

Ministry of Finance

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**Ministry of Municipal
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**Office of the
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March 23, 2006

Dear Treasurer/Clerk-Treasurer,

As announced in the 2006 Ontario Budget, a new Ontario Municipal Partnership Fund (OMPF) grant component has been introduced for 2006.

A new Income Threshold Component has been added to the Social Programs Grant, to provide \$56 million in additional funding targeted to assisting those municipalities that have high social program costs relative to their residents' household incomes. This enhancement will bring the OMPF to \$763 million in 2006, an increase of \$107 million, or 16%, over the funding level in 2005.

This new grant component has been introduced in response to suggestions from municipalities to use household income, in combination with assessment wealth and tax revenue, as a broader measure for targeting provincial assistance to municipalities with limited capacity to meet their share of social program costs. It will complement existing components of the OMPF that are designed to help municipalities offset their share of social program costs.

Details of this enhancement to the OMPF are provided in the attached Addendum to the *Ontario Municipal Partnership Fund Technical Guide 2006*. Details regarding individual grant calculations, including the new Income Threshold Component of the Social Programs Grant, will be provided in the Municipal Workbooks, available later this Spring.

In addition to the creation of this new grant component, we would like to advise that the government has decided to flow all remaining 2006 phase-in funding payable to municipalities by March 31, 2006, to provide more flexibility to support the local budget planning process.

If these changes affect your municipality, revised 2006 OMPF Allocation and Cashflow Notices have been enclosed.

Treasurer/Clerk Treasurer
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All revised 2006 OMPF Allocation Notices, and the Addendum to the *2006 Ontario Municipal Partnership Fund Technical Guide* will be posted in English and French on the Ministry of Finance website:

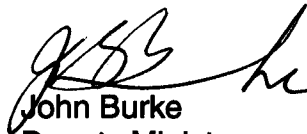
<http://www.fin.gov.on.ca/english/community/ompf/>
<http://www.fin.gov.on.ca/french/community/ompf/>

If you require additional information regarding your 2006 OMPF allocation, you may contact your local Municipal Services Office of the Ministry of Municipal Affairs and Housing, or e-mail your inquiries and your contact phone number to:
info.ompf@fin.gov.on.ca.

Sincerely,



Colin Andersen
Deputy Minister
Ministry of Finance



John Burke
Deputy Minister
Ministry of Municipal Affairs and Housing

Attachments