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March 13, 2008

Dear Heads of Council:

We are pleased to announce the release of the Ontario Municipal Partnership Fund (OMPF) allocations for 2008. This release is a follow-up to the Stable Funding Guarantee announced on December 21, 2007.

2008 is the first year of the upload announced by the Premier last August. Effective January 1, 2008, the municipal share of the Ontario Drug Benefit (ODB) program has been uploaded by the province. In 2009, the province will begin uploading the Ontario Disability Support Program (ODSP). This upload of social programs is estimated to reduce costs to municipalities by over \$900 million annually by the time it is fully implemented in 2011.

For 2008, the OMPF will provide \$870 million to 393 municipalities across the province. This is a \$252 million or 41 per cent increase over the funding provided in 2004 under the previous program.

Although municipalities delivering social programs will see their social program costs decrease, no municipality will receive less funding in 2008 than the funding identified on its 2008 Stable Funding Guarantee Notice.

Municipalities eligible for funding increases in 2008 will receive those additional amounts in accordance with the previously announced phase-in schedule. Under the OMPF phase-in schedule, increases in funding over payments received in 2004 are limited to \$150 per household in 2008, and will not be limited after 2008.

The OMPF is included in the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR). The review's recommendations may result in changes to the program for future years. A key principle is that the OMPF remain responsive to changes in municipal circumstances and provincial support only be provided in respect of costs that are actually incurred by municipalities. As a result, 2008 will be a transition year for the OMPF.

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The Deputy Ministers of Finance and Municipal Affairs and Housing will be providing further details on the 2008 OMPF grant parameters to your municipal Treasurers and Clerk-Treasurers shortly. This information and other supporting materials will be posted in both English and French on the Ministry of Finance website:

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

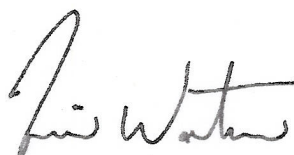
<http://www.fin.gov.on.ca/french/budget/ompf/>

The Ontario government will continue to develop its partnership with municipalities, and work with you to build strong communities in a strong and prosperous Ontario.

Sincerely,



Dwight Duncan
Minister of Finance



Jim Watson
Minister of Municipal Affairs and Housing