

Ontario Municipal Partnership Fund

2012 Technical Guide

TABLE OF CONTENTS

Introduction	1
Overview	1
2012 Combined Benefit	1
Transitional Assistance	2
Provincial Uploads.....	3
2012 Upload Benefit to Municipalities	4
Ongoing Support to Municipalities	5
2012 Ontario Municipal Partnership Fund	6
Updates to OMPF Funding Parameters	7
Grants and Grant Components	8
I. Social Programs Grant	8
1. Assessment Threshold Component.....	8
2. Income Threshold Component	8
II. Equalization Grant	10
1. Assessment Equalization Grant Component.....	10
2. Farmland and Managed Forest Assessment Grant Component	11
III. Northern and Rural Communities Grant.....	12
1. Rural Communities Grant Component	12
2. Northern Communities Grant Component.....	13
3. Northern and Rural Social Programs Grant Component	13
4. Stabilization Grant Component	15
IV. Police Services Grant	16
2012 Transitional Assistance	18
Implementation	19

2012 Reporting Obligations.....	19
Municipal Workbook	19
Social Programs Cost Report	20
Municipal-Tier Distribution of Funding	21
Additional Information.....	22
Appendices	23
Appendix A: Definitions.....	23
Eligible 2012 Municipal Social Program Costs	23
Upload Benefit to Municipalities	23
Eligible Policing Costs	24
Northern Municipality.....	24
Assessment.....	24
Rural and Small Community Measure	24
Appendix B: Data Sources.....	26
Appendix C: Summary of Refinements and Updates.....	27

INTRODUCTION

This guide outlines the grant parameters for the Ontario Municipal Partnership Fund (OMPF), and summarizes the updates and refinements introduced in 2012. It is intended to provide a technical overview of the funding program.

OVERVIEW

The OMPF, which replaced the Community Reinvestment Fund (CRF) in 2005, is the Province's main transfer payment to municipalities. Its objectives are to:

- assist municipalities with their social program costs;
- support areas with limited property assessment;
- address challenges faced by northern and rural communities; and
- respond to policing costs in rural communities.

The OMPF is responsive to changing municipal circumstances such as updates in assessment, households, policing costs and social program costs.

In addition to the OMPF, as part of the Provincial–Municipal Fiscal and Service Delivery Review (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 (up to \$125 million annually at maturity). In early 2011, the Ministry of Community and Social Services announced that the Province will also upload more than \$170 million annually related to OW administration costs. For further details on the PMFSDR and upload benefits to municipalities, see page 3.

2012 COMBINED BENEFIT

Since 2009, municipal benefits have been calculated as a combination of both OMPF grants and provincial uploads. Consistent with this approach, starting in 2012, the combined benefit includes the upload of court security and prisoner transportation costs, as well as additional OW administration funding provided by the Province.

The Province will provide a combined benefit of over \$1.8 billion to 416 municipalities in 2012 — almost three times the level of funding provided under the previous program. This support includes:

- \$583 million in OMPF grants to 373 municipalities; and
- \$1.2 billion in reduced social assistance benefit program and court security and prisoner transportation costs to 314 municipalities.

2012 Combined Benefit Compared to Prior Years			
	2004	2011	2012
A. CRF/OMPF	\$618 million	\$577 million	\$583 million
B. Provincial Uploads	—	\$947 million	\$1.2 billion
Combined Benefit (A + B)	\$618 million	\$1.5 billion	\$1.8 billion
	Year-over-Year Increase	\$329 million	\$287 million
	Increase Since 2004	\$906 million	\$1.2 billion

TRANSITIONAL ASSISTANCE

The Province will provide \$15 million in transitional assistance in 2012. This assistance will ensure that municipalities receive a guaranteed level of support based on the 2011 combined benefit of both OMPF and provincial uploads.

The reduction in transitional assistance in 2012 reflects the increased number of municipalities receiving funding at, or close to, actual OMPF entitlements (see page 18 for further details).

PROVINCIAL UPLOADS

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 and court security and prisoner transportation costs as their top priority.

In 2012, the Province will continue to deliver on its commitment in accordance with the timetable agreed to through the PMFSDR (see Appendix A) by:

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

This builds on the government’s previous uploads of:

- Ontario Drug Benefit (ODB) Program costs in 2008;
- Ontario Disability Support Program (ODSP) administration costs in 2009; and
- ODSP benefits over two years, completed in 2011.

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

2012 UPLOAD BENEFIT TO MUNICIPALITIES

As a result of the provincial uploads, 314 municipalities will see an estimated benefit of \$1.2 billion in 2012.

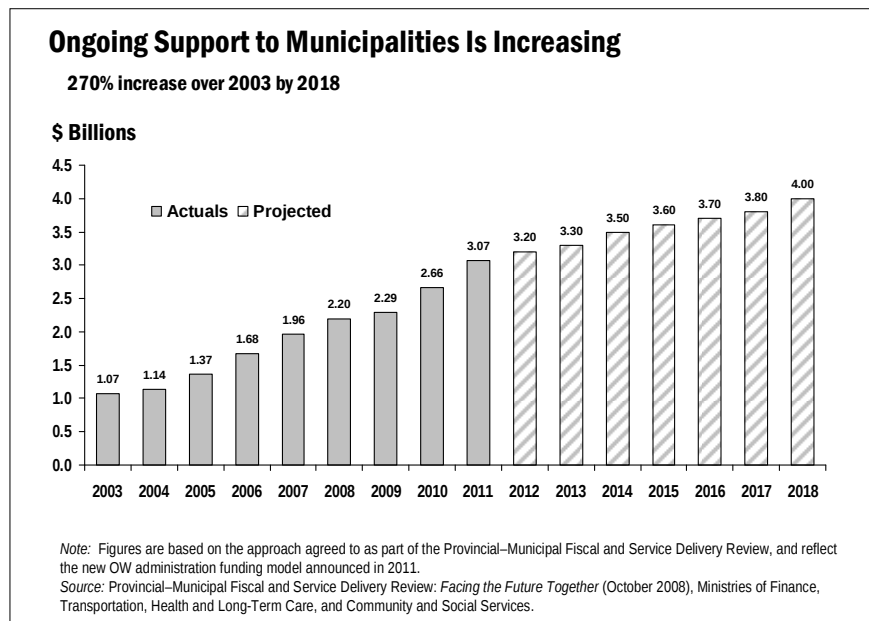
Upload Benefit to Municipalities	
Program	2012
ODB	\$185 million
ODSP Administration	\$85 million
ODSP Benefits	\$695 million
OW Administration	\$173 million
OW Benefits (14% uploaded in 2012)	\$70 million
Court Security and Prisoner Transportation (14% uploaded in 2012)	\$18 million
Total Upload Benefit	\$1.2 billion

ONGOING SUPPORT TO MUNICIPALITIES

The Province will provide municipalities with ongoing support of approximately \$3.2 billion in 2012 — almost three times the level provided in 2003. This support, in addition to the OMPF and provincial uploads, includes:

- \$432 million in provincial funding to maintain the 50:50 cost-sharing of land ambulance costs, an increase of \$206 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 \$287 million in annual provincial funding since 2004; and
- \$318 million in provincial gas tax funding in the 2010–11 program year, for a total of more than \$1.9 billion since 2004.

By 2018, the Province will have increased ongoing support to municipalities to \$4 billion a year — an increase of more than 270 per cent compared to 2003.



Since 2003, the Province has also provided municipalities with more than \$12 billion for infrastructure. These investments have helped municipalities to modernize and expand their transit systems, repair and upgrade roads and bridges, and revitalize community infrastructure.

2012 ONTARIO MUNICIPAL PARTNERSHIP FUND

The combined benefit of more than \$1.8 billion in 2012 includes \$583 million in OMPF grants 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 — \$193 million

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

1. Assessment Equalization — \$147 million
2. Farmland and Managed Forest Assessment — \$46 million

III. Northern and Rural Communities Grant — \$271 million

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

1. Rural Communities — \$162 million
2. Northern Communities — \$86 million
3. Northern and Rural Social Programs — \$6 million
4. Stabilization — \$17 million

IV. Police Services Grant — \$94 million

Provides funding to rural communities to support eligible policing costs.

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 program costs have been updated to reflect the most recent data available prior to the annual release of the program.

In addition, select OMPF funding parameters have been refined to reflect year-over-year changes in assessment and other OMPF data elements. For details, see Appendices B and C.

Updated OMPF Funding Parameters	2011	2012
I. Social Programs Grant		
Assessment Based		
▶ Percentage of weighted assessment	0.147%	0.147%
Income Based		
▶ Per-household limit	\$80	\$80
▶ Average income threshold	0.60%	0.66%
ODB costs for social assistance recipients	Uploaded by Province	
ODSP administration costs	Uploaded by Province	
ODSP benefit costs	Uploaded by Province	
OW benefit costs	Included/phased upload underway	
OW administration costs	Included*	
Reinvestment of Social Assistance Restructuring savings**	Included up to 2007 National Child Benefit savings levels only where investments are maintained	
II. Equalization Grant		
Assessment Equalization		
▶ Average assessment per household	\$225,000	\$238,000
▶ Funding for each \$10,000 in assessment value	\$42	\$37
III. Northern and Rural Communities Grant		
Northern and Rural Social Programs		
▶ Percentage of tax revenue	11.00%	11.35%
IV. Police Services Grant		
Court security and prisoner transportation costs	Included	Phased upload started

* OW administration costs for 2012 reflect the new OW administration funding approach announced in 2011.

** Formerly referred to as Reinvestment of National Child Benefit savings.

GRANTS AND GRANT COMPONENTS

I. SOCIAL PROGRAMS GRANT

The Social Programs Grant provides funding to municipalities to help offset the municipal share of eligible social program costs (for a definition of eligible costs, see Appendix A).

Support provided through the Social Programs Grants complements the government's investments in municipalities through the upload of social assistance benefit program costs and the funding provided to meet the Province's portion of established cost-sharing arrangements for social programs.

The grant has two components:

1. Assessment Threshold Component

This component provides funding to upper- and single-tier municipalities with limited property assessment to support the municipal share of eligible social program 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.

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 upper- and single-tier municipalities with high social program costs relative to the household incomes of their residents. Funding of up to \$80 per household is provided to municipalities whose net social program costs exceed 0.66 per cent of the total household incomes of their residents.

Net Social Program Costs

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.

Example 1.2

Municipality A:

- Municipal share of eligible social program costs: \$200,000
- Funding provided through the Assessment Threshold and the Northern and Rural Social Programs Grant* Components: \$90,000
- Net social program costs: $\$200,000 - \$90,000 = \$110,000$
- Total household income from all residents: \$10,000,000
- Income threshold for municipality: $\$10,000,000 \times 0.66\% = \$66,000$

Grant Component: $\$110,000 - \$66,000 = \$44,000$

*For details regarding the Northern and Rural Social Programs Grant Component, see page 13.

II. EQUALIZATION GRANT

The Equalization Grant provides funding to municipalities that have limited property assessment through two components:

1. Assessment Equalization Grant Component

This component provides funding to lower- and single-tier municipalities with limited property assessment due to lower property values and limited non-residential assessment. To determine the grant amount, a total assessment differential (i.e., the total municipal assessment below the \$238,000 per household threshold) is calculated for each municipality. Eligible municipalities receive funding on a sliding scale.

Assessment Equalization Grant Component: Funding Scale

Every \$10,000 increment in a municipality's total assessment differential results in an additional \$37 in funding.

Example 2.1

Municipality A:

- Total assessment per household: \$195,000
- Assessment per household below the \$238,000 threshold: \$43,000
- Number of households: 5,000
- Total assessment differential: $\$43,000 \times 5,000 = \$215,000,000$

Grant Component: $\$215,000,000 / \$10,000 \times \$37 = \$795,500$

2. Farmland and Managed Forest Assessment Grant Component

This component provides funding to upper-, lower- and single-tier municipalities with limited property assessment due to a significant amount of farmland and managed forest properties.

Funding equivalent to 300 per cent of the municipal revenue generated from farmland and managed forest assessment is provided if 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.

Farmland and Managed Forest Assessment Grant Component: Funding Scale

Every 2.5 percentage point increase in taxes generated from farmland and managed forest properties between five per cent and 20 per cent results in additional funding equal to 50 per cent of the taxes generated by these properties:

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

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

The Northern and Rural Communities 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 (RSCM) 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 lower- and single-tier municipalities based on the proportion of their population residing in rural areas or small communities.

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

Rural Communities Grant Component: Funding Scale

Every five percentage point increase in the RSCM between 25 per cent and 75 per cent results in an additional \$15.60 per household:

RSCM (%)	25	30	35	40	45	50	55	60	65	70	75+
Per-household amount (\$)	0.00	15.60	31.20	46.80	62.40	78.00	93.60	109.20	124.80	140.40	156.00

Example 3.1

Municipality A:

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

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

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.

Example 3.2

Municipality A (Northern Ontario):

- Number of households: 300

Grant Component: $300 \times \$235 = \$70,500$

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). It complements the support provided to these municipalities through the Social Programs Grant.

Funding is provided if the municipal share of eligible social program costs (net of the Assessment Threshold Component of the Social Programs Grant) exceeds a threshold of 11.35 per cent of municipal tax revenue.

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

Upper- and single-tier municipalities in southern Ontario are eligible to receive the full amount of funding available through this grant component if they have an RSCM of 75 per cent or greater and their social program costs are greater than the threshold. Municipalities with an RSCM between 25 per cent and 75 per cent receive a portion of this funding on a sliding scale.

Northern and Rural Social Programs Grant Component: Funding Scale

Every five percentage point increase in the RSCM between 25 per cent and 75 per cent results in a 10 per cent increase in funding for eligible costs greater than the 11.35 per cent tax revenue threshold:

RSCM (%)	25	30	35	40	45	50	55	60	65	70	75+
Net social program costs funded (%)	0	10	20	30	40	50	60	70	80	90	100

Example 3.3

Municipality A (Northern Ontario):

- Municipal share of eligible social program costs: \$4,000,000
- Assessment Threshold Component of the Social Programs Grant: \$2,000,000
- Net social program costs: \$4,000,000 – \$2,000,000 = \$2,000,000
- Tax revenue: \$10,000,000
- 11.35% of tax revenue: \$1,135,000
- Net social program costs above 11.35% threshold: \$2,000,000 – \$1,135,000 = \$865,000

Grant Component: \$865,000

Example 3.3 (cont'd)

Municipality B (Southern Ontario):

- Rural and Small Community Measure: 60%
- Municipal share of eligible social program costs: \$10,000,000
- Assessment Threshold Component of the Social Programs Grant: \$6,000,000
- Net social program costs: $\$10,000,000 - \$6,000,000 = \$4,000,000$
- Tax revenue: \$20,000,000
- 11.35% of tax revenue: \$2,270,000
- Net social program costs above 11.35% threshold: $\$4,000,000 - \$2,270,000 = \$1,730,000$

Grant Component: $\$1,730,000 \times 70\% = \$1,211,000$

4. Stabilization Grant Component

This component provides funding to upper-, lower- and single-tier municipalities that would otherwise see decreases in their 2012 combined benefit of more than \$85 per household relative to OMPF received in 2007.

IV. POLICE SERVICES GRANT

The Police Services Grant provides funding to rural communities to support eligible policing costs (for a definition of eligible costs, see Appendix A). It is distributed only to those municipalities that fund policing services.

For municipalities with a Rural and Small Community Measure (RSCM) 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 an RSCM between 25 per cent and 75 per cent receive a portion of this funding on a sliding scale.

Police Services Grant: Funding Scale

Every five percentage point increase in the RSCM 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:

RSCM (%)	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 (%)	0.0	7.5	15.0	22.5	30.0	37.5	45.0	52.5	60.0	67.5	75.0

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

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

2012 TRANSITIONAL ASSISTANCE

The Province will provide \$15 million in transitional assistance for 2012. This assistance will ensure that upper-, lower- and single-tier municipalities receive a guaranteed level of support based on their 2011 combined benefit of both OMPF and provincial uploads.

The OMPF transitional assistance guarantee for 2012 remains at a higher level for northern municipalities. In 2012, the guaranteed level of support will be at least:

- 95 per cent for northern municipalities; and
- 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 2012.

Example

Municipality A (Northern Ontario):

- 2011 combined benefit = \$250,000
- 2012 combined benefit guarantee level = 95%
- 2012 combined benefit guarantee = $\$250,000 \times 95\% = \$237,500$
- Sum of 2012 OMPF grant components = \$180,000
- 2012 benefit from provincial uploads = \$40,000

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

Municipality B (Southern Ontario):

- 2011 combined benefit = \$350,000
- 2012 combined benefit guarantee level = 90%
- 2012 combined benefit guarantee = $\$350,000 \times 90\% = \$315,000$
- Sum of 2012 OMPF grant components = \$205,000
- 2012 benefit from provincial 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 installments 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.

2012 REPORTING OBLIGATIONS

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

- their 2011 Financial Information Returns (FIRs) by **May 31, 2012**;
- their 2012 tax rate bylaws by **September 30, 2012**; and
- outstanding 2009 and 2010 FIRs, if applicable.

Failure to meet these deadlines may result in the withholding of OMPF payments until these documents have been submitted 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 to support 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, Children and Youth Services, and Education have developed a Social Programs Cost Report that is released to municipal service managers and municipalities to support 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	✓	✓	✓

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

ADDITIONAL INFORMATION

This Technical Guide and other 2012 OMPF supporting materials are posted in English and French on the Ministry of Finance website at:

www.fin.gov.on.ca/en/budget/ompf/2012

www.fin.gov.on.ca/fr/budget/ompf/2012

For additional information regarding your municipality's 2012 OMPF allocation or for other general inquiries about the program, e-mail your query and contact information 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 2012 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 (OW) benefits: the municipal share is 17.2 per cent of OW benefits costs.
- OW administration: the municipal share is 50 per cent of OW administration costs and includes additional costs recognized by the Province beginning in 2012.
- 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.
- Social Assistance Restructuring Reinvestment: reinvestment of municipal savings. These municipal reinvestments will continue to be recognized as eligible social program costs up to 2007 National Child Benefit savings levels, if municipal spending on programs for children in low-income households continues after the introduction of the Ontario Child Benefit initiative in July 2008.

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 2012, the Province continues the phased upload of OW benefit costs and begins to phase in the upload of court security and prisoner transportation costs (\$18 million in 2012). The Province has also uploaded more than \$170 million in municipal OW administration costs.

Municipal Cost Shares									
Program	Upload Status	2007	2008	2009	2010	2011	2012	2013	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 2012	20%			19.4%	18.8%	17.2%	14.2%	
Court Security and Prisoner Transportation	Phased upload starts in 2012 (up to \$125 million annually)	100%					85.7%	71.4%	
OW Administration	Upload implemented in 2012	50% of eligible costs*							

* OW administration costs for 2012 reflect the new OW administration funding approach announced in 2011.

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, including funding provided to municipalities by the Ministry of Community Safety and Correctional Services with respect to court security and prisoner transportation costs.

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 (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.

Example

- Total municipal population = 1,000
- Population in areas that are rural or in small communities = 700

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

APPENDIX B: DATA SOURCES

Data Elements and Sources		
Data	Year	Source(s)
Live Program Costs		
Social Assistance	2012 projections based on 2011 actuals and service contract amounts, and 2011 inter-municipal cost shares	Ministry of Community and Social Services (MCSS)/Ministry of Municipal Affairs and Housing (MMAH)
Child Care	2012 projections based on 2011 actuals and service contract amounts, and 2011 inter-municipal cost shares	Ministry of Education/Ministry of Children and Youth Services/MCSS/MMAH
Reinvestment of Social Assistance Restructuring savings*	Up to 2007 National Child Benefit savings levels only where municipal investments are maintained	MCSS/MMAH
Ontario Provincial Police (OPP)	2012 projected costs based on 2010 actuals	OPP
Municipal Police	2012 projected costs based on 2010 actuals	Municipal Financial Information Returns (FIRs)
Other Program Data		
Court Security and Prisoner Transportation	2012	Ministry of Community Safety and Correctional Services
Social Housing	2002 devolved costs and 2011 inter-municipal cost shares	MCSS/MMAH
Weighted Assessment	2012 returned roll and 2012 starting tax ratios	Municipal Property Assessment Corporation (MPAC) and municipal tax rate bylaws
Farmland and Managed Forest Tax Revenue	2011 year-end data from 2012 Market Change Profile (MCP) and 2011 tax rates	
Own-Purpose Taxation Payments-in-Lieu Revenues	2010	Municipal FIRs
Demographic & Income Data		
Number of Households	2011	MPAC Enumeration
Rural and Small Community Measure	2006	2006 Census, Statistics Canada
Total Household Income	2005	2006 Census, Statistics Canada

*Formerly referred to as Reinvestment of National Child Benefit savings.

APPENDIX C: SUMMARY OF REFINEMENTS AND UPDATES

OMPF Funding Parameters — Refinements and Updates								
I. Social Programs Grant								
	2005	2006	2007	2008	2009	2010	2011	2012
1. Assessment Based								
▶ Percentage of weighted assessment	0.200%	0.180%	0.178%	0.176%	0.165%	0.156%	0.147%	0.147%
2. Income Based								
▶ Per-household limit	N/A	\$35	\$80	\$80	\$80	\$80	\$80	\$80
▶ Average income threshold	N/A	0.75%	0.75%	0.75%	0.60%	0.60%	0.60%	0.66%
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 underway		
OW administration costs	Included*							
Reinvestment of Social Assistance Restructuring savings**	Not included	Included				Included up to 2007 National Child Benefit savings levels only where investments are maintained		
II. Equalization Grant								
	2005	2006	2007	2008	2009	2010	2011	2012
1. Assessment Equalization								
▶ Average assessment per-household	\$170,000	\$185,000	\$187,000	\$190,000	\$202,000	\$213,000	\$225,000	\$238,000
▶ Funding for each \$10,000 in assessment value	\$62	\$60	\$58	\$54	\$48	\$47	\$42	\$37
2. Farmland and Managed Forest Assessment	Single and lower tier: Eligible Upper tier: Not eligible	Single, lower and upper tier: Eligible						

OMPF Funding Parameters — Refinements and Updates (cont'd)								
III. Northern and Rural Communities Grant								
	2005	2006	2007	2008	2009	2010	2011	2012
1. Rural Communities								
▶ Per-household funding	\$150	\$153	\$156	\$156	\$156	\$156	\$156	\$156
2. Northern Communities								
▶ Per-household funding	\$225	\$230	\$235	\$235	\$235	\$235	\$235	\$235
3. Northern and Rural Social Programs								
▶ Percentage of tax revenue	15.00%	14.00%	13.00%	12.50%	12.00%	11.50%	11.00%	11.35%
4. Stabilization								
▶ Funding parameter	\$150/hh	\$150/hh	\$150/hh	\$150/hh	\$150/hh	\$85/hh	\$85/hh	\$85/hh
▶ Relative to	2004 CRF	2004 CRF	2004 CRF	2004 CRF	2004 CRF	2007 OMPF	2007 OMPF	2007 OMPF
▶ Based on	2005 Funding Levels	2006 Funding Levels	2007 Funding Levels	2008 Funding Levels	2009 Funding Levels	2010 Combined Benefit	2011 Combined Benefit	2012 Combined Benefit
IV. Police Services Grant								
	2005	2006	2007	2008	2009	2010	2011	2012
Court security and prisoner transportation costs	Included							Phased upload started

* OW administration costs for 2012 reflect the new OW Administration funding approach announced in 2011.

** Formerly referred to as Reinvestment of National Child Benefit savings.

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