures and exclude others based on the governments' own definitions of their time-limited COVID-19 measures. [A full list of federal and provincial COVID-19 programs is available here.](#)

# Appendix

FEDERAL SPENDING WAS allocated to each province using a variety of methods. These methods generally mirror those used by the Ontario Financial Accountability Office,<sup>15</sup> which conducted a similar examination of COVID-19 measures in Ontario. The method for distributing federal spending in each case is available upon request from the author. In some cases, the actual provincial distribution is known and, where it is, the actual amounts are used. This applies to the Safe Restart agreements, for example, where the amounts by province are published.<sup>16</sup> In other cases, while the final distribution isn't known, proxies are utilized. For instance, the actual amounts received through CERB by province are not known. However, the number of recipients in each province is known.<sup>17</sup> In other cases, broader proxies are used. For instance, the uptake of funding for the air transportation sector by province isn't known. In this case, the air transportation GDP breakdown by province in 2019 is utilized.<sup>18</sup>

The main federal transfers to the provinces are outlined in tables 4 and 5. Many of these transfers are part of the Safe Restart agreements. The transfers to the provinces during the pandemic had only broad outlines as to how the provinces were to use them. Generally, the exact use of the federal money is not known. There has yet to be a full public reconciliation between the federal funds received and what specific provincial initiatives they funded. In this report, provincial measures are tagged with the most likely federal support stream that could apply to them, if any. In some cases, there is no obvious federal support for provincial programs. Provinces may have spent

more than they received in a particular area from the federal government; in that case, those provincial expenditures are offset until the federal funds are fully spent.

Table 6 outlines the major sources for this report. These sources (generally major budget and fiscal updates) are supplemented with additional information from press releases and backgrounders. [The specific source for the estimate and details of each of the COVID-19 measures is available in the full dataset.](#)

**TABLE 6** Provincial and federal sources

Province	Title (click for link)	Release date
Alberta	<a href="#">Alberta's Recovery Plan</a>	6/29/2020
Alberta	<a href="#">2020–21 First Quarter Fiscal Update and Economic Statement</a>	8/27/2020
Alberta	<a href="#">2020–21 mid-year Fiscal Update and Economic Statement</a>	11/24/2020
Alberta	<a href="#">2021-22 Budget (Fiscal plan 2021–24)</a>	2/25/2021
British Columbia	<a href="#">Backgrounder: Budget allocation</a>	9/9/2020
British Columbia	<a href="#">Summary of covid-19 pandemic funding allocations and other financial relief measures (Auditor General of British Columbia)</a>	9/11/2020
British Columbia	<a href="#">First Quarterly Report: 2020/21 Economic Outlook and Financial Forecast &amp; Three Month Results April–June 2020</a>	10/10/2020
British Columbia	<a href="#">BC's Economic Recovery Plan</a>	10/17/2020
British Columbia	<a href="#">Fall 2020 Economic and Fiscal Update</a>	12/17/2020
British Columbia	<a href="#">Budget 2021: A Stronger BC, for Everyone</a>	4/20/2021
Federal	<a href="#">Economic and Fiscal Snapshot 2020</a>	7/8/2020
Federal	<a href="#">Fall Economic Statement 2020</a>	11/30/2020
Federal	<a href="#">PBO's COVID-19 Analysis: Cost Estimates</a>	Ongoing
Federal	<a href="#">Canada's COVID-19 Economic Response Plan</a>	Ongoing
Federal	<a href="#">Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience</a>	4/20/2021
Manitoba	<a href="#">Economic and Fiscal Update: Assessing the impact of COVID-19 in Manitoba</a>	6/30/2020
Manitoba	<a href="#">Projected 2020-21 uptake of Manitoba covid-19 programs for the business and non-profit sectors</a>	9/30/2020
Manitoba	<a href="#">Manitoba 2020/21 First Quarter Report Fiscal and Economic Update</a>	9/30/2020
Manitoba	<a href="#">Manitoba 2020/21 Mid-Year Report—Fiscal and Economic Update</a>	12/17/2020
Manitoba	<a href="#">Budget 2021: Protecting Manitobans Advancing Manitoba</a>	4/7/2021
New Brunswick	<a href="#">Department of Finance and Treasury Board: Fiscal and Economic Update First Quarter 2020–2021</a>	8/7/2020
New Brunswick	<a href="#">Department of Finance and Treasury Board: Fiscal and Economic Update Second Quarter 2020–2021</a>	11/12/2020
New Brunswick	<a href="#">Department of Finance and Treasury Board: Fiscal and Economic Update Third Quarter 2020–2021</a>	2/16/2021
New Brunswick	<a href="#">2021–22 Main Estimates</a>	6/20/2021
New Brunswick	<a href="#">2021–22 Budget: Reinventing New Brunswick Together</a>	6/20/2021
Newfoundland and Labrador	<a href="#">Fiscal update 2020–21</a>	7/24/2020
Newfoundland and Labrador	<a href="#">Budget 2020: Technical Briefing</a>	9/30/2020
Newfoundland and Labrador	<a href="#">Newfoundland and Labrador: Estimates of the program expenditure and revenue of the consolidated revenue fund 2020–21</a>	9/30/2020
Newfoundland and Labrador	<a href="#">Newfoundland and Labrador: Budget 2021</a>	5/31/2021
Nova Scotia	<a href="#">July 2020 Budget Forecast Update</a>	7/29/2020
Nova Scotia	<a href="#">2020 Financial Report: Auditor General</a>	12/1/2020
Nova Scotia	<a href="#">Forecast Update December 17, 2020</a>	12/17/2020
Nova Scotia	Summary of 2020-21 COVID-19 Response (Fact sheet) NS Finance and Treasury Board	12/17/2020

Province	Title (click for link)	Release date
Nova Scotia	<a href="#">Nova Scotia Budget 2021-22</a>	3/25/2021
Ontario	<a href="#">March 2020 Economic and Fiscal Update</a>	3/25/2020
Ontario	<a href="#">Ontario's Action Plan: Responding to COVID-19</a>	3/25/2020
Ontario	<a href="#">Federal and Provincial COVID-19 Response Measures (Financial Accountability Office of Ontario)</a>	9/10/2020
Ontario	<a href="#">Government of Ontario Fall Preparedness Plan for Health, Long-Term Care and Education Keeping Ontarians Safe: Preparing for Future Waves of COVID-19</a>	9/30/2020
Ontario	<a href="#">Ontario Budget 2020: Ontario's Action Plan: Protect Support Recover</a>	11/5/2020
Ontario	<a href="#">2020–21 Third Quarter Finances</a>	2/10/2021
Ontario	<a href="#">2021 Ontario Budget—Ontario's Action Plan: Protecting People's Health and Our Economy</a>	3/24/2021
PEI	<a href="#">Prince Edward Island: COVID-19 Response</a>	5/26/2020
PEI	<a href="#">2020-2021 Estimates of Revenue and Expenditures</a>	6/17/2020
PEI	<a href="#">Budget Address 2020</a>	6/17/2020
PEI	<a href="#">Fall fiscal update 2020–2021</a>	9/30/2020
PEI	<a href="#">2021–22 provincial budget</a>	3/12/2021
Quebec	<a href="#">Québec's economic and financial situation 2020–2021</a>	6/19/2020
Quebec	<a href="#">Update on Québec's economic and financial situation: Fall 2020</a>	11/12/2020
Quebec	<a href="#">Budget Plan 2021–22</a>	3/25/2021
Saskatchewan	<a href="#">Saskatchewan Provincial Budget 20–21</a>	6/15/2020
Saskatchewan	<a href="#">COVID-19 Response Finance Budget Backgrounder</a>	6/15/2020
Saskatchewan	<a href="#">First quarter budget update and medium-term outlook 20-21</a>	8/27/2020
Saskatchewan	<a href="#">2020-21 Mid-Year Report</a>	11/27/2020
Saskatchewan	<a href="#">Budget 2021</a>	4/6/2021

# Notes

- 1** David Macdonald, Picking up the Tab: A complete accounting of federal and provincial COVID-19 measures in 2020, Canadian Centre for Policy Alternatives, January 2021 (<https://www.policyalternatives.ca/thetab>).
- 2** A complete list of sources for the report is available in the appendix.
- 3** See table 3.9 of Ontario Budget 2021.
- 4** See the Fiscal Summary on page 20 of the Alberta 2021 Budget.
- 5** <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/canada-rapidly-create-affordable-housing-support-homeless>.
- 6** For details see: Infrastructure Canada, Investing in COVID-19 Community Resilience, <https://www.infrastructure.gc.ca/plan/covid-19-resilience-eng.html>.
- 7** The Saskatchewan Provincial Budget 2021–22 states on page 48 that they received \$53 million from the federal “Essential Worker Wage Support Fund” and that the total program cost of the “Saskatchewan Temporary Wage Supplement Program” was \$56 million (see table on page 18). Therefore, the provincial contribution was \$3 million ( $56-53=3$ ). Of the total program cost of \$56 million, the province contributed 5% ( $3/56=5.3\%$ ).
- 8** Saskatchewan Ministry of Finance, Access to Information Request FIN 07.21G, May 7, 2021 revealed that two phases of the Saskatchewan Temporary Wage Supplement Program had paid out \$400 payments to 84,955 recipients by March 31, 2021. This amounts to \$33,982 million dispersed ( $\$400 \times 84,955 = \$33,982,000$ ).
- 9** Notes: Values in red: LTC programs insufficiently differentiated from health spending generally. In those cases, any access amount not covered from other health transfers put against the safe LTC.
- 10** See pages 44 and 45 of Government of Manitoba, “Protecting Manitobans Advancing Manitoba: Budget 2021”.
- 11** See the “Major Infrastructure Stimulus” line on page 11 of Budget 2020.
- 12** [https://www.saskparty.com/factcheck\\_4billionmissing](https://www.saskparty.com/factcheck_4billionmissing).



- 13** See “Saskatchewan Capital Plan” line on page 18 of budget 2021–22.
- 14** See pg 3 of “Municipal Operating Support Transfer (MOST): Program Guidelines”, Government of Alberta, <https://open.alberta.ca/dataset/00782aef-6dfc-4432-a9de-10faafao261a/resource/82a01b37-3f2f-475c-9a22-61e818e641aa/download/ma-municipal-operating-support-transfer-most-program-guidelines-2020.pdf>.
- 15** Financial Accountability Office of Ontario, *Federal and Provincial COVID-19 Response Measures*, Sept 10, 2020.
- 16** See the Appendixes of the Safe Restart Agreement Response Letters by Province, <https://www.canada.ca/en/intergovernmental-affairs/services/safe-restart-agreement.html>.
- 17** Canada Emergency Response Benefit statistics, October 4<sup>th</sup>, 2020, ESDC <https://www.canada.ca/en/services/benefits/ei/claims-report.html>.
- 18** In this case, see Statistics Canada. [Table 36-10-0402-01 Gross domestic product \(GDP\) at basic prices, by industry, provinces and territories \(×1,000,000\)](#) for NAICS 481.



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