

Ontario Municipal Partnership Fund

2009
Technical Guide

CONTENTS

Introduction	3
Outcomes of the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR).....	3
Ontario’s Commitment To Municipalities.....	4
2009 Ontario Municipal Partnership Fund (OMPF).....	6
Combined Benefit Stable Funding Guarantee (CBSFG)	6
2009 Combined Benefit	7
Data and Benchmark Updates for 2009	8
The Ontario Municipal Partnership Fund: Grants and Components	9
I. Social Programs Grant	10
1. Assessment Threshold Component.....	10
2. Income Threshold Component	11
II. Equalization Grant.....	12
1. Assessment Equalization Grant Component	12
2. Farmland and Managed Forest Assessment Grant Component.....	13
III. Northern and Rural Communities Grant	14
1. Rural Communities Grant Component	14
2. Northern Communities Grant Component	15
3. Northern and Rural Social Programs Grant Component.....	15
4. Stabilization Grant Component	17
IV. Police Services Grant	17
Upload Benefit To Municipalities	19
Combined Benefit Stable Funding Guarantee for 2009.....	19
Implementation	21
Social Programs Report	21
Municipal Tier Distribution of Funding	22
Additional Information	23
Appendices.....	24
Appendix A – Definitions.....	24
Appendix B – Data Sources	26
Appendix C – Summary of Refinements and Updates	27

INTRODUCTION

This document outlines the grant parameters for the Ontario Municipal Partnership Fund (OMPF), and summarizes the updates and refinements introduced in 2009. It is intended to provide a technical overview of the funding model.

OUTCOMES OF THE PROVINCIAL-MUNICIPAL FISCAL AND SERVICE DELIVERY REVIEW (PMFSDR)

On October 31, 2008, the Province, along with the Association of Municipalities of Ontario (AMO) and the City of Toronto, released the consensus Report of the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR), “Facing the Future Together”.

As a result of the report, the government will:

- begin a phased upload of Ontario Works (OW) Benefits in 2010
- upload Court Security costs beginning in 2012
- continue with the previously announced upload of Ontario Drug Benefit (ODB) and Ontario Disability Support Program (ODSP).

The OMPF was included in the PMFSDR, and the review’s recommendations will affect the program for 2009 and in future years.

The partners agreed to the key principle that the OMPF should remain responsive to changes in municipal circumstances, such as the upload of ODB, ODSP and OW benefits. Therefore, consistent with the normal operation of the OMPF, the social programs grants will be adjusted to reflect the reduction in municipal costs for these programs as the uploads are phased in.

For 2009, the Province will provide mitigation to ensure that the combined benefit of a municipality’s 2009 OMPF plus the reduced costs from ODB and ODSP administration uploads, will be at least equal to its Announced March 2007 OMPF.

For full details of the PMFSDR report, see:

www.ontario.ca/provincialmunicipalreview

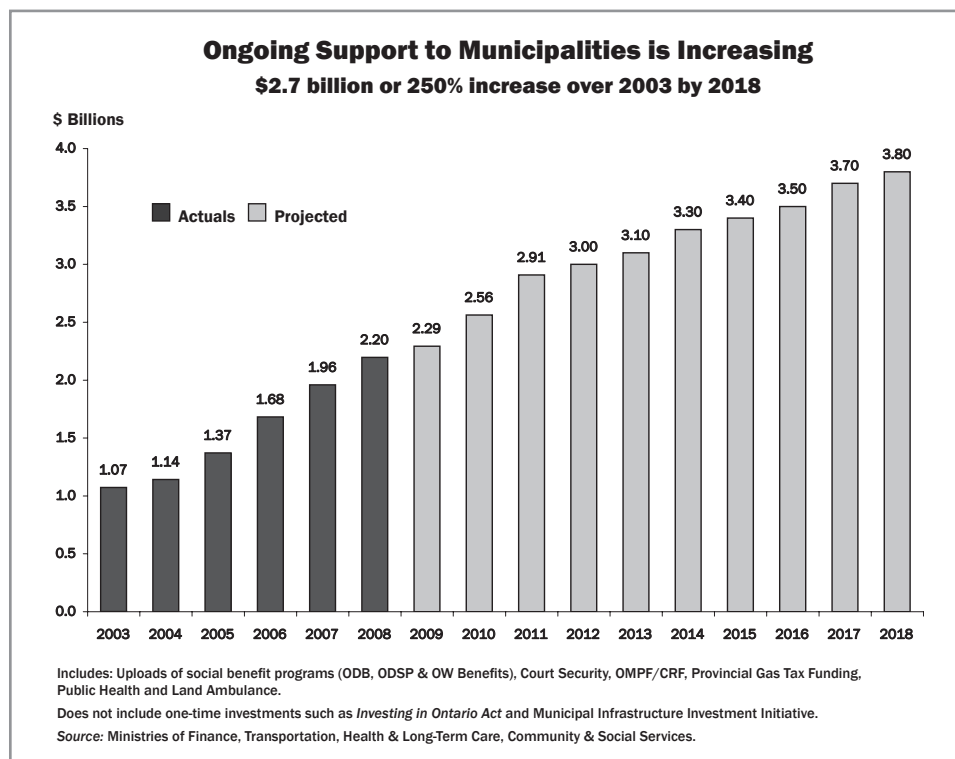
Ontario's Commitment To Municipalities

The consensus report of the PMFSDR includes key results such as the provincial upload of Ontario Drug Benefits (ODB), Ontario Disability Support Program (ODSP), Ontario Works (OW) benefits, and up to \$125 million annually in Court Security costs.

These uploads represent a net benefit for municipalities of \$1.5 billion a year by 2018, and will create a new fiscal framework for the future.

By 2018, the Province will have increased ongoing annual support for municipalities to more than \$3.8 billion, an increase of over \$2.7 billion, or more than 250 per cent, compared to 2003. This support, in addition to the OMPF, includes:

- uploading the municipal cost share of Ontario Drug Benefits effective January 1, 2008
- starting in 2009, uploading Ontario Disability Support Program costs over three years
- starting in 2010, uploading the municipal costs of Ontario Works benefits over nine years
- starting in 2012, uploading the cost of court security over seven years, to a maximum of \$125 million annually, at maturity
- increasing the provincial share of public health costs from 50 per cent in 2004 to 75 per cent in 2007
- providing over \$300 million in incremental land ambulance funding since 2006
- providing \$314 million in gas tax funding in 2008, for a total of more than \$1.6 billion by 2010.



In addition, the 2008 Budget provided municipalities with:

- \$1 billion in infrastructure funding, including \$400 million for roads and bridges outside Toronto, and \$100 million for social housing
- \$450 million through the Municipal Infrastructure Investment Initiative (MIII) for infrastructure priorities – for projects that stimulate local economies such as roads, bridges, community facilities, and water systems
- \$1.1 billion of the 2007–08 surplus to municipalities throughout Ontario on a per capita basis, through the *Investing in Ontario Act*, which helps address priority capital needs in areas such as roads and bridges, transit and social housing.

2009 ONTARIO MUNICIPAL PARTNERSHIP FUND (OMPF)

The OMPF assists municipalities with their social program costs, includes equalization measures, addresses challenges faced by northern and rural communities, and responds to policing costs in rural communities. The OMPF replaced the Community Reinvestment Fund (CRF) in 2005 as the Province's main transfer payment to municipalities.

Consistent with the key principle that the OMPF should remain responsive to changes in municipal circumstances, the 2009 OMPF social programs grants for upper- and single-tier municipalities have been adjusted to reflect the reduction in municipal costs resulting from the upload of ODB and ODSP administration.

Beginning in 2009 there will be no limits on OMPF increases. The limits originally announced as part of the OMPF transition expire this year and, as a result, municipalities are now entitled to receive any funding increases in full.

Combined Benefit Stable Funding Guarantee (CBSFG)

On November 14, 2008 the Ministers of Finance and Municipal Affairs and Housing announced a Combined Benefit Stable Funding Guarantee for 2009.

The Combined Benefit Stable Funding Guarantee (CBSFG) ensures that a municipality's combined benefit of its 2009 OMPF plus the reduced costs from ODB and ODSP administration uploads, will be at least equal to its Announced March 2007 OMPF.

Without this additional support, some municipalities would normally see a reduction in their OMPF allocations because of the phase-out of the one-time and transitional funding they have received in past years under the OMPF. The special one-time assistance for 2009, to deliver on the CBSFG, will allow those municipalities sufficient time to begin planning for their 2010 budget cycle with information on actual OMPF entitlements.

In 2009, the Ministry of Finance will also work with AMO and the City of Toronto to review OMPF mitigation in advance of the release of 2010 allocations.

2009 Combined Benefit

In 2009, the government will provide \$949 million to 405, or 91 per cent of municipalities, through the combined benefit of the OMPF grant plus reduced costs from the uploads of the ODB and ODSP administration.

- 2009 OMPF: 387 municipalities will receive \$704 million.
- 2009 Uploads: 202 upper- and single-tier municipalities responsible for social program costs will see an estimated \$245 million reduction in those costs.

This combined benefit represents a \$105 million or a 12 per cent increase over the Announced March 2007 OMPF, and a \$330 million or a 53 per cent increase over the funding provided in 2004.

	Unconditional Provincial Support	Increase over 2004
2004 Community Reinvestment Fund	\$618 million	
Announced March 2007 OMPF	\$843 million	\$225 million
Total 2009 Combined Benefit	\$949 million	\$330 million
Municipal Benefit of Uploads	\$245 million	
2009 OMPF	\$704 million	

DATA AND BENCHMARK UPDATES FOR 2009

The 2009 OMPF release reflects the most current data available.

To ensure that the OMPF remains up to date and responsive to changing local circumstances, data elements such as weighted assessment, tax revenue, households, income, and social programs costs have been updated to reflect the most recent data available prior to the release of the grant (see Appendix B).

In addition, select OMPF grant benchmarks and thresholds have been refined in order to reflect year-over-year changes in assessment and other OMPF data elements.

Threshold/Benchmark Updates	2005	2006	2007	2008	2009
I. Social Programs Grant					
Reinvestment of National Child Benefit savings	not included	included	included	included	included
ODB costs for social assistance recipients	included	included	included	uploaded by Province	uploaded by Province
ODSP administration costs	included	included	included	included	uploaded by Province
1. Assessment Based					
▶ Percentage of Weighted Assessment	0.20%	0.18%	0.178%	0.176%	0.165%
2. Income Based					
▶ Per household limit	n/a	\$35	\$80	\$80	\$80
▶ Average Income Threshold	n/a	0.75%	0.75%	0.75%	0.60%
II. Equalization Grant					
1. Assessment Equalization					
▶ Average Assessment per household	\$170,000	\$185,000	\$187,000	\$190,000	\$202,000
▶ Funding for each \$10,000 in assessment value	\$62	\$60	\$58	\$54	\$48
III. Northern and Rural Social Programs Grant Component					
Percentage of Tax Revenue	15%	14%	13%	12.5%	12%

See Appendix C for a summary of refinements and updates introduced in 2009.

THE ONTARIO MUNICIPAL PARTNERSHIP FUND: GRANTS AND COMPONENTS

The Combined Benefit of \$949 million in 2009 includes \$704 million in OMPF funding through the following:

I. Social Programs Grant – \$169 Million

Provides funding to assist municipalities with limited property assessment and lower household income to support the municipal share of social program costs through two components:

1. Assessment Threshold – \$152 million
2. Income Threshold – \$17 million

II. Equalization Grant – \$198 Million

Provides funding to municipalities with limited property assessment through two components:

1. Assessment Equalization – \$150 million
2. Farmland and Managed Forest Assessment – \$48 million

III. Northern And Rural Communities Grant – \$261 Million

Provides funding to northern and rural communities to recognize their unique challenges through four components:

1. Rural Communities – \$158 million
2. Northern Communities – \$84 million
3. Northern and Rural Social Programs – \$14 million
4. Stabilization – \$5 million

IV. Police Services Grant – \$76 Million

Provides funding to rural communities to support policing costs.

I. Social Programs Grant

This grant provides funding to municipalities to help offset the municipal share of social program costs through two components:

1. Assessment Threshold Component

This component provides funding to municipalities with limited property assessment to support the municipal share of eligible social program costs (for a definition of eligible costs, see Appendix A). Funding is provided to municipalities whose costs for these programs exceed the revenue that could be raised by levying a 0.165 per cent property tax rate on their assessment base.

This grant assists municipalities in meeting the municipal portion of the established cost-sharing arrangements for social programs. The Province will continue to fund its portion of the cost-shared programs, as well as provide additional funding through the OMPF to help municipalities pay for their share of these arrangements.

Distribution: The Assessment Threshold Component is distributed to upper- and single-tier municipalities.

EXAMPLE 1.1

Municipality A:

- Municipal share of eligible social program costs: \$125,000
- Total assessment: \$27,500,000

Threshold amount: $\$27,500,000 \times 0.165\% = \$45,375$

Grant Component: $\$125,000 - \$45,375 = \$79,625$

2. Income Threshold Component

This grant component provides funding to municipalities with high social program costs relative to the household incomes of their residents. As with the other social program grant components, this component is designed to support the municipal share of eligible social program costs (for a definition of eligible costs, see Appendix A).

Funding of up to \$80 per household is provided to municipalities whose net social program costs exceed 0.60 per cent of the total household incomes of their residents.

Net social program costs for this calculation are:

Total social program costs less the funding provided through the Assessment Threshold Component of the Social Programs Grant and the Northern and Rural Social Programs Grant Component.

This grant assists municipalities in meeting the municipal portion of the established cost-sharing arrangements for social programs. The Province will continue to fund its portion of the cost-shared programs, as well as provide additional funding through the OMPF to help municipalities pay for their share of these arrangements.

Distribution: The Income Threshold Component is distributed to upper- and single-tier municipalities.

EXAMPLE 1.2

Municipality A

- Municipal share of eligible social program costs: \$8,500,000
- Funding provided through the Assessment Threshold, and Northern and Rural Social Programs Grant* Components: \$1,500,000
- Residual social program costs (costs net of the Assessment Threshold, and Northern and Rural Social Programs Grant Components):
 $\$8,500,000 - \$1,500,000 = \$7,000,000$
- Total household income from all residents: \$500,000,000

Income Threshold for municipality: $\$500,000,000 \times 0.60\% = \$3,000,000$

Grant Component: $\$7,000,000 - \$3,000,000 = \$4,000,000$

* For details regarding the Northern and Rural Social Programs Grant Component see page 15.

II. Equalization Grant

This grant provides funding to municipalities that have limited property assessment through two components:

1. Assessment Equalization Grant Component

This component provides funding to municipalities with limited property assessment due to lower property values and limited non-residential assessment. Municipalities will receive funding if their total assessment per household is less than \$202,000.

An overall assessment differential for each eligible municipality is calculated to determine the grant amount.

If a municipality has a total assessment per household of less than \$202,000, it will receive funding based on the following scale:

Every \$10,000 increment in a municipality's total assessment differential will result in an additional \$48 in funding.

Distribution: The Assessment Equalization Grant Component is distributed to lower- and single-tier municipalities.

EXAMPLE 2.1

Municipality A:

- Total assessment per household: \$162,000
- Assessment per household below \$202,000 threshold: \$40,000
- Number of households: 5,000

Total assessment differential: \$40,000 x 5,000 households = \$200,000,000

Grant Component: \$200,000,000 / \$10,000 x \$48 = \$960,000

2. Farmland and Managed Forest Assessment Grant Component

This component provides funding to municipalities with limited property assessment due to a significant amount of farmland and managed forest properties.

The grant provides funding equivalent to 300 per cent of the municipal revenue generated from farmland and managed forest assessment where these properties comprise 20 per cent or more of the municipality's tax base. Municipalities that have between five per cent and 20 per cent of their tax base made up of these properties receive a portion of this funding on a sliding scale.

Every 2.5 per cent increment in taxes generated from farmland and managed forest properties between five per cent and 20 per cent will result in additional funding equal to 50 per cent of the taxes generated by these properties:

Farmland and Managed Forest Assessment Grant Component							
Taxes generated by farmland and managed forest properties (%)	5	7.5	10	12.5	15	17.5	20+
Taxes allocated as grant funding (%)	0	50	100	150	200	250	300

EXAMPLE 2.2

Municipality A:

- Taxes generated from farmland and managed forest properties: \$500,000
- Percentage of total taxes generated from farmland and managed forest properties: 25%

Grant Component: \$500,000 x 300% = \$1,500,000

EXAMPLE 2.3

Municipality B:

- Taxes generated from farmland and managed forest properties: \$250,000
- Percentage of total taxes generated from farmland and managed forest properties: 7.5%

Grant Component: \$250,000 x 50% = \$125,000

Distribution: This grant is distributed to upper-, lower- and single-tier municipalities. It provides funding of up to 300 per cent of these municipalities' respective share of revenue generated from these properties.

III. Northern and Rural Communities Grant

This grant provides funding to northern and rural communities in recognition of the unique challenges they face.

To support this grant, a Rural and Small Community Measure has been calculated for each municipality to determine the proportion of its population residing in rural areas or small communities (see Appendix A).

The grant has four components:

1. Rural Communities Grant Component

This component provides funding to municipalities based on the proportion of their population residing in rural areas or small communities.

Municipalities with a Rural and Small Community Measure of 75 per cent or more receive the full per-household amount of \$156. Municipalities with a Rural and Small Community Measure between 25 per cent and 75 per cent receive a portion of this funding on a sliding scale.

Every five per cent increment in the Rural and Small Community Measure between 25 per cent and 75 per cent results in an additional \$15.60 per household:

Rural Communities Grant Component											
Rural and Small Community Measure (%)	25	30	35	40	45	50	55	60	65	70	75+
Per household amount (\$)	0	15.60	31.20	46.80	62.40	78.00	93.60	109.20	124.80	140.40	156.00

Distribution: The Rural Communities Grant Component is distributed to lower- and single-tier municipalities.

EXAMPLE 3.1

Municipality A:

- Number of households: 400
- Rural and Small Community Measure: 80%

Grant Component: 400 x \$156 = \$62,400

EXAMPLE 3.2

Municipality B:

- Number of households: 600
- Rural and Small Community Measure: 50%

Grant Component: 600 x \$78.00 = \$46,800

2. Northern Communities Grant Component

This component provides funding to all municipalities in northern Ontario (see Appendix A) based on the number of households. The grant per household is \$235.

Distribution: The Northern Communities Grant Component is distributed to all northern municipalities.

3. Northern and Rural Social Programs Grant Component

This component establishes a limit on the share of municipal tax revenue needed to support the municipal share of eligible social program costs in northern and rural communities (see Appendix A).

Funding is provided if the municipal share of eligible social program costs (net of the Social Programs Grant) exceeds a threshold of 12 per cent of municipal tax revenue.

All northern municipalities are eligible for this grant if their social program costs exceed the threshold.

Municipalities that are not in the north are eligible to receive the full amount of funding available through this grant component if they have a Rural and Small Community Measure of 75 per cent or greater and their social program costs are greater than the threshold. Municipalities with a Rural and Small Community Measure between 25 per cent and 75 per cent receive a portion of this funding on a sliding scale.

Every five per cent increment in the Rural and Small Community Measure between 25 per cent and 75 per cent results in a 10 per cent increase in funding for eligible costs greater than the 12 per cent tax revenue threshold:

Northern and Rural Social Programs Grant Component											
Rural and Small Community Measure (%)	25	30	35	40	45	50	55	60	65	70	75+
Residual social program costs funded (%)	0	10	20	30	40	50	60	70	80	90	100

For northern and rural communities, this grant provides additional funding to complement the support provided through the Social Programs Grant.

Distribution: The Northern and Rural Social Programs Grant Component is distributed to upper- and single-tier municipalities.

EXAMPLE 3.3

Municipality A:

- Geographic designation: northern
- Municipal share of eligible social program costs: \$4,000,000
- Social Programs Grant – Assessment Threshold Component amount: \$2,000,000
- Residual social program costs (costs net of the Assessment Threshold Component of the Social Programs Grant): $\$4,000,000 - \$2,000,000 = \$2,000,000$
- Tax revenue: \$10,000,000
- 12% of tax revenue: \$1,200,000

Residual social program costs above 12% threshold: $\$2,000,000 - \$1,200,000 = \$800,000$

Grant Component: \$800,000

EXAMPLE 3.4

Municipality B:

- Geographic designation: non-northern
- Rural and Small Community Measure: 60%
- Municipal share of eligible social program costs: \$10,000,000
- Social Programs Grant – Assessment Threshold Component amount: \$6,000,000
- Residual social program costs (costs net of the Assessment Threshold Component of the Social Programs Grant): $\$10,000,000 - \$6,000,000 = \$4,000,000$
- Tax revenue: \$20,000,000
- 12% of tax revenue: \$2,400,000

Residual social program costs above 12% threshold: $\$4,000,000 - \$2,400,000 = \$1,600,000$

Grant Component: \$1,600,000 x 70% = \$1,120,000

4. Stabilization Grant Component

This component provides ongoing funding to municipalities that otherwise would see decreases in funding of more than \$150 per household, relative to funding received in 2004 through the Community Reinvestment Fund.

This grant component has been calculated on the basis of 2009 funding levels, and the funding parameter will be maintained at the \$150 per household level in future years.

Distribution: The Stabilization Grant Component is distributed to upper-, lower- and single-tier municipalities.

IV. Police Services Grant

This grant provides funding to rural communities to support eligible policing costs (for definition, see Appendix A).

For municipalities with a Rural and Small Community Measure of 75 per cent or more, this grant provides funding equal to:

- 50 per cent of eligible policing costs between \$150 and \$750 per household, and
- 75 per cent of eligible policing costs above \$750 per household.

Municipalities with a Rural and Small Community Measure between 25 per cent and 75 per cent receive a portion of this funding on a sliding scale.

Every five per cent increment in the Rural and Small Community Measure between 25 per cent and 75 per cent results in a five per cent increase in funding for eligible costs between \$150 and \$750 per household, and a 7.5 per cent increase in funding for eligible costs above \$750:

Police Services Grant											
Rural and Small Community Measure (%)	25	30	35	40	45	50	55	60	65	70	75+
Eligible costs above \$150 threshold, up to \$750, allocated as funding (%)	0	5	10	15	20	25	30	35	40	45	50
Eligible costs above \$750 threshold allocated as funding (%)	0	7.50	15.00	22.50	30.00	37.50	45.00	52.50	60.00	67.50	75.00

For municipalities with a Rural and Small Community Measure of less than 75 per cent, the Police Services Grant will be calculated as 50 per cent of their 2002 eligible per-household policing costs between \$150 and \$750, and 75 per cent for costs above \$750 – where this approach generates a greater amount than under the standard calculation detailed above. This is incorporated as a transitional measure that applies to only a small number of municipalities.

Distribution: The Police Services Grant is distributed to those municipalities that provide policing services.

EXAMPLE 4.1

Municipality A:

- Rural and Small Community Measure: 100%
- Number of households: 1,000
- Eligible policing costs per household: \$850
- Eligible costs above \$150 per household, up to \$750: $(\$750 - \$150) \times 1,000 = \$600,000$
- Eligible costs above \$750 per household: $(\$850 - \$750) \times 1,000 = \$100,000$

Grant: $(\$600,000 \times 50\%) + (\$100,000 \times 75\%) = \$375,000$

EXAMPLE 4.2

Municipality B:

- Rural and Small Community Measure: 50%
- Number of households: 2,000
- Eligible policing costs per household: \$350
- Eligible costs above \$150 per household threshold: $(\$350 - \$150) \times 2,000 = \$400,000$

Grant: $\$400,000 \times 25\% = \$100,000$

Upload Benefit To Municipalities

In 2009, 202 upper- and single- tier municipalities responsible for social program costs will see an estimated \$245 million reduction in those costs.

1. Estimated municipal benefit from ODB Upload – \$159 million
2. Estimated municipal benefit from ODSP Administration Upload – \$86 million

By 2018, ongoing annual support for municipalities is estimated to increase to more than \$3.8 billion, an increase of over \$2.7 billion, or more than 250% compared to 2003.

Combined Benefit Stable Funding Guarantee for 2009

On November 14, 2008 the Ministers of Finance and Municipal Affairs and Housing announced a Combined Benefit Stable Funding Guarantee (CBSFG) for 2009.

Although municipalities delivering social programs will see their social program costs decrease, no municipality will receive less funding in 2009 than the funding identified on the *OMPF 2009 Combined Benefit Stable Funding Guarantee Notice*.

The CBSFG will ensure that a municipality's combined benefit of 2009 OMPF plus the reduced costs from ODB and ODSP administration uploads, will be at least equal to its Announced March 2007 OMPF.

Without this additional support, some municipalities would normally see a reduction in their OMPF allocations because of the phase-out of the one-time and transitional funding they have received in past years under the OMPF.

The special one-time assistance provided in 2009, to deliver on the CBSFG, will allow municipalities sufficient time to begin planning their 2010 budget cycle with information on their actual OMPF entitlements.

EXAMPLE A

Municipality A:

- Announced March 2007 OMPF allocation = \$200,000
- Total estimated municipal benefit from 2009 ODB & ODSP administration uploads = \$35,000
- 2009 CBSFG = \$165,000 (\$200,000 - \$35,000)
- Sum of 2009 OMPF grant components = \$90,000

Special One-Time Assistance: \$165,000 - \$90,000 = \$75,000

\$35,000 + \$90,000 + \$75,000 = Announced March 2007 OMPF (\$200,000)

EXAMPLE B

Municipality B (Lower-tier):

- Announced March 2007 OMPF allocation = \$350,000
- Total estimated municipal benefit from 2009 ODB & ODSP administration uploads = N/A*
- 2009 CBSFG = \$350,000
- Sum of 2009 OMPF grant components = \$288,000

Special One-Time Assistance: \$350,000 - \$288,000 = \$62,000

\$288,000 + \$62,000 = Announced March 2007 OMPF (\$350,000)

*Lower-tier municipalities are not responsible for social program costs.

EXAMPLE C

Municipality C:

- Announced March 2007 OMPF Allocation = \$700,000
- Total estimated municipal benefit from 2009 ODB & ODSP administration uploads = \$15,000
- 2009 CBSFG = \$685,000 (\$700,000 - \$15,000)
- Sum of 2009 OMPF grant components = \$695,000

2009 Combined Benefit: \$695,000 + \$15,000 = \$710,000

Because the 2009 OMPF plus the total estimated municipal benefit of the uploads exceeds the Announced March 2007 OMPF (\$700,000) no special one-time assistance is provided.

IMPLEMENTATION

The OMPF allocations are announced annually in time to support the municipal budget planning process, and flowed in quarterly payments to municipalities. All OMPF allocations are provided to municipalities as unconditional grants.

The Ministry of Finance calculates municipal allocations based on a defined set of data elements (see Appendix B).

Data elements are stable or live. The “stable” data elements are established prior to the annual release of allocations (e.g., assessment data and number of households). Stable data elements are based on the most recent data sets available prior to the allocation year.

A limited number of data elements will be “live” throughout the allocation year. Live data elements will be updated to capture both increases and decreases in costs (e.g., policing costs and social program costs). This will result in adjustments to the Social Programs Grant, the Northern and Rural Social Programs Grant Component, and the Police Services Grant. A final OMPF reconciliation will be conducted once the required final cost data are available.

Social Programs Report

To assist municipalities in anticipating the impact of social program cost changes on their OMPF allocations, the Ministries of Finance, Community and Social Services, and Children and Youth Services have developed a Social Program Costs Report that is released to municipal service managers and municipalities as part of OMPF final reconciliations.

The Social Programs Cost Report provides details on:

- actual and projected social program costs for each municipal service manager
- actual and projected social program costs for municipalities, based on inter-municipal cost-sharing agreements
- social program costs used in the calculation of OMPF allocations.

MUNICIPAL TIER DISTRIBUTION OF FUNDING

Funding provided through the OMPF is distributed to upper-, lower- and single-tier municipalities based on the level of government that is responsible for the service supported by the grant or grant component:

Tier Distribution of Funding	Upper-Tier	Lower-Tier	Single-Tier
I. Social Programs Grant			
1. Assessment Threshold	✓		✓
2. Income Threshold	✓		✓
II. Equalization Grant			
1. Assessment Equalization		✓	✓
2. Farmland and Managed Forest Assessment	✓	✓	✓
III. Northern and Rural Communities Grant			
1. Rural Communities		✓	✓
2. Northern Communities			✓
3. Northern and Rural Social Programs	✓		✓
4. Stabilization	✓	✓	✓
IV. Police Services Grant	✓	✓	✓

ADDITIONAL INFORMATION

This Technical Guide and other 2009 OMPF supporting materials are posted in English and French on the Ministry of Finance website at:

www.fin.gov.on.ca/english/budget/ompf/2009

www.fin.gov.on.ca/french/budget/ompf/2009

If you require additional information regarding your 2009 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@ontario.ca.

Municipal Services Offices Ministry of Municipal Affairs and Housing	
CENTRAL: 777 Bay Street, 2nd Floor Toronto ON M5G 2E5	General Inquiry: (416) 585-6226 Toll Free: 1-800-668-0230 Fax: (416) 585-6882
SOUTHWESTERN: 659 Exeter Road, 2nd Floor London ON N6E 1L3	General Inquiry: (519) 873-4020 Toll Free: 1-800-265-4736 Fax: (519) 873-4018
EASTERN: Rockwood House, 8 Estate Lane Kingston ON K7M 9A8	General Inquiry: (613) 548-4304 Toll Free: 1-800-267-9438 Fax: (613) 548-6822
NORTHWESTERN: 435 James St. S., Suite 223 Thunder Bay ON P7E 6S7	General Inquiry: (807) 475-1651 Toll Free: 1-800-465-5027 Fax: (807) 475-1196
NORTHEASTERN: 159 Cedar Street, Suite 401 Sudbury ON P3E 6A5	General Inquiry: (705) 564-0120 Toll Free: 1-800-461-1193 Fax: (705) 564-6863

APPENDICES

Appendix A – Definitions

Eligible Municipal Social Program Costs

Eligible municipal social program costs refer to the costs that municipalities are responsible for under existing cost-sharing arrangements with the Province. Social programs that are eligible for inclusion in determining a municipality's total social program costs for the OMPF include:

- Ontario Works income support: 20 per cent
- Ontario Works administration: 50 per cent
- Ontario Disability Support Program income support: 20 per cent
- Child Care: 20 per cent of costs of child care programs, 50 per cent of administration
- Social Housing: 100 per cent of the devolved costs as of 2002
- National Child Benefit: reinvestment of municipal savings. These municipal reinvestments will continue to be recognized as eligible social program costs, after the introduction of the Ontario Child Benefit initiative in July 2008, if municipal spending on these programs continues.

Effective January 1, 2008, the Province paid 100 per cent of ODB costs for social assistance recipients.

Effective January 1, 2009, the Province will pay 100 per cent of Ontario Disability Support Program Administration costs.

Eligible Police Costs

Eligible police costs include policing services provided by the Ontario Provincial Police (OPP) or a local force to meet the service standards defined in the *Police Services Act*.

Non-eligible police costs include bylaw enforcement and cases where service levels exceed those required by the *Police Services Act*.

Northern Municipality

Northern municipalities are those that lie within any of the following districts: Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Timiskaming.

Assessment

In this document, assessment refers to the total assessment for a municipality weighted by the tax ratio for each class of property plus payments-in-lieu of property taxes (PILs) made by either the provincial or federal government. (An equivalent PIL assessment is calculated by dividing actual PIL revenues by the residential tax rate in each municipality.)

Rural and Small Community Measure

The Rural and Small Community Measure represents the proportion of a municipality's population residing in rural areas or small communities. This approach recognizes that some municipalities include a mix of rural and non-rural areas.

The measure is based on Statistics Canada data from the 2006 Census and is calculated as follows:

1. Statistics Canada divides municipalities into small geographic areas, typically less than a few hundred residents.
2. These areas are classified by Statistics Canada as rural areas or small communities if they meet one of the following conditions:
 - they have a population density of less than 400 per square kilometre
 - they have a population density of greater than 400 per square kilometre **but** cannot be grouped with other adjacent areas (each also with a population density of greater than 400 per square kilometre), to produce a total population concentration greater than 1,000, or
 - they are not economically integrated with a population centre of greater than 10,000. (See Note 1.)
3. The Rural and Small Community Measure is determined by calculating the proportion of a municipality's population residing in areas that are classified as either rural or part of a small community.

EXAMPLE

Total municipal population = 1,000

Population in areas that are rural or in small communities = 700

Rural and Small Community Measure = 700 / 1,000 = 70%

Note 1: OMPF calculations incorporate a minor adjustment to Statistics Canada's classification of "small community." This adjustment provides a transition between the small community and urban center classification for areas with a population between 10,000 and 12,000 and is made on a sliding scale:

Percentage of Area Population Included as a Small Community					
Area population	10,000	10,500	11,000	11,500	12,000
Percentage	100	75	50	25	0

Appendix B – Data Sources

Data	Year	Source
Live Program Costs*		
Social Assistance	2009 projections based on 2008 actuals and service contract amounts, and 2008 inter-municipal cost shares	Ministry of Community and Social Services (MCSS)
Child Care		Ministry of Children and Youth Services (MCYS)
Reinvestment of National Child Benefit Savings	2008 projection based on 2007 actuals	MCSS/MCYS
Ontario Provincial Police (OPP)	2009 projected costs based on 2007 actuals	OPP
Municipal Police	2009 projected costs based on 2007 actuals	Projection based on municipal Financial Information Returns (FIR)
Other Program Costs		
Social Housing	2002 devolved costs and 2008 inter-municipal cost shares	Ministry of Municipal Affairs and Housing, Consolidated Municipal Service Managers, and District Social Services Administration Boards
Weighted Assessment	2009 returned roll and 2009 starting tax ratios	Municipal Property Assessment Corporation (MPAC) and municipal tax rate bylaws
Farmland and Managed Forest Tax Revenue	2008 returned roll and 2008 tax rates	
Own Purpose Taxation Payments in Lieu Revenues	2007	Municipal FIRs
Demographic & Income Data		
Number of Households	2008	MPAC Enumeration
Rural and Small Community Measure	2006	Census, Statistics Canada
Total Household Income	2006	Census, Statistics Canada
* Note: Live Program Costs and Cost Shares will be reconciled once final cost data are available.		

Appendix C – Summary of Refinements and Updates

The following table summarizes the refinements and updates to OMPF grant parameters:

Threshold/Benchmark Updates	2005	2006	2007	2008	2009
I. Social Programs Grant					
Reinvestment of National Child Benefit savings	not included	included	included	included	included
ODB costs for social assistance recipients	included	included	included	uploaded by Province	uploaded by Province
ODSP administration costs	included	included	included	included	uploaded by Province
1. Assessment Based					
▶ Percentage of Weighted Assessment	0.20%	0.18%	0.178%	0.176%	0.165%
2. Income Based					
▶ Per household limit	n/a	\$35	\$80	\$80	\$80
▶ Average Income Threshold	n/a	0.75%	0.75%	0.75%	0.60%
II. Equalization Grant					
1. Assessment Equalization					
▶ Average Assessment per household	\$170,000	\$185,000	\$187,000	\$190,000	\$202,000
▶ Funding for each \$10,000 in assessment value	\$62	\$60	\$58	\$54	\$48
2. Farmland and Managed Forest Assessment	Single-tier: up to 150% of single-tier revenue Lower-tier: up to 150% of total upper- and lower tier revenue Upper-tier: Not eligible	Single-, lower- and upper-tier: up to 300% of their respective revenues	Single-, lower- and upper-tier: up to 300% of their respective revenues	Single-, lower- and upper-tier: up to 300% of their respective revenues	Single-, lower- and upper-tier: up to 300% of their respective revenues
III. Northern and Rural Communities Grant					
1. Rural Communities					
▶ Per household funding	\$150	\$153	\$156	\$156	\$156
2. Northern Communities					
▶ Per household funding	\$225	\$230	\$235	\$235	\$235
3. Northern and Rural Social Programs					
▶ Percentage of tax revenue	15%	14%	13%	12.5%	12%
IV. Police Services Grant					
Per household funding level	50% of eligible costs over \$150 per household	50% of eligible costs between \$150 and \$750 per household, and 75% of eligible costs over \$750 per household	50% of eligible costs between \$150 and \$750 per household, and 75% of eligible costs over \$750 per household	50% of eligible costs between \$150 and \$750 per household, and 75% of eligible costs over \$750 per household	50% of eligible costs between \$150 and \$750 per household, and 75% of eligible costs over \$750 per household



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