

Giuliana Carbone
Deputy City ManagerSocial Development, Finance and
Administration
100 Queen St. West
Toronto, ON M5H 2N2Tel: (416) 392-5207
Fax: (416) 392-8403
chris.brillinger@toronto.ca
www.toronto.ca

2018 OPERATING BUDGET BRIEFING NOTE

Equity Impacts of Changes in the 2018 Operating Budget

Issue/Background:

For the 2018 Budget, Council directed the City Manager and Deputy City Manager and Chief Financial Officer report on the equity impacts of the efficiencies, service level changes and new/enhanced services included in the 2018 Operating Budget, with particular focus on the gender equity impacts of these budget change proposals and the impact on persons with low-income. (**EX25.18 2018 Budget Process – Budget Directions and Schedule** <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>)

This Briefing Note:

- i. provides an explanation of what equity budgeting is,
- ii. outlines the process City staff used to measure the potential equity impacts of efficiencies, service level changes, revenue changes and new/enhanced services included in the 2018 Preliminary Operating Budget,
- iii. summarizes the analysis of potential equity impacts of efficiencies, service level changes, revenue changes and new/enhanced services in the 2018 Preliminary Operating Budget as well as new/enhanced services provided on a list of proposals for Budget Committee and Council's consideration and
- iv. summarizes comments of an External Review panel convened to contribute to the analysis.

The initiative to measure and report on the equity impacts of changes in the 2018 Operating Budget was a collaboration of the Poverty Reduction Strategy Office in Social Development, Finance and Administration, Financial Planning and Equity, Diversity and Human Rights.

Key Points:

Equity Budgeting

The City of Toronto's Equity, Diversity and Human Rights division explains: "The idea of equity acknowledges that inequalities exist which limit the participation of some groups in society. This idea recognizes that not everyone: starts with the same advantages, has the same life chances or opportunities, enjoys similar access to employment, goods, facilities, services and resources, and benefits equally from living or working in Toronto."ⁱ

Equity is a consideration and priority in much of what the City does and how they City does its work - from the development of equity enhancing strategies, policies and programs such as the

Poverty Reduction Strategy, the Action Plan to Confront Anti-Black Racism, the Strong Neighborhoods Strategy, the Community Grants Policy and the Welcome Policy to the values that guide the City's work, as reflected in the City's motto, *Diversity our Strength*.

Embedding equity considerations in the City's Budget process can contribute to the successful implementation of equity priorities. An analysis of equity impacts of the City Budget also provides information and data that can contribute to improved performance and service as well as evidence-based decision-making.

Many jurisdictions have adopted various models of equity budgeting. Equity budgeting is a useful tool to ensure equity priorities are met and to respond to the widely accepted reality that inequality has an economic cost in terms of levels of productivity, human resources, health impacts and reliance on social supports and programs. Almost half of the countries in the Organization for Economic Cooperation and Development have introduced or are planning or considering introducing some form of gender budgeting.ⁱⁱ In Canada, at the federal level, tools are applied to analyze the gender impacts of budget and policy proposals. In its last budget, the Government of Canada included a Gender Statement. At the provincial level, the Government of Ontario also included a statement about its most recent budget's impact on women and girls. Also at the provincial level, tools are currently under development to support program and policy analysis through an anti-racism lens.

Given the diversity of Toronto's population and the City's existing equity priorities, only applying a gender lens would be insufficient. Applying a broader equity lens, that includes but is not limited to gender, provides more fulsome and useful data and analysis.

An analysis of how budget decisions may impact different equity-seeking groups and how the barriers faced by equity-seeking groups are being increased, decreased or unchanged provides City Council and Torontonians with information that can support informed Budget debates and decisions. As the City of Toronto incorporates the concept of equity into its budget process, it is aligning with and responding to the changing provincial and federal landscape, recognizing the diverse needs and experiences of Torontonians, acknowledging historical inequities in resource allocation, increasing its capacity for performance and service improvement and strengthening its ability to make evidence-based decisions.

Measuring the Potential Equity Impacts

- **A Phased Approach**

The approach used to measure the potential equity impacts of efficiencies, service level changes, revenue changes and new/enhanced service requests in the 2018 Preliminary Operating Budget builds on work done for the 2017 Operating Budget process, the first year of equity budgeting at the City.

For the 2017 Operating Budget, an External Review Panel, comprised of academics and community members with equity expertise, analyzed and reported on the potential equity impacts of proposed service level changes (excluding efficiencies).

For the analysis of the potential equity impacts of the 2018 Operating Budget, there have been significant enhancements resulting in substantial progress being made to integrate equity impact measurements into the City's Budget process.

- An *Equity Lens for the 2018 Budget* tool was developed. Training sessions on how to apply this tool were made available to all Programs and Agencies.
- All Programs and Agencies were directed to apply the *Equity Lens for 2018 Budget* tool to all proposed efficiencies and service level changes in their 2018 Operating Budgets. The application of the Lens enabled potential equity impacts to be identified and an Equity Impact Statement to be generated.
- Equity impact assessments were incorporated into the City's operating Budget system.
- An External Review Panel, comprised of academics and community members with equity expertise, reviewed Budget proposals as well as City staff's equity impact analysis. The members of this Panel may be found in Attachment A.
- An interdivisional staff working group was convened to review the application of the *Equity Lens for the 2018 Budget* and the resulting analysis. The panel will be exploring ways of improving and extending the initiative for 2019.

This Briefing Note provides a summary of the equity impacts of Budget proposals that are included in the 2018 Preliminary Operating Budget, as well as those for new/enhanced service requests not included, but provided for Budget Committee and Council's consideration. Additionally, a summary of the External Panel's key comments are presented in the final section.

Future phases of the project will strengthen and expand the analysis of the equity impacts of the City's Budget.

Future phases will also benefit from an *Intersectional Gender Analysis Guide*. The purpose of the *Intersectional Gender Analysis Guide* is to help staff learn more about gender and equity and assist them in applying this knowledge to program and policy, development, implementation and evaluation. The *Intersectional Gender Analysis Guide* will draw attention to the way intersectionality, gender and equity are framed and more effectively respond to the challenges of the increasingly diverse population that the City serves.

- **The Development of the Equity Lens for the 2018 Budget**

The *Equity Lens for the 2018 Budget* tool was developed based on the existing Equity Lens created by the Equity, Diversity and Human Rights division. The *Equity Lens for the 2018 Budget* is an online tool that supports users to examine how budget proposals may impact equity-seeking groups. The tool focuses on the equity-seeking groups recognized by the City with an emphasis on women and people with low-income. The tool includes a list of key barriers, relevant to programs and services delivered by the City, which are commonly experienced by equity-seeking groups. The tool supports users to identify which equity-seeking groups, if any, may be impacted by the Budget proposal and how the proposal may increase or decrease the identified barriers for the identified equity-seeking groups. The tool also seeks to measure the potential equity impact. The key components of the *Equity Lens for the 2018 Budget* are included in Attachment B.

- **Implementation**

The concept of equity and measuring equity impacts is familiar to some Programs and Agencies, and new to others. More than 150 staff across the City participated in the training sessions that were provided. The *Equity Lens for the 2018 Budget* was applied by most Programs and Agencies, with the exceptions discussed below, resulting in useful analysis.

While inconsistencies in the application of the *Equity Lens for the 2018 Budget* were addressed by the provision of support and extensive review from the project team, it is clear that additional training and greater support needs to be provided to City staff. Furthermore, the identification of the impacted equity-seeking groups is limited by factors including the availability of disaggregated data.

The *Equity Lens for the 2018 Budget* provided six impact levels: positive-high, positive-medium, positive-low, negative-high, negative-medium, negative-low. There were discrepancies in how the impacts were measured by Programs and Agencies that could not be resolved due to limited time and resources. As a result, the impact levels are reported on a more simplified scale: positive, negative or no impact.

The City's Accountability Offices did not participate in this initiative. They reviewed Council's direction and determined that it did not apply to them.

The Toronto Police Budget did not include service level changes and therefore the Toronto Police Service did not apply the *Equity Lens for the 2018 Budget*. Future phases of this project will address how to effectively engage and involve the Toronto Police Service.

Recent decisions by the TTC Board resulted in a budget request being added to the list of proposals for consideration of Budget Committee and Council. There was insufficient time to apply the *Equity Lens for the 2018 Budget*.

Additionally, there was a proposal related to enhanced security at City Hall for which there was insufficient time to apply the *Equity Lens for the 2018 Budget*. If the proposal is approved as part of the Budget, an equity impact analysis will be conducted to identify potential equity impacts and assist in determining how they can best be addressed.

Significant Equity Impacts of Changes in the 2018 Preliminary Operating Budget

The efficiencies, service changes, revenue changes and new/enhanced services included in the 2018 Preliminary Operating Budget are identified in Tables 3 and 4 and Appendices 4 and 5 of each Program's Operating Budget Notes. There are no significant, large-scale positive or negative equity impacts, with two exceptions: the draw from the child care capital reserve to fund Occupancy Grants and the expansion of a dental program for Ontario Works clients, which are described below. The proposed changes have the greatest impact on women and people with low-income.

Some of the other proposals have modest equity impacts. In Attachments C and D, a list of proposals in the 2018 Preliminary Operating Budget with positive and negative equity impacts is provided. (Note that some Programs found that a small number of proposed efficiencies were

likely to improve customer service and have modest positive equity impacts.) The following table summarizes the equity impacts, by budget category, included in the 2018 Preliminary Operating Budget.

Table 1
Equity impacts by Budget Category
Included in 2018 Preliminary Operating Budget (\$000s)

Budget category	Impact level	Total gross value (\$000s)	Total net value (\$000s)
New/Enhanced	No impact	10,867.8	(188.4)
	Positive impact	3,383.2	1.4
	Negative impact	0	(45.9)
	Sub-total	14,251.0	(232.9)
Efficiencies & service changes (reductions)	No impact	(21,629.2)	(17,718.9)
	Positive impact	(3,784.1)	(3,594.3)
	Negative impact	(190.8)	(105.8)
	Sub-total	(25,604.1)	(21,419.0)
Revenue changes	No impact	3,336.0	(14,673.5)
	Positive impact	0	(5,821.2)
	Negative impact	0	(90.0)
	Sub-total	3,336.0	(20,584.7)
TOTAL		(8,071.1)	(42,236.6)

• **2018 Budget Preliminary Operating Budget proposals with Positive Equity Impacts**

Below the proposals with the most significant equity impacts are highlighted. A summary of the analysis generated through the application of the *Equity Lens for the 2018 Budget* is provided.

○ **Access to child care**

A draw from the Child Care Expansion Reserve for Occupancy Grants will mitigate the need for a fee increase related to occupancy costs. This will have a positive impact, particularly on women and families with low-income. Accessible, affordable child care increases access to employment, education and training for women, as well as for low-income families, many of whom are from equity-seeking groups. (Equity-seeking groups are at higher risk of low-income.)

○ **Access to City Services and Spaces**

Efficiencies proposed by Long-Term Care Homes and Services, Children's Services and Toronto Employment and Social Services will primarily impact persons with low-income and women. The efficiencies are expected to improve customer service and have small positive equity impacts that will increase access to health services, child care and City services, among other positive impacts.

A proposal from Municipal Licencing and Standards will harmonize by-laws regarding the use of sidewalks by cafes and for marketing purposes. This proposal will have a positive impact on the women, persons with disabilities and seniors. It will increase the accessibility of sidewalks.

- **Public Health**

Toronto Public Health, with support from the provincial government, will expand dental care for adult recipients of Ontario Works. The expansion will have a positive impact on people with low-income by increasing their access to dental care. Additionally, this proposal may decrease stigma and discrimination, and increase the impacted residents' sense of self, self-esteem and employability.

- **Access to affordable housing**

Municipal Licensing & Standards' proposal to regulate short-term rentals may have a positive impact on the availability of affordable rental housing benefitting persons with low-income and those who experience housing instability.

- **Safety**

The Vision Zero proposal to the Transportation Services Budget will have a positive impact on persons with disabilities, youth, seniors and women. It will increase access to City space and safety.

- **2018 Budget Preliminary Operating Budget proposals with negative equity impacts**

Below the proposals with the most significant equity impacts are highlighted. A summary of the analysis generated through the application of the *Equity Lens for the 2018 Budget* is provided.

- **Opportunity for community participation**

Economic Development and Culture has a proposal to reduce support to Downsview Park Arts Alliance. While the budget reduction is small, the proposal will have a negative impact on low-income, Black youth who are the primary members of one of the groups, Pan Fantasy Steelband, who will be impacted by this proposal. The impacts include decreased access to training and employment opportunities and decreased opportunities for community participation. It may also have a negative impact on the impacted people's sense of identity and belonging.

- **Access to training and education**

Toronto Public Health's budget includes a discontinuation of a partnership with the Children's Aid Society of Toronto for the Ambassador Program which supports 10-15 youth annually to obtain high school credits. This proposal will impact low-income, vulnerable youth. It will decrease their opportunities to complete their high school diplomas and impact their employability.

Significant Equity Impacts of Proposals for New/Enhanced Services Not Included in the 2018 Preliminary Operating Budget

There are several proposals with equity impacts that are not included in the 2018 Preliminary Operating Budget, but have been presented to Budget Committee and Council for consideration. Of these proposals for new/enhanced services not in the 2018 Preliminary Operating Budget, there are no proposals with negative equity impacts. (However, there are proposals, noted below, for which an equity impact assessment was not conducted.) A full list of these proposals as well as their Equity Impact Statements can be found in Attachment E.

The total value of the proposals for new/enhanced services not included in the 2018 Preliminary Operating Budget is \$95.1 million (gross), \$41.3 million (net.)

- The value of those proposals with positive equity impacts is \$77.8 million (gross), \$23.4 million (net).
- The value of those proposals with no equity impacts is \$6.7 million (gross), \$5.2 million (net).
- The value of the proposals for which there was not an impact analysis conducted is \$7.6 million (gross), \$12.8 (net).

No equity impact analysis was conducted by the Accountability Offices as they determined Council's direction regarding equity impact analyses did not apply to them. For the proposals for Enhanced Security at City Hall and the Presto Two Hour transfer there was insufficient time to conduct an analysis.

• Proposals Not Included in the 2018 Preliminary Operating Budget with positive equity impacts

Below the proposals with the most significant equity impacts are highlighted. The most impacted equity-seeking groups are noted, including women and people with low-income.

- **Anti-racism, reconciliation and inclusion –\$2.4 million (net and gross)**

There are several proposals which address racism, enhance inclusion and advance reconciliation.

The *Action Plan to Confront Anti-Black Racism* will have a positive impact on Black Torontonians, including the diversity of Black residents who are also members of other equity-seeking groups, including women, youth, newcomers, queer and trans communities, Francophones, people with disabilities, and people living with HIV/AIDS. The proposal seeks to address systemic barriers which prevent people of African descent from enjoying the full benefits of living in Toronto, including equitable access to resources, services, and life chances. The proposal will increase Black Torontonians' access to: City services, City spaces, economic development opportunities, health services, parenting supports and training and employment supports. It will also increase opportunities for civic engagement and community participation as well as foster a sense of identity and belonging. The proposal's

impacts may also include decreasing poverty and increasing impacted residents' safety and security.

There are several proposals to support Aboriginal people in Toronto and reconciliation efforts, including one for the creation of an **Indigenous Affairs Office**. This proposal provides an opportunity for the City to develop and implement a reconciliation strategy. An additional proposal from Economic Development and Culture will increase the visibility of **Aboriginal culture**, enhance the conditions for Aboriginal arts and culture and build the capacity of Aboriginal artists, craftpersons and cultural organizations. The proposals have a further positive impact because they increase Aboriginal people's access to: opportunities for training and employment, City information, City services and opportunities for civic engagement.

Toronto For All is a public educational campaign initiative focused on promoting a more welcoming and inclusive city. The proposal is for an investment in the next phase of the campaign which will focus on social inclusion issues related to Toronto's Aboriginal communities. This proposal is likely to specifically impact Aboriginal people in Toronto in that it is likely to decrease discrimination and enhance inclusion. More generally, the campaign benefits all equity-seeking groups as it reinforces that Toronto is committed to equity and diversity. The broader impacts of the campaign include increased: civic engagement, community participation and sense of belonging. (The 2019 campaign will include a focus on people with disabilities.)

A proposal for the **Toronto Strong Neighborhoods Strategy** aims to strengthen priority neighborhoods. The proposal will have a positive impact on Aboriginal peoples, women, racialized groups, LGBTQ2S communities, persons with disabilities, youth, immigrants and refugees, persons with low income and undocumented individuals, particularly those in Neighborhood Improvement Areas. This proposal will increase access to City and community services and economic development opportunities. Additionally, it will increase opportunities for civic engagement and community participation, as well as residents' sense of belonging.

- **Access to child care - \$48.0 million (gross), \$21.1 (net)**

Children's Services has submitted several proposals that will increase access to and affordability of child care in Toronto, in alignment with the City's Child Care Growth Strategy.

The equity impacts of proposals that increase access to and affordability of child care are significant, particularly for women and families with low-income. Increasing access to and affordability of child care increases access to employment, education and training for women, as well as for low-income families, many of whom are from equity-seeking groups. (Equity-seeking groups are at higher risk of low-income.)

- **Access to City services and City spaces - \$13.5 (gross), \$6.8 million (net)**

A proposal from the City Manager's Office to support compliance with the **Accessibility for Ontarians with Disabilities Act (AODA)** will have a positive impact on Torontonians with

disabilities, primarily increasing their access to City services, City spaces and City information.

Economic Development and Culture has submitted several proposals that will make cultural activities in the City more accessible, primarily to people with low-income, women, immigrants and refugees, youth and racialized people.

Parks, Recreation and Forestry has submitted several proposals that will increase access to City spaces and services. One of the most significant proposals is to address unmet demand for recreation programs by adding 10,000 new spaces in camps and introductory recreation programs. This proposal will have a positive impact on the following equity-seeking groups: women, persons with low-income, immigrants and refugees, racialized groups, LGBTQ2S residents, persons with disabilities, and youth. The impacts include increased access to: City services, City spaces, opportunities for civic engagement, opportunities for community participation and a sense of identity and belonging.

The **Toronto Public Library (TPL)** has submitted several proposals which will expand access to library resources and programs. TPL proposes **extending Sunday hours**, expanding **Youth Hubs**, launching an **e-learning initiative** and providing **WiFi hotspot lending**. These proposals will have a positive impact on many equity-seeking groups, including youth from families with low-income, newcomers and people with low-income. Access to library resources and programs can increase access to: learning opportunities, City information, training and employment opportunities, as well as opportunities for civic engagement and community participation.

- **Access to affordable housing - \$5.4 million (gross), \$2.1 million (net)**

Tenants First is a proposal to support the continued implementation of the first phase of the transformation of Toronto Community Housing. The implementation of Tenants First will have a positive impact on TCHC's tenants, many of whom are persons with low-income, seniors, people with disabilities and people from other-equity-seeking groups. It will increase access to City services and affordable housing.

Transform TO also has several proposals which will have a positive impact on residents with low-income, increasing access to affordable housing, training and employment, as well as opportunities for civic engagement and community participation.

- **Public Health - \$4.1 million (gross), \$3.4 million (net)**

Toronto Public Health has submitted several proposals to support **student nutrition**. Proposals that support student nutrition will have a positive impact on students from low-income families. The impacts include increased access to food by nutritionally vulnerable students who will benefit from having a nutritious breakfast on a daily basis while at school; this will enable them to more fully achieve positive health, learning and behavioural outcomes.

Toronto Public Health has also submitted a proposal to enhance the **Toronto Urban Health Fund**. The proposal will help sustain efforts, in the African, Caribbean Black communities,

to address HIV infection and substance use in the City's west region. HIV rates among Black youth and women continue to represent a high proportion of cases in Toronto. This proposal will have a positive impact on people from the following equity-seeking and vulnerable groups: recent immigrant/newcomer, African, Caribbean and Black (ACB), persons with low-income, women and youth residing in the City's Neighbourhood Improvement Areas (NIAs). It will increase access to health services and opportunities for community participation and civic engagement.

A proposal related to the *Immunization of School Pupils Act*, which has been submitted to ensure the City can meet new requirements from the Ministry of Health and that students in Toronto are appropriately vaccinated, will have positive equity impacts. Specifically, it will have a positive impact on immigrants and refugees, youth, persons with low-income and persons with low literacy. The proposal will increase the number of children being protected against vaccine-preventable diseases. Given that disparities in immunization continue to exist among racialized groups and across different socioeconomic classes, assessing and providing opportunity for immunizations for all students will aid in reducing this inequity.

Also in the area of public health is a proposal from the Toronto Paramedic Services to enhance the **Community Paramedicine @ Home Program**. The Program, which provides medical care to identified vulnerable patients in order to mitigate the growing emergency call demand, will most impact low-income, isolated seniors in Neighborhood Improvement Areas by increasing their access to health care.

- **Training and employment – \$677,000 (gross), \$554,000 (net)**

A proposal from the Fair Wage Office in Human Resources division (City Manager's Office) supports the development and implementation of pilot projects designed to protect and promote **decent work standards** under City contracts. This proposal will have a positive impact on all of the equity-seeking groups, all of whom are at higher risk of low-wage, precarious work. It increases access to good jobs.

Two other modest proposals, one from the City Manager's Office and one from Fire Services, will increase access to employment at the City for people from equity-seeking groups. Another modest proposal from Economic Development and Culture will provide economic development support to small and medium sized retail and service enterprises in distressed retail areas resulting in increased access to employment.

- **Access to transit - \$5.2 million (gross), \$4.6 million (net)**

The *Transit Fare Equity Program* creates a new TTC concession which will extend discounted fares to adult low-income residents not eligible for existing TTC concessions. It will have a positive impact on residents with low-income, including people from all equity-seeking groups, because people from equity-seeking groups are more likely to experience poverty. The proposal will increase low-income residents' access to public transit, thereby also increasing their access to City services, community services, City spaces, and training and employment opportunities. It will also increase opportunities for civic engagement and community participation and increase impacted residents' sense of belonging.

(There was not sufficient time to conduct an equity impact assessment of the TTC's **Two Hour Presto Transfer** proposal. An equity assessment will be completed pending Board direction to include this initiative in the 2018 Operating Budget.)

- **Other - \$1.4 million (gross and net)**

Several other proposals have significant equity impacts.

The City Clerk's Office has a proposal for real-time and archived video captioning of Council and Committee meetings that will increase access to City information and opportunities for civic engagement for people with disabilities, as well as seniors and immigrants and refugees who might have difficulty following and understanding English.

Social Development, Finance and Administration's proposal to resource the **Equity Budgeting** initiative has the potential for positive impact on all equity-seeking groups and address a broad range of barriers faced by equity-seeking groups. This proposal will support the analysis of the potential equity impacts of Budget decisions and support evidence-informed service planning and delivery.

A proposal to develop an evaluation and monitoring system for the **Toronto Poverty Reduction Strategy** has the potential to strengthen Toronto's poverty reduction initiatives and their impact, thereby impacting the lives of residents with low-income, many of whom are from equity-seeking groups.

External Review Panel's Key Comments

The External Review Panel reviewed all Budget proposals and the corresponding staff equity analysis that had been submitted into the Budget process in late October. At that point, it was not indicated which proposals would be included in the Preliminary Operating Budget and which would be excluded. Several of the Budget proposals the Reviewers examined were subsequently not included in the 2018 Preliminary Operating Budget nor in the list of requests for new/enhanced services submitted to Budget Committee and Council. The majority of the Budget proposals that the Reviewers identified as having positive equity impacts are not included in the Preliminary Operating Budget, but are on the list of proposals provided to Budget Committee and Council for review.

The proposals identified by the Reviewers as likely to have equity impacts were primarily the same as the ones identified by City staff. However, the Reviewers found that the staff analysis was inadequate in some cases. Many of these inadequacies were similar to the inadequacies identified and addressed through the project team's review process. The Reviewers also noted some general trends in the staff analysis which are outlined below.

- **Budget Directions**

The Reviewers noted that the Budget process would be strengthened by clear priorities established by Council. From the perspective of the Reviewers, equity considerations should be a priority.

The Reviewers commented that the direction to maintain a 0% increase from the 2017 Operating Budget should not have been directed to all Programs and Agencies. The Reviewers commented that while some Programs and Agencies that serve the general public can disperse the impact of any service level changes, Programs and Agencies that primarily serve residents from equity-seeking groups and vulnerable Torontonians cannot; the full impact of any service level changes are borne by equity-seeking groups and vulnerable residents. As a result, equity-seeking groups and vulnerable Torontonians are disadvantaged and disproportionately impacted by this approach to setting Budget targets and giving Budget directions.

In setting Budget directions, the Reviewers commented that there needs to be more careful consideration of how in some cases small reductions or small investments can have very significant impacts on already vulnerable equity-seeking individuals, both positive and negative.

Finally, the Reviewers stressed the importance of making investments to support and align with the City's equity priorities, including poverty reduction, Anti-Black racism, support for Aboriginal people in Toronto and reconciliation. The Reviewers commented that without meaningful investment, equity priorities cannot be advanced. The Reviewers commented that the Budget directions should account for and reflect Council's equity priorities and directions.

o **Equity Impact Analysis**

To begin with, the Reviewers noted that many of the Budget proposals submitted by staff did not include sufficient information regarding the service and the proposed change. The lack of information made it difficult for the Reviewers to adequately understand some proposals. The Reviewers noted that this lack of information could also impede analysis and decision-making within the City.

The Reviewers also commented that there is often very limited data available to support a robust analysis of potential equity impacts. Reviewers pointed out that more data about the demographics and specific needs of the target populations for services and programs is required. They commented that the City's current work on the Disaggregated Data Strategy may help address this limitation in the future. (In some instances, City staff also indicated that the limited availability of data restricted their analysis.) In addition to more data being required to provide more robust analysis, the Reviewers also suggested that there were several examples which indicated a need to increase staff understanding of the specific needs and barriers of specific equity-seeking groups and enhance staff capacity to consider intersectionality.

The Reviewers found that there were many instances in which the original City staff analysis did not identify potentially impacted groups and potential impacts. They also found that the measurement of the impacts varied dramatically. The project's review process identified many of the same deficiencies and was able to work with Programs and Agencies to address them before the analysis was finalized.

The Reviewers commented that level of vulnerability of impacted residents needs to be better captured by the Equity Lens and more carefully considered in the staff analysis.

The Reviewers noted there may be instances in which impacted equity-seeking groups may remain invisible in an equity impact analysis. The Reviewers pointed out that some equity-seeking groups face such significant barriers to services that they may not be noticed or identified as a potential 'client.' The assumption may just be that a particular group does not want or need access to the service, rather than explore why particular groups are not accessing the service. For example, many Aboriginal people in Toronto do not access many City services and spaces. This reality has often been overlooked; Aboriginal people have simply not been identified as potential 'clients.' The Reviewers stressed that a fulsome understanding of the needs and barriers of equity-seeking groups is critical to excellent equity impact analysis – and effective service delivery.

The Reviewers challenged the notion that efficiencies could result in positive equity impacts. They also commented that a principle of equity budgeting, consistent with a commitment to human rights, requires any savings from reductions to spending on services for equity-seeking groups be reinvested to support the fulfilment of the impacted groups' rights.

With respect to changes that would result in job losses, the Reviewers recommended a City-wide analysis of how the job losses will impact employees from equity-seeking groups.

The Reviewers stressed that more training and support for City staff will strengthen and enrich the equity impact analyses. They suggested training should support staff to: i) better understand the specific needs and barriers of specific equity-seeking groups, ii) apply the Equity Lens with more specificity, iii) better account for the level of vulnerability of impacted residents. The Reviewers stressed that while there is a need to better support the Equity Budgeting exercise, the analysis that it has generated is very useful and important to informed discussion and decision-making.

Finally, the Reviewers commented that there has been significant progress on the Equity Budgeting initiative since its launch in 2017. They expressed their optimism regarding the potential of the work to contribute to the City's Budget process and debates. They expressed their enthusiasm to continue to contribute to the initiative. The Reviewers recommended that measures be taken to further incorporate equity impact analysis into the City Budget process and elevate the exercise so that its potential to enrich and strengthen the Budget process and debates can be realized.

Attachments

- A – List of External Review Panel members
- B – Key components of the Equity Lens for the 2018 Budget
- C – Proposals (service level changes and revenue changes) in the Preliminary Operating Budget with positive equity impacts
- D – Proposals (service level changes and revenue changes) in the Preliminary Operating Budget with negative equity impacts
- E – Proposals not included in the Preliminary Budget – with Equity Impact Statements

Prepared by: Sarah Blackstock, Policy Development Officer, Social Development, Finance & Administration, Poverty Reduction Strategy Office, 416-392-6488, sarah.blackstock@toronto.ca

Further information: Chris Brillinger, Executive Director, Social Development, Finance & Administration, chris.brillinger@toronto.ca

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ⁱ City of Toronto – Equity, Diversity and Human Rights, 2016. "Understanding Equity." Available at: <http://insideto.toronto.ca/edhr/pdf/equity-lens-understanding-equity.pdf>

ⁱⁱ Downes, R., Lisa von Trapp and Scherie Nicol, 2017. "Gender budgeting in OECD countries." OECD Journal on Budgeting, Volume 2016/3. 2017. Available at: <http://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf>.