

Toronto Tax (formerly GTA Pooling) 2008 Budget Document

Section I. Existing Services and Service Levels:

The Province imposed GTA Pooling (also known as Toronto Tax) in 1998 to help the City of Toronto fund its social assistance and social housing program as a result of the Province's downloading initiative (Local Services Realignment).

The 2007 Ontario budget announced that Toronto Tax contributions for this year will be set at the 2004 level which for Peel represents \$60.7 million. This amount will be phased out by one-sixth each year ending in 2013.

Section II. Resources to Deliver 2007 Services:

Current \$'000	2006 Actual	2007 Budget	2007 Projection	2007 Variance Under/(Over)
Total Expenditures	\$66,872	\$59,115	\$59,692	\$(577)
Net Cost	\$65,372	\$59,115	\$59,692	\$(577)

2007 Budget:

Council approved the current budget of \$59.1 million before the 2007 provincial budget announcement that sets the contributions at the 2004 level of \$60.7 million.

2007 Projection:

The Region will experience a shortfall of \$0.6 million compared to the approved budget of \$59.1 million.

Section III. Performance Measurement/Benchmarking:

Not applicable to this program.

Section IV. 2008 Base Pressures:

According to the provincial announcement, the Toronto Tax will be phased out over six years, starting from a contribution equal to the 2004 level in 2007 and continuing to decrease by one-sixth every year, to a total elimination in 2013. Based on this phase-out plan, Peel is expected to contribute \$50.6 million to the Toronto Tax in 2008 or \$8.5 million less than the approved 2007 level.

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Pooling is a program mandated by the Province through the *Services Improvement Act*, to help the City of Toronto fund its social assistance and social housing programs. Council’s decision to limit payments in 2006 amplified similar actions taken by York Region in 2005 and 2006. Peel is currently in a deficit position, owing the Province \$5.2 million for Toronto Tax contributions from 2006. With the elimination of the program scheduled over the next six years, the Province has requested that Peel pay all the withheld contributions.

Section VI. Challenges and Emerging Trends:

Considering that Council approved a Toronto Tax contribution of \$59.1 million for 2007, the cash flow of the payments will be insufficient to meet the \$60.7 million amount set by the Province and will result in an additional \$0.6 million to the already outstanding amount of \$5.2 million.

Regional Council has advocated the rebalancing of the funding of the costs of human services by having the Province assume more of these costs. It is also emphasized that the phasing out of the GTA pooling costs should be expedited from the planned seven years to a lesser time.

The Province announced on August 20, 2007 that the municipal funding share of the Ontario Disability Support Program (ODSP) would be uploaded over a four-year period. The Province did not indicate that the Toronto Tax amount would be adjusted to reflect the reduced amount for ODSP.

Section VII. 2008 Program Pressures – Current:

Not applicable to this program.

Section VIII. 2008 Program Pressures – Capital:

Not applicable to this program.

Section IX. 2008 Summary:

Budget Summary \$’000s	2007 Budget	2007 Projection	2008 Proposed	2009 Forecast	2010 Forecast
Current Budget – Total Expenditures	\$59,115	\$59,692	\$50,600	\$40,500	\$30,400

Future Outlook:

2009 and 2010 Current Budget:

The provincial phase-out of the Toronto Tax plan will continue through 2009 and 2010, reducing Peel’s contribution to \$30.4 million by 2010.

2009-2017 Capital Plan:

Not applicable to this program.

Service Level Contract for 2008:

Resources:

Not applicable to this program.

Outputs/Outcomes:

Not applicable to this program.

Section X. Pressures not included in 2008 Budget:

Not applicable to this program.

Appendices:

Appendix I	2008 Current Pressures
Appendix II	2008 Capital Overview – N/A
Appendix III	Existing Capital Project List – N/A
Appendix IV	2008 New Capital Detail – N/A
Appendix V	Ten Year Capital Plan – N/A
Appendix VI	Performance Measures/Benchmarks – N/A
Appendix VII	Staffing Information – N/A
Appendix VIII	User Fees – N/A

**APPENDIX I
TORONTO TAX
2008 CURRENT PRESSURES (\$'000)**

	Toronto Tax		
	Total Expenditures	Total Revenue	Net Cost
2007 Revised Cost of Service	59,115	-	59,115
Annualizations - Section IV - N/A	-	-	-
<i>Subtotal</i>	-	-	-
Cost of Living Increase/Inflation - Section IV			
Provincial announcement of phase-out of Toronto Tax	(8,515)	-	(8,515)
<i>Subtotal</i>	(8,515)	-	(8,515)
Efficiencies - Section V - N/A	-	-	-
<i>Subtotal</i>	-	-	-
Recoveries - Section V - N/A	-	-	-
<i>Subtotal</i>	-	-	-
2008 Base Changes	(8,515)	-	(8,515)
Growth - Section VII - N/A	-	-	-
<i>Subtotal</i>	-	-	-
Service Demand - Section VII - N/A	-	-	-
<i>Subtotal</i>	-	-	-
Subsidy and Fee Changes - Section VII - N/A	-	-	-
<i>Subtotal</i>	-	-	-
Other - Section VII - N/A	-	-	-
<i>Subtotal</i>	-	-	-
2008 New Pressures	-	-	-
Total 2008 Pressures	(8,515)	-	(8,515)
2008 Recommended Cost of Service	50,600	-	50,600