COMMUNICATION UPDATE

TO: Mayor and Members
    City Council

DATE: March 25, 2021

SUBJECT: Ontario Budget 2021 (City Wide)

WARD(S) AFFECTED: City Wide

SUBMITTED BY: Brian McMullen
    Director, Financial Planning, Administration and Policy
    Corporate Services Department

SIGNATURE: [Signature]


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
• $1.6 M 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.
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)