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## **2023 OPERATING BUDGET BRIEFING NOTE**

### **Comparison of Social and Community Investments: 2014 vs. 2023 Budgets**

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

- On January 13<sup>th</sup>, the Budget Committee requested the Chief Financial Officer and Treasurer provide a briefing note on police spending compared to social and community investments, by setting out the net operating budget increase (in dollars and as a percentage increase), for the year 2014 compared to now, for the following.
  1. Police Service budget;
  2. All housing operating budget spending;
  3. City subsidy to the TTC (with and without COVID-19 costs); and
  4. Social Development, Finance and Administration budget
- This briefing note provides a comparison of the relevant 2014 and 2023 budget information.

#### **Key Points:**

- As compared to 2014, the City has significantly increased its direct investments in all the social and community investment areas included in this briefing note.
  - This briefing note focuses on the City's increased net investments which represent the added investments directly supported by the City's property tax base.
- In summary, the following increases in net operating investments are made in the 2023 Operating Budget as compared to the City's 2014 Budget:
  - Toronto Police Service: \$209 million (22%)
  - Additional social and community investments: \$801.1 million (94%) comprising of:
    - Housing-Related Services Budgets: \$340 million (123%)
    - Base Operating Subsidy to the Toronto Transit Commission: \$412 million (75%)
    - Social Development & Housing Administration: \$49 million (164%)

- As detailed in the figures above, the Net Operating Budget for Toronto Police Service has increased proportionately less and at a reduced rate than other investments referenced.

### 1. Toronto Police Services Budget, 2014 vs. 2023

- The 2014 Net Operating Budget for the Toronto Police Service was \$957.7 million.
- The 2023 Net Operating Budget for the Toronto Police Service is \$1.167 billion, an increase of \$208.8 million or 22% over the 2014 Operating Budget.

**Table 1: Comparison of Toronto Police Services Net Operating Budget (2014 vs. 2023)**

(\$ millions)	2014 Net Budget	2023 Net Budget	\$ increase	% increase
Toronto Police Services	\$ 957.7	\$ 1,166.5	\$ 208.8	21.8%

### 2. Housing-Related Operating Budgets, 2014 vs. 2023

- The City of Toronto's housing-related services are primarily provided by the:
  - Housing Secretariat;
  - Shelter Support and Housing Administration (SSHA); and
  - Toronto Community Housing Corporation (TCHC) and the newly created Toronto Seniors Housing Corporation (TSHC).
    - TCHC and TSHC are City corporations that are managed through a separate Board of Directors. Each year they receive subsidy payments from the City of Toronto.
- The 2014 Net Operating Budget for housing-related services was \$275.7 million including:
  - \$1.2 million for the Housing Secretariat;
  - \$23.4 million for SSHA; and
  - \$251.1 million provided in City funding as a subsidy to TCHC.
- The 2023 Net Operating Budget for housing-related services is \$615.8 million, excluding COVID-19 financial impacts, including:
  - \$146.3 million for the Housing Secretariat;
  - \$173.7 million for SSHA; and
  - \$295.8 million in subsidies for TCHC and TSHC.

- Overall, this reflects an increase of \$340.1 million in net investments over 2014, or the equivalent to a 123% increase.

**Table 2: Comparison of Housing-Related Net Operating Budgets (2014 vs. 2023)**

(\$ millions)	2014 Net Budget	2023 Net Budget Excl. COVID-19 impacts	\$ increase	% increase
Housing Secretariat	1.2	146.3	145.1	12,143%
SSHA	23.4*	173.7	150.3	643%
TCHC / TSHC	251.1*	295.8	44.7	18%
<b>Total</b>	<b>275.7</b>	<b>615.8</b>	<b>340.1</b>	<b>123%</b>

\*The 2014 values for SSHA and TCHC combined (\$274.5 million) reflect the total City funding dedicated to these services including property tax funding (\$198 million) and other City sources such as reserve draws, and is displayed to show the full TCHC subsidy provided.

### 3. City Subsidies to the Toronto Transit Commission, 2014 vs. 2023

- City subsidies to the TTC have increased from \$546.9 million in 2014 to \$958.7 million in 2023, when excluding COVID-19 funding, representing an increase of \$411.8 million or 75%.
- When including COVID-19 impacts of \$366.4 million in 2023, the City's subsidy to the TTC has increased by \$778.2 million, or 142%, resulting in a total 2023 operating subsidy of \$1.325 billion.

**Table 3: Comparison of City Subsidies to the TTC (2014 vs. 2023)**

(\$ millions)	2014 Net Budget	2023 Net Budget	\$ increase	% increase
<b>Base Subsidy</b>	<b>546.9</b>	<b>958.7</b>	<b>411.8</b>	<b>75.3%</b>
COVID-19 Impacts	-	366.4	366.4	-
<b>Total Operating Subsidy</b>	<b>546.9</b>	<b>1,325.1</b>	<b>778.2</b>	<b>142.3%</b>

#### 4. Social Development, Finance and Administration (SDFA) Net Operating Budget, 2014 vs. 2023

- The 2014 Net Operating Budget for SDFA was \$30.0 million.  
The 2023 Net Operating Budget for SDFA is \$79.2 million net, representing a total increase of \$49.2 million or 164%.

**Table 4: Comparison of SDFA Net Operating Budget (2014 vs. 2023)**

(\$ millions)	2014 Net Budget	2023 Net Budget	\$ increase	% increase
SDFA	30.0	79.2	49.2	164.3%

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