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## **2023 OPERATING BUDGET BRIEFING NOTE**

### **Budget Investments in the Last Eight Years**

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#### **Issue/Background:**

At its meeting of January 13<sup>th</sup>, 2023, the Budget Committee requested that the Chief Financial Officer and Treasurer prepare a budget briefing note detailing:

1. The per capita operating budget spending by the city of Toronto for the last eight years (both before and after adjusting for inflation)
2. The annual increases to, and cumulative investments over the last eight years in the following areas:
  - a. Shelters and homelessness prevention and support
  - b. Parks and Recreation
  - c. Operating funding to the TTC
  - d. Cycling infrastructure
  - e. Social Development, Finance & Administration
  - f. Funding and Grants for Culture and the Arts

This briefing note provides an eight year history of investments in the budget for the key areas of focus.

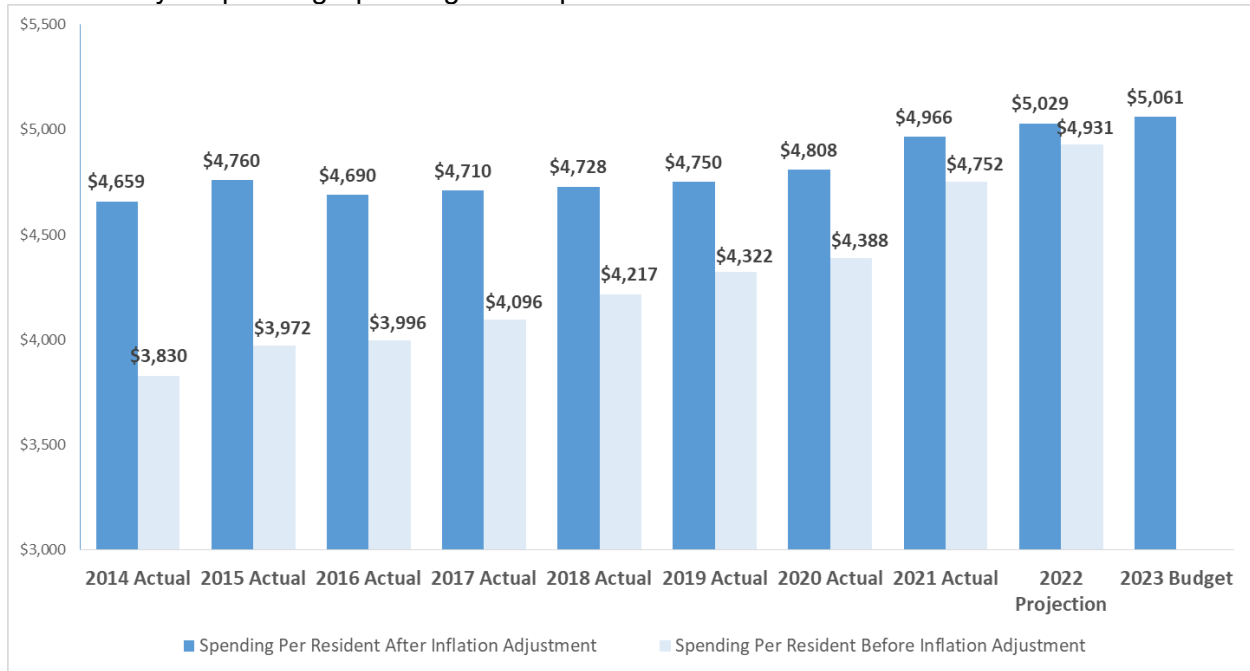
#### **Key Points:**

The City has significantly increased its direct operating and capital investments in the focus areas listed above over the last eight years.

- This briefing note primarily focuses on the City's increased net investments which represent the added investments directly supported by the City's property tax base.
- The COVID-19 impacts that are budgeted within respective program's budget over the past three years, as illustrated in the sections below, are offset through COVID-19 funding support that is received or anticipated to be received in Corporate Accounts in each respective year.

The chart below illustrates historical spending per capita as well as projected year-end spending for 2022 as of Q3 operating variance report and estimated spending included as part of the 2023 Budget.

Chart 1: City's Operating Spending Per Capita



The budgeted annual increases and cumulative budget changes over the last eight years that have been made in the areas of focus are illustrated in the sections below. Total year-over-year changes may be impacted by various factors, including transfers between divisions, budget to actual adjustments and COVID-19 related adjustments to services.

### Shelters and Homelessness Prevention and Support

The Homeless and Housing First Solutions is a one of the services that Shelter, Support and Housing Administration has been delivering over the last eight years. It helps people who are homeless or facing the risk of homelessness find and keep housing. The service also provides emergency accommodation and related support services to vulnerable people and equity seeking groups in various communities across the City. Prior to 2023, Shelter, Support and Housing Administration provided Social Housing System Management service that was transferred over to Housing Secretariat in 2022. A full summary of growth in all of Shelter, Support and Housing Administration, Housing Secretariat, Toronto Community Housing Corporation and the newly created Toronto Seniors Housing Corporation can be found in "*Comparison of Social and Community Investments: 2014 vs. 2023 Budgets*" briefing note.

The Shelters and Homelessness Prevention and Support 2023 Operating Budget (excluding COVID-19) is \$173.7 million, reflecting a \$104.8 million or 152% increase from 2014.

Table 1: Shelters and Homelessness Prevention and Support Operating Net Budget

(\$Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Budget (excl. COVID-19)	69.0	70.9	72.1	69.9	107.3	125.2	157.5	165.1	162.8	173.7	N/A
YoY \$ Change		1.9	1.3	(2.3)	37.4	17.9	32.3	7.7	(2.3)	10.9	104.8
YoY % Change		3%	2%	(3%)	54%	17%	26%	5%	(1%)	7%	152%
<b>COVID-19</b>								242.2	288.3	317.2	<b>847.8</b>

- When including the budgeted \$317.2 million in COVID-19 impacts in 2023 the total budget is increased to \$490.9 million, reflecting a \$422.0 million or 612% increase from 2014.
- To date, Shelters and Homelessness Prevention and Support had budgeted for \$847.8 million in COVID-19 impacts.

### Parks and Recreation

The Parks, Forestry and Recreation 2023 Operating Budget (excluding COVID-19) is \$322.7 million, reflecting a \$49.0 million or 18% increase from 2014.

Table 2: Parks, Forestry and Recreation Operating Net Budget

(\$Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Budget (excl. COVID-19)	273.7	291.6	298.4	299.2	303.5	306.0	325.5	305.3	321.6	322.7	N/A
YoY \$ Change		17.9	6.7	0.9	4.3	2.5	19.5	(20.2)	16.3	1.1	49.0
YoY % Change		7%	2%	0%	1%	1%	6%	(6%)	5%	0%	18%
<b>COVID-19</b>								30.7	22.6	17.0	<b>70.2</b>

- When including the budgeted \$17.0 million in COVID-19 impacts in 2023 the total budget is increased to \$339.7 million, reflecting a \$66.0 million or 24% increase from 2014.
- To date, Parks, Forestry and Recreation have budgeted for \$70.2 million in COVID-19 impacts.

## Operating funding to the TTC

The TTC operating subsidy for 2023 (excluding COVID-19 support) is \$958.7 million, reflecting a \$411.8 million or 75% increase from 2014.

Table 3: Operating Funding to TTC

(\$Millions)	2014		2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Budget (excl. COVID-19)	546.9		582.5	610.3	689.5	740.9	762.9	789.8	807.4	905.7	958.7	N/A	
<b>YoY \$ Change</b>			<b>35.6</b>	<b>27.8</b>	<b>79.2</b>	<b>51.3</b>	<b>22.0</b>	<b>27.0</b>	<b>17.5</b>	<b>98.4</b>	<b>53.0</b>	<b>411.8</b>	
<b>YoY % Change</b>			<b>7%</b>	<b>5%</b>	<b>13%</b>	<b>7%</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>12%</b>	<b>6%</b>	<b>75%</b>	
<b>COVID-19</b>										796.4	561.1	366.4	<b>1,723.9</b>

- When including the budgeted \$366.4 million in COVID-19 funding in 2023 the total subsidy is increased to \$1.325 billion, reflecting a \$778.2 million or 142% increase.
- To date, budgeted TTC subsidy included \$1,723.9 million in COVID-19 funding.

## Cycling Infrastructure

The 2023 Capital Budget for Cycling Infrastructure is \$30.0 million, reflecting a \$20.1 million or 202% increase from 2014.

Table 4: Cycling Infrastructure Capital Budget

(\$Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Annual Capital Expenditures	9.9	10.5	14.3	30.2	28.4	13.2	11.5	9.4	22.0	30.0	N/A
<b>YoY \$ Change</b>		<b>0.5</b>	<b>3.8</b>	<b>16.0</b>	<b>(1.8)</b>	<b>(15.2)</b>	<b>(1.7)</b>	<b>(2.1)</b>	<b>12.6</b>	<b>8.0</b>	<b>20.1</b>
<b>YoY % Change</b>		<b>5%</b>	<b>36%</b>	<b>112%</b>	<b>(6%)</b>	<b>(54%)</b>	<b>(13%)</b>	<b>(18%)</b>	<b>134%</b>	<b>36%</b>	<b>202%</b>

The 2023 Capital Budget includes the \$10.0 million to commence construction of the West Toronto Rail Path.

## Social Development, Finance & Administration

The 2023 Budget for Social Development, Finance & Administration is \$79.2 million, reflecting a \$49.3 million or 164% increase from 2014.

- The total budgeted COVID-19 impact for Social Development, Finance & Administration over the past three years was only \$0.8M and is included in the total Budget figures below.

Table 5: Social Development, Finance & Administration Net Operating Budget

(\$Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Budget	30.0	31.0	32.0	32.2	39.7	48.8	59.1	67.9	79.6	79.2	N/A
YoY \$ Change		1.0	1.1	0.2	7.5	9.2	10.2	8.8	11.7	(0.4)	49.3
YoY % Change		3%	3%	1%	23%	23%	21%	15%	17%	0%	164%

Between 2015 and 2023 the division developed and led 35 key initiatives focused on driving positive outcomes for residents across 5 themes: equity and reconciliation, community safety and well-being, poverty reduction, neighbourhood development and climate.

## Funding and Grants for Culture and the Arts

The City of Toronto delivers a number of grant programs that support artists and arts organizations, and ensure that residents across Toronto have opportunities to engage with the city's rich culture and heritage. This includes grants delivered directly by the Economic Development and Culture Division, and others that are distributed by the Toronto Arts Council on the City's behalf.

The 2023 Funding and Grants for Culture and the Arts is \$36.2 million, reflecting an \$8.0 million or 28% increase from 2014.

Table 6: Funding and Grants for Culture and the Arts

(\$Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Budget	28.1	28.2	31.9	32.8	33.9	34.2	35.6	35.1	36.6	36.2	N/A
YoY \$ Change		0.1	3.6	0.9	1.2	0.3	1.3	(0.4)	1.4	(0.4)	8.0
YoY % Change		0%	13%	3%	4%	1%	4%	(1%)	4%	(1%)	28%

In addition to core, ongoing grant programs, City Council has also invested in special projects to support access to the arts, including ArtworxTO: Toronto's Year of Public Art 2021-22, and ShowLoveTO.

This sustained period of investment allowed the City to meet its longstanding goal of investing \$25 per capita in the arts by 2018. In 2023, the City will develop a new culture plan in collaboration with arts sector stakeholders, including new outcome-based targets to support the continued growth of Toronto's vibrant arts and culture scene.

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