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## 2023 OPERATING BUDGET BRIEFING NOTE

### Equity Impacts of Changes in the 2023 Tabled Operating Budget

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#### Issue/Background:

Equity Responsive Budgeting at the City of Toronto embeds equity impact analyses within the budget process. Through this process, staff review and report on how service level changes, revenue changes, and investments in the 2023 Tabled Operating Budget impact Indigenous, Black and equity-deserving groups<sup>1,2</sup>.

This briefing note:

1. provides an overview of Equity Responsive Budgeting,
2. outlines the process City staff used to identify the potential equity impacts of changes in the 2023 Tabled Operating Budget,
3. responds to Council direction ([EX 30.2](#)) to demonstrate an intersectional Two-Spirit, Lesbian, Gay, Bisexual, Transgender and Queer lens is incorporated in the preparation of the City's Budgets, and
4. summarizes budget changes with significant equity and reconciliation impacts.

Equity Responsive Budgeting is a key piece of the City's equity and reconciliation infrastructure. The implementation of Equity Responsive Budgeting is a collaborative process between the People and Equity Division, the Social Development, Finance and Administration Division and the Financial Planning Division.

For each budget proposal, Divisional staff assess whether it has a positive, negative, or no equity impact on Indigenous, Black and equity-deserving communities. The 2023 Tabled Operating Budget includes **17** proposals<sup>3</sup> with positive equity impacts and **1** with negative equity impacts. The 2023 Tabled Operating Budget is focused on maintaining services that Toronto residents and communities can rely on and prioritizing front-line services, emergency services and public safety, transit, housing, and legislatively required initiatives. This budget is proposed in the context of an unprecedented economic environment and focuses on addressing the effects of the economy and recovery and COVID-19 impacts. Where adjustments were made, the City aimed to limit and minimize the impact on residents and avoid impacts to any front line services.

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<sup>1</sup> Equity-deserving groups refers to communities that face significant collective challenges in participating in society because of institutional and societal barriers to equal access, opportunities and resources due to disadvantage and discrimination. This term replaces 'equity-seeking' groups.

<sup>2</sup> Equity is understanding, acknowledging and removing barriers that prevent the participation of any individual or group, making fair treatment, access, opportunity, advancement and outcomes possible for all individuals.

<sup>3</sup> There was one budget proposal for which the details are confidential and are not reflected in this note.

## 1. Equity Responsive Budgeting at the City of Toronto

Equity Responsive Budgeting is a process that aims to advance the City's equity and reconciliation objectives by identifying the impacts of budget decisions on Indigenous, Black and equity-deserving groups, based on the unique needs and barriers they face. At the City of Toronto, Equity Responsive Budgeting is used within the budget process to generate analyses of how service level changes, revenue changes, and investments in the Tabled Operating Budgets impact Indigenous, Black and equity-deserving groups. Additionally, the City's approach is to help inform Council's approved policies, strategies and service plans. The budget itself does not set new policies, strategies or service plans.

Since its implementation in 2016, the Equity Responsive Budgeting process has continued to build the capacity of City staff to lead the equity impact analyses that are incorporated into the analytical and reporting systems of the City's budget development process.

In the past, an External Review Panel of subject matter experts and representatives from organizations serving Indigenous, Black and equity-deserving groups was convened annually to support the process. The City has heard the panel's previous feedback on the need to evolve our approach to engagements in this process and will continue to assess a path forward for the 2024 Budget process. There will be opportunities for public feedback on the Tabled Operating Budget through in-person and virtual public presentations, in addition to writing to [Members of Council](#).

## 2. Implementation

All City Divisions and Agencies are required to apply an equity impact analysis to budget change proposals in the Tabled Operating Budget, including:

- service level changes (reduction in existing program or services),
- revenue changes (changes in user fees beyond inflation), and
- new and enhanced services (new programs/services, expansion of existing programs/services).

All Divisions and Agencies are required to confirm a staff lead responsible for reviewing and approving their Equity Impact Statements. For each budget proposal, staff prepare an equity impact statement that:

- indicates whether the proposal will have a negative, positive or no equity impact on individuals,
- identifies the affected Indigenous, Black, and/or equity-deserving group(s),
- describes how the proposal decreases or increases barriers to equity, and
- evaluates the level of impact (low, medium, high).

The Equity and Human Rights team, as part of the People and Equity division, provides advisory support to divisions and agencies in developing their equity analysis, with final decision-making authority resting with the respective program/ agency areas.

Equity Impact Statements for budget changes in the Tabled Operating Budget are included in each of the Divisions' and Agencies' Budget Notes. They are also summarized in this Budget Briefing Note and included in Attachment A.

To support the development of Equity Impact Statements, the City has invested in advancements and updates to its Corporate Equity Lens Tool. The Tool is an online resource designed to support staff to embed equity considerations across their project cycles and into budget proposals. The Tool also enables staff to incorporate intersectional<sup>4</sup> analysis in order to identify disproportionate impacts that their projects and initiatives may have on diverse Indigenous, Black and equity-deserving groups.

The City continues to strengthen the equity capacity and analysis of City staff through resources like the Tool; this is a key complementary objective of Equity Responsive Budgeting.

A suite of resources and supports were also created to enable staff to effectively conduct equity analysis, build capacity and remain engaged in the evolving Equity Responsive Budget process. This included:

- Two Equity Lens Tool trainings
- Consultations and drop-in sessions
- Recorded training video
- A guide, handbook and presentations

### **3. Response to Council Direction to demonstrate an intersectional Two-Spirit, Lesbian, Gay, Bisexual, Transgender and Queer lens within Budget**

In February 2022, ([EX 30.2](#)) Council directed staff to demonstrate that an intersectional Two-Spirit, Lesbian, Gay, Bisexual, Transgender and Queer (2SLGBTQ+) lens is incorporated in the preparation of the City's Operating and Capital Budgets.

The Equity Responsive Budgeting process encourages staff to leverage the City's corporate Equity Lens Tool for Operating Budget changes. The original paper-based tool was launched in 2009, and was migrated to an online platform in 2018. Work has been underway since 2021 to improve and make iterative updates to the Tool to include an intersectional lens so that staff can continue to have access to the most relevant and up-to-date information, as the equity landscape evolves. This includes the incorporation

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<sup>4</sup> Intersectionality is the way in which people's lives are shaped by their multiple and overlapping identities and social locations, which, together, can produce a unique and distinct life experience for that individual or group. For example, creating opportunities, barriers and/or power imbalances

of an intersectional analysis that allows staff to identify disproportionate impacts that their projects and initiatives may have on 2SLGBTQ+ communities. Through data, community profiles and analytical framework provided within the Tool, the experiences of 2SLGBTQ+ communities and barriers faced by these groups are highlighted for consideration in all City projects, including budget proposals.

The Equity and Human Rights section administers the Tool and continues to train staff to leverage the Tool to its full potential, and improve the application of equity, including intersectionality across their analysis.

#### **4. Equity Impacts of Changes to the 2023 Tabled Operating Budget**

The 2023 Tabled Operating Budget includes 17 proposals with positive equity impacts and 1 deemed to have negative equity impacts. The 2023 Tabled Operating Budget is focused on maintaining services that Toronto residents and communities can rely on and prioritizing front-line services, emergency services and public safety, transit, housing, and legislatively required initiatives. This budget is proposed in the context of an unprecedented economic environment and focuses on addressing the effects of the economy and recovery and COVID-19 impacts. Where adjustments were made, the City aimed to limit and minimize the impact on residents and avoid impacts to front line services.

The City continues to build on investments from the 2022 Council-approved Budget, adding annualized impacts and inflation where possible to advance Council-approved equity strategies including the Confronting Anti-Black Racism Action Plan, Poverty Reduction Strategy and actions to advance the City's commitments to Reconciliation.

For a list of budget proposals with equity impacts, see Attachment A.

#### **Additional Information**

A separate Briefing Note summarizing the operating investments that support the Poverty Reduction Strategy Action Plan is included as part of the 2023 Budget launch materials.

Information about the expansion of Fair Pass Transit Discount Program is available in the Poverty Reduction Strategy Briefing Note.

Due to timing, staff were not able to review the Equity Impact Statements included in the Toronto Transit Commission (TTC) Budget Notes for inclusion in this briefing note. For more information, please refer directly to TTC Budget Notes.

## **Changes to the Operating Budget**

Below is a summary of investments with positive equity impacts. There are no investments in the 2023 Tabled Operating Budget with negative equity impacts.

- **Investments in Service Access**

The 2023 Tabled Operating Budget includes investments in community-based service for equity-deserving groups, a Social Service Team, and a financial empowerment service at the Toronto Public Library. This investment of \$0.89 million will help to increase access to library resources and support the well-being of Indigenous, Black and equity-deserving groups.

The 2023 Tabled Operating Budget includes a \$2.86 million investment to modernize park operations and procedures to conduct service improvements at City parks. This investment includes speeding up the activation of water assets, and extending the length of the season, which will have positive impacts for Indigenous, Black, equity-deserving individuals accessing Parks amenities.

- **Investments in Emergency Services**

The 2023 Tabled Operating Budget includes investments to support improving response times in emergency services. This includes a \$4.6 million investment for additional staff positions to address the annual increases in emergency call demand. This investment will enhance staffing capacity to respond to the demand and need for paramedic services.

The 2023 Tabled Operating Budget also includes a \$2.7 million investment for additional permanent staff positions in Fire Services in order to meet increasing challenges associated with growth and the corresponding complexity of emergency incidents projected to continue in future years. Based on existing program data, Neighbourhood Improvement Areas (NIAs), which have a higher representation of Indigenous, Black and equity-deserving groups, had a higher number of both emergency and fire events. Enhancing emergency response times will help to increase the probability of reduced risk to life and decreased property damage for residents living in these communities.

- **Investment in Community Safety, Well-being and Inclusion**

The 2023 Tabled Operating Budget includes a \$4.5 million investment from the Federal Government through the Building Safer Communities Fund, which includes community-led gun prevention and intervention efforts. This investment will include workforce development pathways, training and education for youth and communities impacted by violence and trauma. Additionally, there is an investment of \$1.6 million in the Toronto Community Crisis Service, which will help build confidence in public safety, and potentially lead to better outcomes in safety and security for Indigenous, Black and

equity-deserving communities that face over-policing, as well as increase community-led solutions that connect people to mental health supports.

The 2023 Tabled Operating Budget also includes \$0.476 million in investments to enable the Toronto Newcomer Office to support new priorities and commitments of the Toronto Newcomer Strategy 2022-2026.

The additional \$48.3M proposed for the Toronto Police Service budget is not categorized as a new or enhanced investment because it is intended to ensure adequate service levels are achieved and maintained. The current scope of Equity Responsive Budgeting focusses only on investments, reductions and revenue changes that impact service levels; therefore this addition to the Police budget is out of the current scope of the Equity Responsive Budgeting process.

- **Investments in Transit**

The 2023 Tabled Operating Budget includes an investment of \$2 million to support the expansion of the Fair Pass program which will increase transit access for low-income Torontonians.

The 2023 Tabled Operating Budget includes investments to expand automated speed enforcement cameras. This includes a \$2.3 million investment for additional staff and 25 speed enforcement cameras.

The 2023 Tabled Operating Budget includes \$0.31 million investments for additional staff positions to deliver public consultations in Transportation Services. These investments will help to enhance accessibility and inclusivity of consultation activities that aim to improve service delivery.

The additional \$53M proposed for the TTC is not categorized as a new or enhanced investment because it will ensure adequate service levels are achieved and maintained. The current scope of Equity Responsive Budgeting only focusses on investments, reductions and revenue changes that impact service levels, therefore this addition to the TTC budget is out of the current scope of Equity Responsive Budgeting. For more information on TTC changes to the 2023 Tabled Operating Budget, please refer directly to TTC Budget Notes.

- **Investments in Housing, Shelter and Homelessness Services**

The 2023 Tabled Operating Budget includes \$3.5 million of investments to support the Housing Action Plan as part of the HousingTO Plan. These enhancements include the implementation of the project management team, education efforts including two stakeholder engagement leads, and the onboarding of 26 additional by-law enforcement officers.

The 2023 Tabled Operating Budget includes a \$1.05 million investment to enhance the Eviction Prevention in the Community (EPIC) program. This investment will pilot two eviction prevention teams that will specifically support both Indigenous and Black Torontonians who are at imminent risk of losing their housing. This will keep more Indigenous and Black Torontonians in their current homes, and avoid displacing them to homelessness. Low income residents' access to affordable housing will also be positively impacted, with approximately 2,400 financially vulnerable households protected through this initiative by ensuring they remain housed and avoid entering into the shelter system.

- **Other Investments**

The 2023 Tabled Operating Budget includes a \$1 million investment in the Climate Action and Resiliency Research Fund to help expand academic research collaborations, knowledge-sharing opportunities, and experiential learning experiences.

The 2023 Tabled Operating Budget includes a \$0.516 million investment in hiring additional staff to help facilitate policy projects as part of the Sustainable Procurement policy at the City of Toronto. While some barriers to accessing economic opportunities through City procurement are unique, many of the barriers identified by Indigenous, Black and equity-deserving communities exist in the long and complicated procurement process. This investment is to decolonize procurement and enable Indigenous, Black and equity-deserving communities to access and participate in Toronto's economic development opportunities.

- **Adjustments across Service Areas and Programs**

Below highlights adjustments made in the 2023 Tabled Operating Budget:

The 2023 Tabled Operating Budget includes a one-time \$0.24 million adjustment to the marketing budget for Museum and Business Services which represents a proposed 34% reduction in promotional supplies for these services. This may lead to low-negative impact on Indigenous, Black and equity-deserving groups regarding raising their awareness of and participation in these programs. To offset the impact of the reduction, efforts will be made to increase the proportion of the remaining budget dedicated to engaging Indigenous, Black and equity-deserving communities. Both Museums and Business services have intentionally developed programs and services to engage Indigenous, Black and equity deserving groups like Toronto History Museums' Awakenings program and Business Growth Services' support for the Indigenous Centre for Innovation and Entrepreneurship.

## **Next Steps**

Equity Responsive Budgeting is an important tool within the City's equity and reconciliation infrastructure. To advance the City's commitments to equity and

reconciliation, and to properly support Equity Responsive Budgeting, equity considerations need to be embedded not only in the budget process, but in the planning, implementation and evaluation of City programs, policies and services. In 2023, work will continue to improve the Equity Responsive Budgeting process and leverage and strengthen the Equity and Reconciliation Strategies.

**Attachment A: List of 2023 Tabled Operating Budget Changes with Equity Impacts**

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