

Ontario Municipal Partnership Fund

2011 Technical Guide

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INTRODUCTION

This guide outlines the grant parameters for the Ontario Municipal Partnership Fund (OMPF), and summarizes the updates and refinements introduced in 2011. It is intended to provide a technical overview of the funding model.

2011 ONTARIO MUNICIPAL PARTNERSHIP FUND

The OMPF, which replaced the Community Reinvestment Fund (CRF) in 2005, is the province's main transfer payment to municipalities. 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 continues to remain responsive to changing municipal circumstances such as updates in assessment, households or policing costs. Consistent with this key principle, the 2011 social programs grants have been adjusted to reflect the reduction in municipal costs from the provincial upload of the Ontario Drug Benefit Program (ODB), the Ontario Disability Support Program (ODSP) and the phased upload of Ontario Works (OW) benefits that resulted from the Provincial–Municipal Fiscal and Service Delivery Review (PMFSDR). For further details on the PMFSDR and the upload of social assistance benefit program costs, see page 3.

\$20 million in transitional assistance will also be provided in 2011 to municipalities throughout the province (see page 19 for further details).

2011 COMBINED BENEFIT

Since 2009, municipal benefits have been calculated as a combination of both OMPF and the municipal share of social assistance benefit programs uploaded by the province.

In 2011, the government will provide a combined benefit of over \$1.5 billion to 405 municipalities. This support includes:

- \$577 million in OMPF grants to 372 municipalities; and
- \$947 million in reduced social assistance benefit program costs to 201 municipalities.

This combined benefit represents a 28 per cent increase over the support announced for 2010 and more than double the funding provided in 2004.

	2004	2010	2011
CRF/OMPF	\$618 million	\$625 million	\$577 million
Uploaded Social Assistance Benefit Program Costs		\$570 million	\$947 million
Total Combined Benefit	\$618 million	\$1.2 billion	\$1.5 billion
Year-over-Year Increase	—	\$246 million 26%	\$329 million 28%
Increase Since 2004	—	\$557 million 93%	\$906 million 147%

TRANSITIONAL ASSISTANCE

The province will be providing transitional assistance in 2011. This assistance will ensure that municipalities receive a guaranteed level of support based on the 2010 combined benefit of both OMPF grants and the municipal share of social assistance benefit programs uploaded by the province. In 2011, transitional assistance will be reduced to \$20 million. This reduction reflects the increased number of municipalities receiving funding at, or close to, actual OMPF entitlements (see page 19 for further details).

PROVINCIAL UPLOAD OF SOCIAL ASSISTANCE BENEFIT PROGRAM AND COURT SECURITY COSTS

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 program costs as their top priority.

In 2011, the province will continue to deliver on its commitment in accordance with the timetable agreed to through the PMFSDR by:

- completing the upload of Ontario Disability Support Program (ODSP) benefits; and
- continuing the phased upload of Ontario Works (OW) benefits.

This builds on the government’s previous uploads of:

- Ontario Drug Benefits (ODB) in 2008; and
- ODSP administration costs in 2009.

In addition, the uploads committed to through the PMFSDR include up to \$125 million annually in court security costs beginning in 2012. This upload will be phased in between 2012 and 2018.

UPLOAD BENEFIT TO MUNICIPALITIES

As a result of the provincial uploads, 201 upper- and single-tier municipalities will see an estimated \$947 million reduction in social assistance benefit program costs in 2011.

Program	2011 Upload Benefit
ODB	\$181 million
ODSP Administration	\$85 million
ODSP Benefits	\$652 million
OW Benefits (6% uploaded in 2011)	\$29 million
Total 2011 Upload Benefit	\$947 million

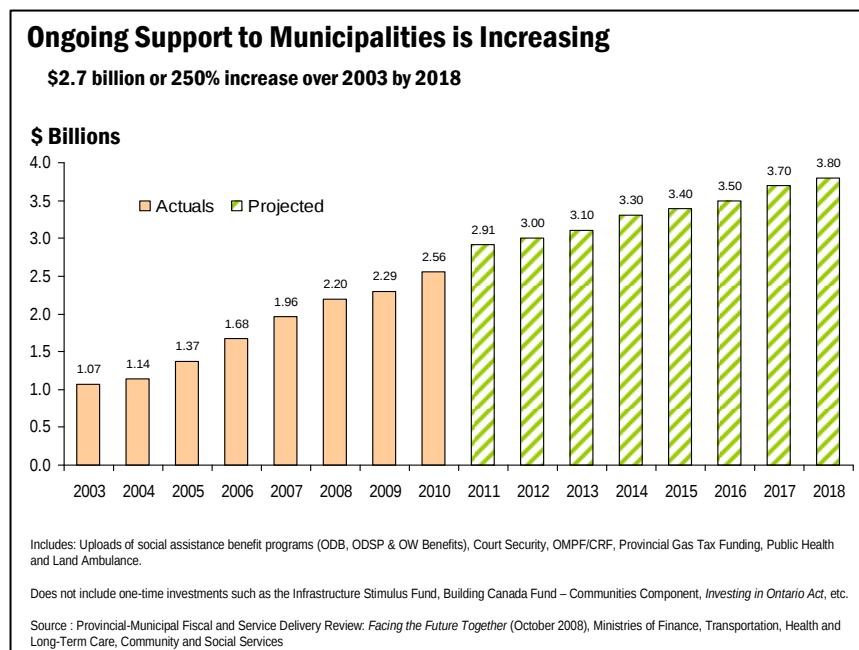
When the uploads are completed in 2018, municipalities will see a net benefit of \$1.5 billion annually as a result of the government's decision to upload the municipal share of social assistance benefit program costs and up to \$125 million annually in court security costs.

For further information on the PMFSDR report, see:
www.ontario.ca/provincialmunicipalreview

ONTARIO'S COMMITMENT TO MUNICIPALITIES

In 2011, the government will provide municipalities with more than twice the level of support they received in 2003. Together with other provincial initiatives, the province will increase ongoing annual support to municipalities to over \$3.8 billion by 2018 — an increase of more than 250 per cent compared to 2003. This support, in addition to the OMPF, includes:

- uploading the municipal share of ODB, effective January 1, 2008;
- uploading the municipal share of ODSP administration, effective January 1, 2009;
- uploading the municipal share of OW benefits over nine years, beginning in 2010;
- uploading the municipal share of ODSP benefits over two years — completed effective January 1, 2011;
- uploading the cost of court security over seven years, to a maximum of \$125 million annually at maturity, starting in 2012;
- increasing the provincial share of public health costs from 50 per cent in 2004 to 75 per cent in 2007;
- an additional \$407 million in provincial funding to maintain the 50:50 cost sharing of land ambulance costs since 2006; and
- the provincial gas tax program, providing \$316 million in gas tax funding in the 2009–10 program year, for a total of more than \$1.6 billion since 2004.



Ontario has implemented a variety of programs to assist municipalities with their infrastructure challenges:

- Since 2009, Ontario has committed close to \$2 billion towards municipal and community infrastructure stimulus projects. These investments have helped to create jobs across the province at a time when our economy needed it the most.
- The government has also provided \$1.1 billion directly to municipalities through a Regulation under the *Investing in Ontario Act, 2008*.
- As part of the commitment to municipalities, the government has made significant investments in public transit. By the end of 2010–11, the province will have provided \$10.8 billion in support since 2003.
- Ontario has also supported infrastructure in small communities. Through the Ontario Small Waterworks Assistance Program (OSWAP-3), launched in August 2010, Ontario is providing \$50 million in capital funding over four years to help small communities improve water conservation and efficiency of their water and wastewater systems.

2011 UPDATES TO OMPF FUNDING PARAMETERS

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

In addition, select OMPF funding parameters have been refined to reflect year-over-year changes in assessment and other OMPF data elements.

OMPF Funding Parameters	2010	2011
I. Social Programs Grant		
ODB costs for social assistance recipients	Uploaded by province	
ODSP administration costs	Uploaded by province	
ODSP benefit costs	Included/phased upload started	Uploaded by province
OW benefit costs	Included/phased upload started	Included/phased upload started
Reinvestment of National Child Benefit savings	Included only where investments are maintained	
Assessment Based ▶ Percentage of weighted assessment	0.156%	0.147%
II. Equalization Grant		
Assessment Equalization ▶ Average assessment per household ▶ Funding for each \$10,000 in assessment value	\$213,000 \$47	\$225,000 \$42
III. Northern and Rural Communities Grant		
Northern and Rural Social Programs ▶ Percentage of tax revenue	11.5%	11%

See Appendix C for a detailed summary of refinements and updates to the program since 2005.

THE ONTARIO MUNICIPAL PARTNERSHIP FUND: GRANTS AND COMPONENTS

The combined benefit of over \$1.5 billion in 2011 includes \$577 million in OMPF through the following:

I. SOCIAL PROGRAMS GRANT — \$25 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 — \$24 million
2. Income Threshold — \$1 million

II. EQUALIZATION GRANT — \$194 MILLION

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

1. Assessment Equalization — \$147 million
2. Farmland and Managed Forest Assessment — \$47 million

III. NORTHERN AND RURAL COMMUNITIES GRANT — \$266 MILLION

Provides funding to northern and rural communities in recognition of their unique challenges through four components:

1. Rural Communities — \$159 million
2. Northern Communities — \$85 million
3. Northern and Rural Social Programs — \$6 million
4. Stabilization — \$16 million

IV. POLICE SERVICES GRANT — \$92 MILLION

Provides funding to rural communities to support eligible 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 0.147 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: \$126,000
- Total assessment: \$27,500,000

Threshold amount: $\$27,500,000 \times 0.147\% = \$40,425$

Grant Component: $\$126,000 - \$40,425 = \$85,575$

2. Income Threshold Component

This component provides funding to municipalities with high social program costs relative to the household incomes of their residents. As with the other social programs 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 the Northern and Rural Social Programs Grant* Components: \$1,500,000
- Residual social program costs (costs net of the Assessment Threshold and the 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 14.

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 \$225,000.

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 \$225,000, 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 \$42 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: \$195,000
- Assessment per household below the \$225,000 threshold: \$30,000
- Number of households: 5,000

Total assessment differential: $\$30,000 \times 5,000 \text{ households} = \$150,000,000$

Grant Component: $\$150,000,000 / \$10,000 \times \$42 = \$630,000$

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

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.

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

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: $400 \times \$156 = \$62,400$

Example 3.2

Municipality B:

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

Grant Component: $600 \times \$78 = \$46,800$

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 11 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 11 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 (Northern Ontario):

- 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
- 11% of tax revenue: \$1,100,000

Residual social program costs above 11% threshold: $\$2,000,000 - \$1,100,000 = \$900,000$

Grant Component: \$900,000

Example 3.4

Municipality B (Southern Ontario):

- 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
- 11% of tax revenue: \$2,200,000

Residual social program costs above 11% threshold: $\$4,000,000 - \$2,200,000 = \$1,800,000$

Grant Component: $\$1,800,000 \times 70\% = \$1,260,000$

4. Stabilization Grant Component

This component provides funding to municipalities that would otherwise see decreases more than a specified per household amount relative to funding received in 2007. For 2011, the per household amount has been set at \$85.

This grant component is calculated based on the 2011 combined benefit.

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	7.5	15.0	22.5	30.0	37.5	45.0	52.5	60.0	67.5	75.0

For a small number of municipalities with a Rural and Small Community Measure of less than 75 per cent, transitional policing support may continue to be available.

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

TRANSITIONAL ASSISTANCE

In 2011, transitional assistance will be reduced to \$20 million. This reduction reflects the increased number of municipalities receiving funding at, or close to, their actual OMPF entitlements.

This assistance will ensure that municipalities receive a guaranteed level of support based on the 2010 combined benefit of both OMPF grants and the municipal share of social assistance benefit programs uploaded by the province.

The OMPF transitional assistance guarantee for 2011 again remains at a higher level for northern municipalities. However, other regions of the province will benefit from an enhancement to their guarantee.

In 2011, the guaranteed level of support will be at least:

- 95 per cent for northern municipalities; or
- 90 per cent for southern municipalities.

Transitional assistance will also ensure that no municipality will see a decrease in its combined benefit of more than \$1 million in 2011.

Transitional Assistance Guarantee Level		
	2010	2011
Geographic Designation	Guarantee as % of 2009 Combined Benefit	Guarantee as % of 2010 Combined Benefit
Northern Ontario	95%	95%
Southern Ontario	80%	90%

Distribution: Transitional assistance is distributed to upper-, lower- and single-tier municipalities.

Example A

Municipality A (Northern Ontario):

- 2010 Combined Benefit = \$250,000
- 2011 Combined Benefit Guarantee Level = 95%
- 2011 Combined Benefit Guarantee = $\$250,000 \times 95\% = \$237,500$
- Sum of 2011 OMPF grant components = \$180,000
- 2011 Benefit from ODB, ODSP and OW uploads = \$40,000

Transitional Assistance: $\$237,500 - \$180,000 - \$40,000 = \$17,500$

Example B

Municipality B (Southern Ontario):

- 2010 Combined Benefit = \$350,000
- 2011 Combined Benefit Guarantee Level = 90%
- 2011 Combined Benefit Guarantee = $\$350,000 \times 90\% = \$315,000$
- Sum of 2011 OMPF grant components = \$205,000
- 2011 Benefit from ODB, ODSP and OW uploads = \$95,000

Transitional Assistance: $\$315,000 - \$205,000 - \$95,000 = \$15,000$

IMPLEMENTATION

OMPF allocations are announced annually in time to support the municipal budget planning process, and payments are issued in quarterly instalments 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, Northern and Rural Social Programs Grant Component, and Police Services Grant.

2011 REPORTING REQUIREMENTS

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

- their 2010 Financial Information Returns (FIRs) by **May 31, 2011**;
- their 2011 tax rate bylaws by **September 30, 2011**; and
- any outstanding 2009 Financial Information Returns (if applicable).

Failure to meet these deadlines may result in the withholding of OMPF payments until these documents have been provided to the province.

MUNICIPAL WORKBOOK

To assist municipalities in understanding their OMPF allocation, the Ministry of Finance has developed a Municipal Workbook that is released to municipalities following the announcement of annual OMPF allocations.

The Municipal Workbook provides detailed grant calculations and includes updated program cost and demographic information used to calculate each OMPF grant component.

SOCIAL PROGRAMS COST REPORT

To assist municipalities in anticipating the impact of social program cost changes on their OMPF allocation, the Ministries of Finance, Community and Social Services, and Children and Youth Services have developed a Social Programs Cost Report that is released to municipal service managers and municipalities following the announcement of annual OMPF allocations.

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; and
- details related to provincial uploads of municipal social assistance benefit program costs.

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 2011 OMPF supporting materials are posted in English and French on the Ministry of Finance website at:

www.fin.gov.on.ca/en/budget/ompf/2011

www.fin.gov.on.ca/fr/budget/ompf/2011

For additional information regarding your municipality's 2011 OMPF allocation or for other general inquiries about the program, e-mail your query and contact phone number to:

info.ompf@ontario.ca

Alternatively, 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 — DEFINITIONS

Eligible 2011 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: the municipal share is 18.8 per cent of OW benefits costs and 50 per cent of administration.
- Child Care: the municipal share is 20 per cent of child care programs costs and 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 up to 2007 levels, if municipal spending on these programs continues after the introduction of the Ontario Child Benefit initiative in July 2008.

Upload Benefit to Municipalities

In 2008, the province fully uploaded ODB costs and, in 2009, uploaded ODSP administration costs. In 2011, the province will complete the upload of ODSP benefits and continue the phased upload of OW benefit costs. Changing municipal cost shares are noted below.

Municipal Cost Shares								
Program	Upload Status	2007	2008	2009	2010	2011	2012	2018
ODB	Upload Completed in 2008	20%	→ 0%					
ODSP Administration	Upload Completed in 2009	50%	→	0%				
ODSP Benefits	Upload Completed in 2011	20%	→	→	10%	→ 0%		
OW Benefits	Phased upload continues in 2011 (will be completed in 2018)	20%	→	→	19.4%	→ 18.8%	→ 17.2%	→ 0%

Eligible Policing Costs

Eligible policing 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 policing costs include bylaw enforcement, cases where service levels exceed those required by the *Police Services Act*, and costs that have been reimbursed through other funding programs.

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 centre 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	2011 projections based on 2010 actuals and service contract amounts, and	Ministry of Community and Social Services (MCSS)
Child Care	2010 inter-municipal cost shares	Ministry of Children and Youth Services (MCYS) Ministry of Municipal Affairs and Housing (MMAH)
Reinvestment of National Child Benefit Savings	Based on 2007 levels where municipal investments are maintained	MCSS/MCYS/MMAH
Ontario Provincial Police (OPP)	2011 projected costs based on 2009 actuals	OPP
Municipal Police	2011 projected costs based on 2009 actuals	Projection based on municipal Financial Information Returns (FIR)
Other Program Costs		
Social Housing	2002 devolved costs and 2010 inter-municipal cost shares	MCSS/MMAH
Weighted Assessment	2011 returned roll and 2011 starting tax ratios	Municipal Property Assessment Corporation (MPAC) and municipal tax rate bylaws
Farmland and Managed Forest Tax Revenue	2010 year-end data from 2011 Market Change Profile (MCP) and 2010 tax rates	
Own-Purpose Taxation Payments-in-Lieu Revenues	2009	Municipal FIR
Demographic & Income Data		
Number of Households	2009	MPAC Enumeration
Rural and Small Community Measure	2006	Census, Statistics Canada
Total Household Income	2006	Census, Statistics Canada

APPENDIX C — SUMMARY OF REFINEMENTS AND UPDATES

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

OMPF Funding Parameters	2005	2006	2007	2008	2009	2010	2011
I. Social Programs Grant							
ODB costs for social assistance recipients	Included	→		Uploaded by Province	→		
ODSP administration costs	Included	→			Uploaded by Province	→	
ODSP benefit costs	Included	→				Included/ phased upload started	→ Uploaded by Province
OW benefit costs	Included	→				Included/ phased upload started	→
Reinvestment of National Child Benefit savings	Not included	Included	→			Included where investments are maintained	→
1. Assessment Based							
▶ Percentage of Weighted Assessment	0.20%	0.18%	0.178%	0.176%	0.165%	0.156%	0.147%
2. Income Based							
▶ Per-household limit	N/A	\$35	\$80	\$80	\$80	\$80	\$80
▶ Average Income Threshold	N/A	0.75%	0.75%	0.75%	0.60%	0.60%	0.60%
II. Equalization Grant							
1. Assessment Equalization							
▶ Average assessment per-household	\$170,000	\$185,000	\$187,000	\$190,000	\$202,000	\$213,000	\$225,000
▶ Funding for each \$10,000 in assessment value	\$62	\$60	\$58	\$54	\$48	\$47	\$42
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	→				

OMPF Funding Parameters	2005	2006	2007	2008	2009	2010	2011
III. Northern and Rural Communities Grant							
1. Rural Communities							
▶ Per-household funding	\$150	\$153	\$156	\$156	\$156	\$156	\$156
2. Northern Communities							
▶ Per-household funding	\$225	\$230	\$235	\$235	\$235	\$235	\$235
3. Northern and Rural Social Programs							
▶ Percentage of Tax Revenue	15%	14%	13%	12.5%	12%	11.5%	11%
4. Stabilization							
▶ Funding Threshold	\$150/hh	\$150/hh	\$150/hh	\$150/hh	\$150/hh	\$85/hh	\$85/hh
▶ Relative to	2004 CRF	2004 CRF	2004 CRF	2004 CRF	2004 CRF	2007 OMPF	2007 OMPF
▶ Compared to	2005 Funding Levels	2006 Funding Levels	2007 Funding Levels	2008 Funding Levels	2009 Funding Levels	2010 Combined Benefit	2011 Combined Benefit

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