



# COMMUNICATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	March 25, 2021
<b>SUBJECT:</b>	Ontario Budget 2021 (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

On March 24, 2021, the Ontario Government released the 2021 Ontario Budget – Ontario’s Action Plan: Protecting People’s Health and Our Economy.

The following is a high-level summary of the Budget which has a focus on two vital priorities of:

1. Protecting People’s Health
2. Protecting the Economy

Appendix “A” attached to this Communication Update is a summary from the Municipal Finance Officers Association of Ontario (MFOA) released on March 24, 2021. Many other associations and organizations have summaries and commentaries available from various sources.

## Fiscal Plan and Economic Outlook

- Total investments of \$16.3B to protect people's health and \$23.3 B to protect the economy.
- Ontario's COVID-19 action plan support now totals \$51 B.
- The Province’s real gross domestic product (GDP) is estimated to have declined by 5.7 per cent in 2020.
- Ontario is projecting a \$38.5 B deficit in 2020–21. Over the medium term, the government projects steadily declining deficits of \$33.1 B in 2021-22, \$27.7 B in 2022-23 and \$20.2 B in 2023–24.

- Depending on the level of growth, Ontario will likely not achieve a balanced budget before 2029-30.

### **Protecting People's Health**

#### Defeating COVID-19

- \$1.0 B for the province-wide vaccination plan
- \$2.3 B for testing and contact tracing
- \$1.4 B for personal protective equipment
- \$1.8 B to support hospitals

#### Investments in Long-Term Care

- Over the next four years, Ontario will invest \$933 M to build 30,000 additional beds, \$426 M to improve living conditions in existing homes and \$4.9 B to increase the average daily care.

#### Caring for People

- Historic investments in hospitals across the Province
- \$3.8 B over 10 years with \$175 M in 2021-2022 to support people with mental health and addictions issues
- \$2.1 M over three years to support victims of domestic violence and other crimes
- \$1.6M over two years to support Anti-Racism and Anti-Hate Grant Program

### **Protecting the Economy**

#### Supporting Workers and Families

- New Ontario Jobs Training Tax Credit
- Additional payment through the Ontario COVID-19 Child Benefit
- 20% enhancement to the Childcare Access and Relief from Expenses (CARE) Tax Credit for 2021
- Additional investments to build and improve schools and to improve remote learning technology

#### Supporting Jobs

- A second round of Ontario Small Business Support Grant payments to eligible recipients.
- Additional \$400 M over three years to support business in the tourism, hospitality and culture industries.
- \$2.8 B to improve internet connectivity across the Province.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Supporting Communities

- Approximately \$1.0 B in support for municipalities (as recently announced) including:
  - \$255 M to support vulnerable persons through the Social Services Relief Fund (City to receive \$12.3 M)
  - \$500 M to support municipal operating pressures and recovery in 2021 (City to receive \$18.7 M)
  - \$150 M to support municipal transit systems in 2021 (City to receive \$16.8 M)
- Providing property tax stability through further postponement of the property tax reassessment
- More than \$21 B in funding over the next 10 years, including about \$2.6 B in 2021-22 to expand and repair highways and bridges
- \$200 M through the 2021 Ontario Community Infrastructure Fund (OCIF)

**Additional Items Affecting Hamilton**

- Continued commitment to deliver the updated Hamilton LRT project
- The widening of Highway 6 South from Highway 403 to Upper James Street in the City of Hamilton, from two to four lanes for about nine kilometres

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Communication Update – MFOA 2021 Ontario Budget Summary  
(2021.03.24)