

ONTARIO'S COMMITMENT TO MUNICIPALITIES

The Ontario Municipal Partnership Fund — a clear and transparent system of grants — is part of the Province's overall commitment to support municipalities. 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 per cent compared to 2003.

This support, in addition to the OMPF, includes:

- ▶ 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

The government has also provided:

- ▶ \$1 billion in the 2008 Budget for infrastructure funding, including \$400 million for roads and bridges outside Toronto, and \$100 million for social housing
- ▶ \$450 million in the 2008 Budget 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.

Ontario Municipal Partnership Fund

2009

For a more detailed description of the 2009 Ontario Municipal Partnership Fund, please see the Technical Guide on the Ministry of Finance's website at:

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

For inquiries, please contact the Ministry of Finance at [info.ompf@ontario.ca](mailto:ompf@ontario.ca)

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OVERVIEW

The OMPF assists municipalities with their share of social program costs, includes equalization measures for areas with limited property assessment, addresses challenges faced by northern and rural communities, and responds to policing costs in rural communities.

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 PMFSDR, “Facing the Future Together”. As a result of the report:

- The Province agreed in 2007 as an early outcome of the review to fully fund the Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) program, with a shift now under way and full phase-in by 2011.
- Starting in 2010, the Province will upload the municipal costs of Ontario Works (OW) benefits (income and employment assistance) over nine years.
- Starting in 2012, the Province will upload the costs of court security over seven years by providing funding to municipalities to a maximum of \$125 million annually at maturity.

The Review 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.

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

OMPF GRANTS

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

Social Programs Grant – \$169 Million

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

1. Assessment Threshold – provides funding to municipalities with limited property assessment to support their share of social program costs (\$152 million).
2. Income Threshold – provides funding to municipalities with high social program costs relative to their residents’ household incomes (\$17 million).

Equalization Grant – \$198 Million

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

1. Assessment Equalization – provides funding to municipalities with limited property assessment due to lower property values and limited non-residential assessment (\$150 million).
2. Farmland and Managed Forest Assessment – provides funding to municipalities with limited property tax bases due to a significant amount of farmland and managed forest assessment (\$48 million).

Northern And Rural Communities Grant – \$261 Million

Provides funding to northern and rural communities through four components:

1. Rural Communities – supports municipalities in rural areas or small communities (\$158 million).
2. Northern Communities – assists municipalities in the north (\$84 million).
3. Northern and Rural Social Programs – limits the share of municipal revenue needed to support social

programs in northern and rural communities (\$14 million).

4. Stabilization – provides ongoing assistance to municipalities in the transition to the new funding model (\$5 million).

Police Services Grant – \$76 Million

Provides funding to rural communities to support policing costs.

UPLOAD BENEFIT TO MUNICIPALITIES

In 2009, as a result of the uploads of ODB and ODSP administration, 202 upper- and single-tier municipalities responsible for social program costs will see an estimated \$245 million reduction in those costs as follows:

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

WHAT’S NEW IN 2009

2009 Combined Benefit Stable Funding Guarantee (CBSFG)

The PMFSDR partners agreed that starting in 2009, the government 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.

Grant Parameters And Thresholds

For 2009, OMPF grant parameters and thresholds have been adjusted to reflect year-over-year changes in assessment and other OMPF data elements. For a detailed description of these changes please see the 2009 Ontario Municipal Partnership Fund Technical Guide.