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2011/2012 FEDERAL AND ONTARIO BUDGETS

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated March 31, 2011, from the Commissioner of Finance.

1. RECOMMENDATION

It is recommended that Council receive this report for information.

2. PURPOSE

This report provides a summary of highlights of the 2011 Federal and Ontario Budgets and the anticipated impact on York Region and its local area municipalities.

3. BACKGROUND

The 2011 Federal Budget was tabled on March 22, 2011 and was subsequently suspended effective March 25, 2011

The 2011 Federal budget was tabled in the House of Commons on March 22, 2011. However, with the passing of the “non-confidence” motion by the majority of members in the House of Commons on March 25, 2011, the Governor General was asked to dissolve parliament and an election has been set for May 2, 2011.

The future of the 2011 Federal budget will be determined with the outcome of the election as to which party is in a position to form the next government.

The 2011 Ontario Budget was presented on March 29, 2011

On Tuesday, March 29, 2011, the Honourable Dwight Duncan, Minister of Finance, presented the McGuinty government’s final budget prior to the province-wide election in 2011.

The theme of the budget is that Ontario has turned the corner on the recent recession and is well poised for growth. As a result of an improving economy, the government is renewing its focus on eliminating the deficit and reforming the delivery of public services.

There are no significant new programs for municipalities in the budget. The budget does summarize a number of past initiatives and ongoing financial support for municipalities.

4. ANALYSIS AND OPTIONS

The 2011 Federal budget was suspended March 25, 2011

The Governor General has dissolved parliament and an election is set for May 2, 2011 to determine the next government. The Federal Budget tabled in the House of Commons on March 22, 2011 is now suspended pending the outcome of this election and the re-tabling or tabling of a new budget.

The Ontario budget summarizes a number of past initiatives and ongoing financial support for municipalities.

The support includes the provincial upload of Ontario Disability Benefits, Ontario Disability Support Program and Ontario Works benefits, Court Security, Provincial Gas Tax, Public Health, Land Ambulance and additional funding for Ontario Works administration. It does not include one-time investments such as infrastructure stimulus funding, Building Canada Fund-Communities component and the *Investing in Ontario Act*.

5. FINANCIAL IMPLICATIONS

Ontario Disability Support Program was fully uploaded to the Province in 2011 to the amount of \$11.4 million. Additional Provincial funding of \$1.935 million was received for Land Ambulances in 2011 representing 50/50 cost-sharing and Public Health continued commitment of 75% cost-share. \$4.0 million of unbudgeted funding was received at the end of 2010 to provide for administration costs of Ontario Works. No funding has been included in the budget for uploading of Court Security costs which is planned to start in 2012.

6. LOCAL MUNICIPAL IMPACT

It is expected that all municipalities may be impacted by the announcements contained in the 2011 Federal Budget and the 2011 Ontario Provincial Budget. The actual impact will be determined based on further details related to the respective programs.

7. CONCLUSION

The Federal Budget is suspended until the results of the 2011 election are known. The Ontario Budget continues on previous initiatives that will impact York Region. Information contained in this report is based on the best information available at this time. As further details become available, we will be in a better position to assess the impact on York Region services and proposed new initiatives in partnership with funding partners.

For more information on this report, please contact Kelly Strueby, Director, Business Planning and Budgets at Ext. 1611.