



Office of the Commissioner
Finance Department

MEMORANDUM

To: Regional Chair Emmerson and Members of Regional Council
From: Laura Mirabella, FCPA, FCA
Commissioner of Finance and Regional Treasurer
Date: September 5, 2019
Re: Updates to provincial funding changes affecting York Region budget

The 2019 Ontario Budget introduced funding reductions in several areas affecting municipalities. A Memorandum to Council on June 12, 2019 identified provincial funding reductions and their impacts to the Region's budget.

This memo and Attachment 1 provide an update on the financial implications to the Region based on information and funding allocation notices received to date. Estimated funding changes have been updated for Community and Health Services to reflect the new information. The estimates will be updated as new information becomes available.

Provincial funding reductions are expected to come into effect in 2020. For 2019, overall provincial funding is estimated to increase by \$5.66 million compared to budget. This reflects \$3.10 million in funding reductions that may have potential tax levy implications, as well as \$8.76 million in funding increases that have no immediate tax levy impacts. For 2020 to 2022, the overall funding reduction is estimated to be \$15.72 million, \$25.14 million and \$30.18 million, respectively.

Updates to funding reductions impacting departmental budgets

Community and Health Services

In August 2019, the Province announced an overall increase for 2019 of 4% to the Land Ambulance Services Grant (LASG). However, the Region's allocation as outlined in the notice received on August 20, 2019 represents a 2.6% increase over 2018 amounts. This represents a funding reduction compared to the amount included in the Region's 2019 budget. Information on financial implications to Paramedic Services is shown on Attachment 1.

On June 4, 2019, the Province provided information on the funding cut to Senior's Services/Long-Term Care to be implemented beginning August 1, 2019. Subsequent to this

announcement, on July 26, 2019, the Province changed the effective date of the reduction to October 1, 2019. Information on the financial implications is shown on Attachment 1.

In August, the Province announced that it would be phasing in the planned changes to Child Care funding and cost sharing over the next three years. The impact of this new phased in approach is still being assessed and an update will be provided at a later date.

The Province announced increases to flow-through funding in 2019, including an estimated increase of \$2.97 million to Public Health and \$5.78 million for other Community and Health Services programs. Flow-through funding cannot be used to offset reductions in other programs or Regional program costs.

In 2020, Provincial funding reductions are expected to create \$15.72 million in overall pressures to the Region relative to the 2020 budget outlook, including \$12.20 million in potential tax levy pressures and \$3.52 million in reductions to flow-through funding.

York Regional Police

In the June 12th Memorandum, YRP staff indicated that grant funding reductions would total approximately \$1.88 million per year. Further updates based on announced grant funding allocations will be provided at a later date.

Laura Mirabella, FCPA, FCA
Commissioner of Finance and Regional Treasurer

Bruce Macgregor
Chief Administrative Officer

KS/EH/bt
Attachment (1)
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