

Ontario Municipal Partnership Fund Transition-Year Stable Funding

2013 Technical Guide



Ministry of Finance

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INTRODUCTION

This guide outlines the parameters for the 2013 Ontario Municipal Partnership Fund Transition-Year Stable Funding, and provides an overview of the calculation of municipalities' allocations for 2013.

OVERVIEW

The Ontario Municipal Partnership Fund (OMPF) is the Province's main transfer payment to municipalities.

In February 2012, the government announced that the OMPF would be reviewed and phased down to \$500 million by 2016, as agreed to through the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR).

2013 will be a transition year for the OMPF, during which the Province will provide municipalities with \$575 million in stable funding. This Transition-Year Stable Funding will ensure that in 2013 municipalities will receive a guaranteed level of support based on their 2012 OMPF allocation.

In addition, as part of the PMFSDR, the Province committed to upload municipal costs related to the Ontario Drug Benefit (ODB) Program, the Ontario Disability Support Program (ODSP), Ontario Works (OW) benefits, and court security and prisoner transportation costs. As a result of the provincial uploads, municipalities will see an estimated benefit of almost \$1.4 billion in 2013.

For additional details regarding the PMFSDR and upload benefits to municipalities, see page 5.

2013 OMPF TRANSITION-YEAR STABLE FUNDING

2013 will be a transition year, during which the Province will provide municipalities with \$575 million in stable funding. This Transition-Year Stable Funding will ensure that in 2013, municipalities will receive a guaranteed level of support based on their 2012 OMPF allocation.

In 2013, municipalities in the north will receive at least 95 per cent of their 2012 OMPF allocation, while municipalities in other regions of the province will receive at least 90 per cent of their 2012 OMPF allocation.

	2013 OMPF Transition-Year Stable Funding Level (Per cent of 2012 OMPF)
Northern Ontario Municipalities	95%
Other Regions	90%

During the transition year, these minimum funding levels will be enhanced up to 100 per cent for eligible municipalities with more challenging fiscal circumstances.

For additional details regarding enhancements, see page 8.

2013 PROVINCIAL UPLOADS AND COMBINED BENEFIT

The Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) was completed in 2008. This review set out a new approach to the funding and delivery of services in Ontario and represents a significant milestone in the provincial-municipal partnership.

Through the PMFSDR, Ontario's municipal partners, including the Association of Municipalities of Ontario and the City of Toronto, identified the upload of social assistance benefit programs and court security and prisoner transportation costs as their top priority.

In 2013, the Province will continue to deliver on its commitment in accordance with the timetable agreed to through the PMFSDR by:

- continuing the phased upload of OW benefits;
- continuing the phased upload of court security and prisoner transportation costs (up to \$125 million annually at maturity); and
- providing more than \$170 million annually in additional support of municipal OW administration costs.

This builds on the government's previous uploads of:

- ODB costs in 2008;
- ODSP administration costs in 2009; and
- ODSP benefits, completed in 2011.

For additional details regarding the PMFSDR report, see Appendix C or www.ontario.ca/provinciamunicipalreview.

2013 UPLOAD BENEFIT TO MUNICIPALITIES

As a result of the provincial uploads, 333 municipalities will see an estimated benefit of almost \$1.4 billion in 2013.

Upload Benefit to Municipalities	
Program	2013
ODB	\$196 million
ODSP Administration	\$85 million
ODSP Benefits	\$733 million
OW Benefits (29% uploaded in 2013)	\$145 million
Court Security and Prisoner Transportation (29% uploaded in 2013)	\$36 million
OW Administration additional support	\$173 million
Total Upload Benefit	\$1.37 billion

2013 COMBINED BENEFIT

Since 2009, municipal benefits have been calculated as a combination of both the OMPF and provincial uploads.

In 2013, the Province will provide a combined benefit of over \$1.9 billion to 425 municipalities — more than three times the level of funding provided under the previous program in 2004. This support includes:

- OMPF Transition-Year Stable Funding of \$575 million to 388 municipalities; and
- The upload of almost \$1.4 billion in social assistance benefit program and court security and prisoner transportation costs to 333 municipalities.

2013 Combined Benefit Compared to Prior Years			
	2004	2012	2013*
A. CRF/OMPF	\$618 million	\$583 million	\$575 million
B. Provincial Uploads	—	\$1.2 billion	\$1.4 billion
Combined Benefit (A + B)	\$618 million	\$1.8 billion	\$1.9 billion
	Year-over-Year Increase	\$287 million	\$120 million
	Increase Since 2004	\$1.2 billion	\$1.3 billion

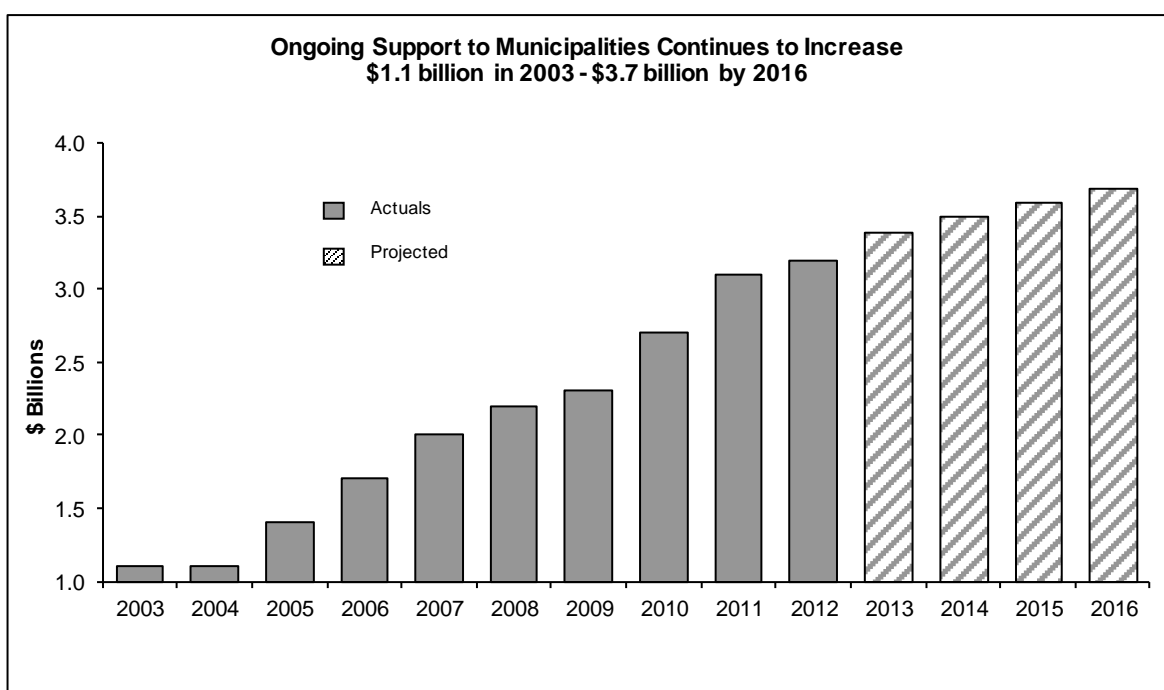
* 2013 OMPF figures represent OMPF Transition-Year Stable Funding.

ONGOING SUPPORT TO MUNICIPALITIES

The Province will provide municipalities with ongoing support of approximately \$3.4 billion in 2013 — an increase of 200 per cent from the level provided in 2003. This support, in addition to the OMPF Transition-Year Stable Funding and provincial uploads, includes:

- \$454 million in provincial funding to maintain the 50:50 cost-sharing of land ambulance costs, an increase of \$229 million compared to 2005;
- increasing the provincial share of public health costs from 50 per cent in 2004 to 75 per cent in 2007, providing municipalities with an additional \$295 million in annual provincial funding since 2004; and
- \$321 million in provincial gas tax funding in the 2011–12 program year, for a total of almost \$2.3 billion since 2004.

By 2016, the Province will have increased ongoing support to municipalities to \$3.7 billion a year — an increase of more than 240 per cent compared to 2003.



Source: *Provincial-Municipal Fiscal and Service Delivery Review: "Facing the Future Together"* (October 2008); adjusted to reflect the OW administration funding model announced in 2011, and the phase-down of the OMPF confirmed in the 2012 Ontario Budget.

Since 2003, the Province has also provided municipalities with approximately \$13 billion for infrastructure projects. These investments have helped municipalities to modernize and expand their transit systems, repair and upgrade roads and bridges, and revitalize community infrastructure.

2013 OMPF TRANSITION-YEAR STABLE FUNDING CALCULATION

For 2013, the Province will ensure that municipalities will receive a guaranteed level of support based on their 2012 OMPF. Municipalities in the north will receive a minimum of 95 per cent of their 2012 OMPF allocation, and municipalities in other regions of the province will receive a minimum of 90 per cent of their 2012 OMPF allocation.

	2013 OMPF Transition-Year Stable Funding Level (Per cent of 2012 OMPF)
Northern Ontario Municipalities	95%
Other Regions	90%

These minimum 2013 funding levels will be enhanced for:

- Northern and rural municipalities with more challenging fiscal circumstances, as measured by a Municipal Fiscal Circumstances Index (MFCI); or
- Municipalities where the 2012 OMPF is equivalent to more than 10 per cent of municipal own-source revenue.

I. NORTHERN AND RURAL MUNICIPAL FISCAL CIRCUMSTANCES INDEX

The northern and rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province.

The northern and rural MFCI is determined by six indicators which are classified as either primary or secondary, to reflect their relative importance in determining a municipality's fiscal circumstances.

The indicators include:

Primary Indicators

- Weighted Assessment per Household
- Median Household Income

Secondary Indicators

- Average Annual Change in Assessment (New Construction)
- Employment Rate
- Ratio of Working Age to Dependent Population
- Per cent of Population Above Low-Income Threshold

The northern and rural MFCI is measured on a scale from 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. An MFCI of 5 corresponds to fiscal circumstances similar to the median for northern and rural municipalities.

For additional details regarding the calculation of the northern and rural MFCI, and data sources for each MFCI indicator, see Appendices A and D respectively.

II. ENHANCEMENT BASED ON NORTHERN AND RURAL MFCI

The minimum 2013 OMPF Transition-Year Stable Funding levels will be enhanced, on a sliding scale, for northern and rural municipalities based on their MFCI. Funding will be maintained at 100 per cent of the 2012 OMPF for municipalities with an MFCI of nine or greater.

The following table outlines the municipal funding level based on the northern and rural MFCI.

Municipal Funding Level based on Northern and Rural MFCI

MFCI	North	Rural South
0	95.0%	90.0%
1	95.0%	90.0%
2	95.0%	90.0%
3	96.0%	92.0%
4	97.0%	94.0%
5	98.0%	96.0%
6	98.5%	97.0%
7	99.0%	98.0%
8	99.5%	99.0%
9	100.0%	100.0%
10	100.0%	100.0%

Example 1.1

Rural Southern Municipality

- 2012 OMPF Allocation: \$500,000
- 2013 Minimum Funding Level = **90%** of 2012 OMPF Allocation
- Northern and Rural MFCI = 9.0
- 2013 Transition-Year Stable Funding Level = **100%** of 2012 OMPF Allocation
- **2013 Transition-Year Stable Funding = \$500,00 x 100% = \$500,000**

Example 1.2

Northern Municipality

- 2012 OMPF Allocation: \$450,000
- 2013 Minimum Funding Level = **95%** of 2012 OMPF Allocation
- Northern and Rural MFCI = 5.0
- 2013 Transition-Year Stable Funding Level = **98%** of 2012 OMPF Allocation
- **2013 Transition-Year Stable Funding = \$450,000 x 98% = \$441,000**

III. ENHANCEMENT BASED ON 2012 OMPF COMPARED TO MUNICIPAL OWN-SOURCE REVENUE

The government recognizes that for some municipalities, the OMPF represents a significant source of municipal revenue. These municipalities may therefore require additional support during the transition year. As a result, for 2013, the government will enhance the minimum funding level provided to municipalities based on the comparison of their 2012 OMPF to their own-source revenue. This measure will be calculated for all municipalities in 2013.

For additional details regarding data sources used in the calculation of the 2012 OMPF compared to municipal own-source revenue, see Appendix D.

The minimum 2013 OMPF Transition-Year Stable Funding levels will be enhanced, on a sliding scale, based on a municipality's 2012 OMPF compared to its own-source revenue, as outlined in the following table.

**Municipal Funding Level based on
2012 OMPF Compared to Municipal Own-Source Revenue**

2012 OMPF Compared to Municipal Own-Source Revenue	North	South
10% and less	95.0%	90.0%
20%	96.0%	92.0%
30%	97.0%	94.0%
40%	98.0%	96.0%
50%	99.0%	98.0%
60% and more	100.0%	100.0%

Municipal own-source revenue is based on data submitted by municipalities through the Financial Information Returns (FIRs).

Example 1.3

Southern Municipality

- 2012 OMPF Allocation: \$500,000
- 2013 Minimum Funding Level = **90%** of 2012 OMPF Allocation
- Municipal Own-Source Revenue: \$2,500,000
- 2012 OMPF Compared to Municipal Own-Source Revenue = $\$500,000 / \$2,500,000 = 20\%$
- 2013 Transition-Year Stable Funding Level = **92%** of 2012 OMPF Allocation
- **2013 Transition-Year Stable Funding = \$500,000 x 92% = \$460,000**

Example 1.4

Northern Municipality

- 2012 OMPF Allocation: \$450,000
- 2013 Minimum Funding Level = **95%** of 2012 OMPF Allocation
- Municipal Own-Source Revenue: \$750,000
- 2012 OMPF Compared to Municipal Own-Source Revenue = $\$450,000 / \$750,000 = 60\%$
- 2013 Transition-Year Stable Funding Level = **100%** of 2012 OMPF Allocation
- **2013 Transition-Year Stable Funding = \$450,000 x 100% = \$450,000**

IV. DETERMINATION OF ENHANCEMENT FOR NORTHERN AND RURAL MUNICIPALITIES

As part of the transition year, the enhancement to the minimum funding levels for northern and rural municipalities will be based on the higher of the two levels (i.e., funding based on the northern and rural MFCL or based on the 2012 OMPF compared to municipal own-source revenue).

Example 1.5

Northern Municipality

- A. 2013 Minimum Funding Level = 95% of 2012 OMPF Allocation
- B. 2013 Funding Level Based on Northern and Rural MFCL = **98%**
- C. 2013 Funding Level Based on 2012 OMPF Compared to Municipal Own-Source Revenue = **100%**
- D. **2013 Transition-Year Stable Funding Level = Maximum of 98% and 100%**
- E. **2013 Transition-Year Stable Funding Level = 100% of 2012 OMPF Allocation**

2013 IMPLEMENTATION

Allocations are provided to municipalities as unconditional grants, and payments are issued in quarterly instalments.

2013 REPORTING OBLIGATIONS

As in previous years, municipalities are required to submit the following to the Ministry of Municipal Affairs and Housing:

- their 2012 Financial Information Returns (FIRs) by **May 31, 2013**;
- their 2013 tax rate bylaws by **September 30, 2013**; and
- outstanding 2010 and 2011 FIRs, if applicable.

Payments for municipalities that do not meet these reporting obligations will be subject to holdback until these documents have been filed.

2013 OMPF TRANSITION-YEAR WORKBOOK

To assist municipalities in understanding their allocation, the Ministry of Finance has developed a customized 2013 OMPF Transition-Year Workbook for each municipality to support the calculation of 2013 OMPF Transition-Year Stable Funding allocations.

The 2013 OMPF Transition-Year Workbook provides municipality-specific details, and will be shared electronically with municipal Treasurers/Clerk-Treasurers.

2013 UPLOAD BENEFIT REPORT

This report provides a detailed breakdown of each municipality's 2013 uploads benefit. The report will also be provided electronically to municipal Treasurers/Clerk-Treasurers.

ADDITIONAL INFORMATION

This OMPF Transition-Year Stable Funding Technical Guide and other 2013 supporting materials are posted in English and French on the Ministry of Finance website at:

www.fin.gov.on.ca/en/budget/ompf/2013

www.fin.gov.on.ca/fr/budget/ompf/2013

For additional information regarding your municipality's 2013 OMPF Transition-Year Stable Funding allocation, or for other general inquiries about the program, e-mail your query and contact information to:

info.ompf@ontario.ca

Alternatively, you may also contact your local Municipal Services Office of the Ministry of Municipal Affairs and Housing:

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
WESTERN: 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) 545-2100 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: NORTHERN AND RURAL MUNICIPAL FISCAL CIRCUMSTANCES INDEX

The northern and rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province.

The northern and rural MFCI is determined by six indicators which are classified as either primary or secondary, to reflect their relative importance in determining a municipality's fiscal circumstances.

The indicators include:

Primary Indicators

- Weighted Assessment per Household
- Median Household Income

Secondary Indicators

- Average Annual Change in Assessment (New Construction)
- Employment Rate
- Ratio of Working Age to Dependent Population
- Per cent of Population Above Low-Income Threshold

A municipality's northern and rural MFCI is determined through three steps:

1. **Indicator Score** – Each primary and secondary indicator is scored based on its relationship to the median for northern and rural municipalities.
2. **Average Indicator Score** – An average indicator score is calculated based on the average of both the primary and secondary indicators.
3. **Northern and Rural MFCI** – This index reflects a municipality's fiscal circumstances relative to other northern and rural municipalities in the province, and is based on the relative results of each municipality's average indicator score. The northern and rural MFCI is measured on a scale from 0 to 10.

A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. As a result, an MFCI of 5 corresponds to fiscal circumstances similar to the median for northern and rural municipalities.

For details specific to your municipality, refer to your customized 2013 OMPF Transition-Year Workbook.

Indicator Score

The indicator score has a range from -100 per cent to +100 per cent and reflects how the value of a municipality's indicator compares to the median for northern and rural municipalities.

Indicator Value Above Median

- An indicator value that is above the median will have a positive score, which is reflective of relatively positive fiscal circumstances.
- The indicator score is calculated based on the position of the municipality's indicator data between the median and **highest** value for northern and rural municipalities.

Indicator Value Below Median

- An indicator value that is below the median will have a negative score, which is reflective of more challenging fiscal circumstances.
- The indicator score is calculated based on the position of the municipality's indicator data between the median and **lowest** value for northern and rural municipalities.

For example, an indicator score of +25 per cent indicates a data value is one quarter of the distance between the median and highest value, while an indicator score of -25 per cent indicates a data value is one quarter of the distance between the median and lowest value. An indicator score of 0 per cent reflects the median for northern and rural municipalities.

The following table outlines the median, and the highest and lowest values for northern and rural municipalities for each MFCI indicator.

Primary Indicators	Lowest	Median	Highest
Weighted Assessment per Household	35,000	216,000	600,000
Median Household Income	27,000	54,000	95,000

Secondary Indicators	Lowest	Median	Highest
Average Annual Change in Assessment (New Construction)	-2.3%	1.2%	4.7%
Employment Rate	27.0%	60.0%	85.0%
Ratio of Working Age to Dependent Population	120.0%	194.0%	320.0%
Per cent of Population Above Low-Income Threshold	55.0%	85.0%	98.0%

Example 2.1

Indicator: Median Household Income

- Lowest Value: \$27,000
- Median Value: \$54,000
- Highest Value: \$95,000

Example Municipality

- Indicator Data Value: \$44,000

A. Difference between Indicator Value and Median:

$$44,000 - 54,000 = -10,000$$

Since the indicator value is below the median for rural and northern municipalities, the difference between the median and the lowest value for northern and rural municipalities is calculated.

B. Difference between Median and Lowest Value:

$$54,000 - 27,000 = 27,000$$

C. Indicator Score = A / B

$$-10,000 / 27,000 = -37.0\%$$

Example 2.2

Indicator: Ratio of Working Age to Dependent Population

- Lowest Value: 120.0%
- Median Value: 194.0%
- Highest Value: 320.0%

Example Municipality

- Indicator Data Value: 257.0%

A. Difference between Indicator Value and Median:

$$257.0\% - 194.0\% = 63.0\%$$

Since the indicator value is above the median for northern and rural municipalities, the difference between the median and the highest value for northern and rural municipalities is calculated.

B. Difference between Median and Highest Value:

$$320.0\% - 194.0\% = 126.0\%$$

C. Indicator Score = A / B

$$63\% / 126.0\% = 50.0\%$$

Average Indicator Score

The average indicator score summarizes a municipality's overall results on all six indicators. A municipality's average indicator score is based on both the primary and secondary indicator average, as shown below.

Calculating Average Indicator Score

Average Indicator Score = (Primary Indicator Average + Secondary Indicator Average) / 2

Primary Indicator Average: (A + B) / 2

- A. Weighted Assessment per Household indicator score
- B. Median Household Income indicator score

Secondary Indicator Average: (C + D + E + F) / 4

- C. Average Annual Change in Assessment (New Construction) indicator score
 - D. Employment Rate indicator score
 - E. Ratio of Working Age to Dependent Population indicator score
 - F. Per cent of Population Above Low-Income Threshold indicator score
-

A positive average indicator score reflects relatively positive fiscal circumstances, while a negative average indicator score reflects more challenging fiscal circumstances.

Example 2.3

A. Weighted Assessment per Household indicator score: 7.0%

B. Median Household Income indicator score: -37.0%

Primary Indicator Average: $(7.0\% + (-37.0\%)) / 2 = -15.0\%$

C. Average Annual Change in Assessment (New Construction) indicator score: -85.0%

D. Employment Rate indicator score: 5.0%

E. Ratio of Working Age to Dependent Population indicator score: 50.0%

F. Per cent of Population Above Low-Income Threshold indicator score: -86.0%

Secondary Indicator Average: $(-85.0\% + 5.0\% + 50.0\% + (-86.0\%)) / 4 = -29.0\%$

Average Indicator Score: $(-15.0\% + (-29.0\%)) / 2 = -22.0\%$

Determination of Northern and Rural Municipal Fiscal Circumstances Index

The northern and rural MFCI measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province.

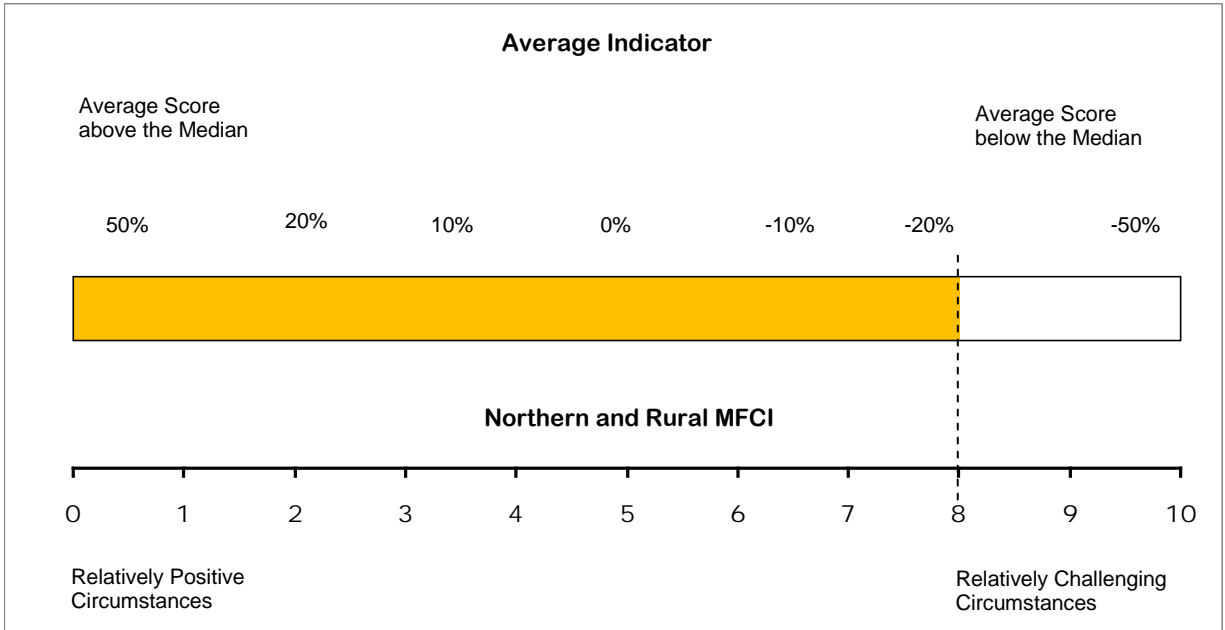
The northern and rural MFCI is measured on a scale from 0 to 10, where municipalities with fiscal circumstances similar to the median for northern and rural municipalities will have an MFCI of close to 5. A lower MFCI corresponds to relatively positive fiscal circumstances, while a higher MFCI corresponds to more challenging fiscal circumstances.

The northern and rural MFCI is determined based on a sliding scale and reflects the relative results of each municipality's average indicator score.

Example 2.4

Average Indicator Score: -22.0%

Northern and Rural MFCI: 8.0



APPENDIX B: RURAL AND SMALL COMMUNITY MEASURE

The Rural and Small Community Measure (RSCM) 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 below).

Percentage of Area Population Included as a Small Community

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 centre classification for areas with a population between 10,000 and 12,000 and is made on a sliding scale:

Area population	10,000	10,500	11,000	11,500	12,000
Percentage (%)	100	75	50	25	0

3. The RSCM 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.

For the 2013 transition year, a municipality with an RSCM greater than 25 per cent will be considered a rural municipality.

APPENDIX C: UPLOAD BENEFIT TO MUNICIPALITIES

The Province fully uploaded Ontario Drug Benefit (ODB) Program costs in 2008, Ontario Disability Support Program (ODSP) administration costs in 2009 and ODSP benefits over two years in 2010 and 2011.

In 2013, the Province will continue the phased upload of Ontario Works (OW) benefits and court security and prisoner transportation costs.

Municipal Cost Shares										
Program	Upload Status	2007	2008	2009	2010	2011	2012	2013	2014	2018
ODB	Upload completed in 2008	20%	0%							0%
ODSP Administration	Upload completed in 2009	50%		0%						
ODSP Benefits	Upload completed in 2011	20%			10%	0%				
OW Benefits	Phased upload continues in 2013	20%			19.4%	18.8%	17.2%	14.2%	11.4%	
Court Security and Prisoner Transportation	Phased upload continues in 2013 (up to \$125 million annually)	100%				85.7%	71.4%	57.1%		

Note: OW administration continues to be cost shared on a 50:50 basis between the Province and municipalities. Beginning in 2011, OW administration costs reflect a revised funding approach which will provide more than \$170 million annually to municipalities in additional support of these costs.

APPENDIX D: DATA SOURCES

Data Elements and Sources		
Data	Year	Source(s)
OMPF		
2012 OMPF Allocation	2012	2012 OMPF Allocation Notice - Line C
Rural and Small Community Measure	2006	Statistics Canada - Census
Northern and Rural MFCI		
Weighted Assessment	2012	Municipal Property Assessment Corporation (MPAC) and municipal tax rate bylaws
PIL Weighted Assessment	2010 or 2011	Municipal FIRs
Number of Households	2012	MPAC Enumeration
Median Household Income	2006	Statistics Canada - Census
Per cent of Population Above Low-Income Threshold	2006	Statistics Canada - Census
Ratio of Working Age to Dependent Population	2011	Statistics Canada - Census
Employment Rate	2006	Statistics Canada - Census
Average Annual Change in Assessment (New Construction)	2007–2012	Online Property Tax Analysis System (OPTA)
2012 OMPF Compared to Municipal Own-Source Revenue		
Own-Purpose Taxation Payments-in-Lieu of Taxation Total User Fees and Service Charges Licenses, Permits, Rents	2010 or 2011	Municipal Financial Information Returns (FIRs)

Note: For municipality-specific details refer to customized 2013 OMPF Transition-Year Workbook developed by the Ministry of Finance.

APPENDIX E: GLOSSARY

Average Annual Change in Assessment (New Construction)	Measures the five-year (2007 – 2012) average annual change in a municipality's assessment, for example, as a result of new construction, excluding the impact of reassessment.
Average Indicator Score	Summarizes a municipality's overall results on all six indicators, based on both the primary and secondary indicator average.
Employment Rate	Statistics Canada's measure of number of employed persons, divided by persons aged 15 and over.
Indicator Score	Reflects the position of a municipality's indicator data value relative to other municipalities, and has a range from -100 per cent to +100 per cent. A positive indicator score is reflective of relatively positive fiscal circumstances, while a negative score is reflective of more challenging fiscal circumstances.
Median Household Income	Statistics Canada's measure of median income for all private households.
2013 Minimum Funding Level	The 2013 minimum guaranteed level of support based on 2012 OMPF allocations. Municipalities in the north will receive at least 95 per cent of their 2012 OMPF allocation, while municipalities in other regions of the province will receive at least 90 per cent of their 2012 OMPF allocation.
Municipal Own-Source Revenue	Composed of own-purpose taxation, payments in lieu of taxation, user fees and service charges, licenses, permits and rents.
Northern and Rural Municipal Fiscal Circumstances Index (MFCl)	The northern and rural Municipal Fiscal Circumstances Index (MFCl) measures a municipality's fiscal circumstances relative to other municipalities in the province, and ranges from 0 to 10. A lower northern and rural MFCl corresponds to relatively positive fiscal circumstances, whereas a higher MFCl corresponds to relatively more challenging fiscal circumstances.
2012 OMPF compared to Municipal Own-Source Revenue	Reflects a municipality's 2012 OMPF compared to its own-source revenue.
Per cent of Population Above Low-Income Threshold	Reflects the Statistics Canada measure of the population in private households above the low-income threshold for Ontario compared to the total population in private households. The measure is based on after-tax income, and the low-income threshold is based on half the median household income in 2005.

Primary Indicators

The northern and rural MFCI is determined by six indicators which are classified as either primary or secondary to reflect their relative importance in determining a municipality's fiscal circumstances. The primary indicators are weighted assessment per household and median household income.

Ratio of Working Age to Dependent Population

Statistics Canada's measure of working age population, divided by youth (aged 14 and under) and senior population (aged 65 and over).

Secondary Indicators

The northern and rural MFCI is determined by six indicators which are classified as either primary or secondary to reflect their relative importance in determining a municipality's fiscal circumstances. The secondary indicators are average annual change in assessment (new construction), employment rate, ratio of working age to dependent population, and per cent of population above low-income threshold.

Weighted Assessment per Household

Measures the size of the municipality's tax base. Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.

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