To: Chair and Members
   Corporate Administration Committee

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Re: Update on the 2006/07 Provincial Budget Announcement (FCS06032(b)) (City Wide)

Further to the update on the 2006/07 Provincial Budget Announcement (FCS06032), the following update (FCS06032(b)) is a summary of community impacts, extending the appraisal beyond direct municipal impacts.

In addition to the economic infusion for healthcare and Stelco, the 2006/07 provincial budget provides significant direct funding to the City of Hamilton (in excess of $80 million).

The 2006/07 Provincial Budget provides investments in Hamilton, over and above direct municipal funding, in excess of $464 million.

**Municipal impacts**

- One–time funding of $17 million to address the City’s Social Services funding shortfall;
- An increase to the City’s 2006 Ontario Municipal Partnership Fund (OMPF) allocation of $2.9 million for a total of $33.1 million;
- Strategic infrastructure investments of $35 million for wastewater and other municipal projects in Hamilton (previously announced as wastewater and North Glenbrook Industrial Park partnership funding);
- The City of Hamilton has received $20.8 million in one-time capital funding from the “Move Ontario” allocation, to be directed towards roads and bridges;
- It is anticipated that the City’s allocation of Provincial Gas Tax Revenue Sharing will increase to approximately $9.6M in 2006 (previously announced);
- Funding for new bus purchases of $2.5 million;
- The Provincial government has committed to increasing its’ share of public health costs to 65 per cent in 2006; to 75 per cent by 2007 (previously announced). For 2006, the benefit to Hamilton is $2.6 million or $1.6 million net of Public Health enhancement; and
• Increased support to municipalities for land ambulance services. The Province will spend an additional $300 million over the next three years towards a 50–50 cost share (previously announced). A benefit in excess of $1 million to Hamilton in 2006.

**Healthcare**

The government's goal is to modernize Ontario's health infrastructure by updating equipment and expanding the capacity to cope with a growing and aging population. The government will continue to make progress towards this goal by issuing “Requests For Proposals” for 11 of the 65 new hospital projects in 2006–07, worth $2 billion, through Infrastructure Ontario in the following communities: Ajax/Pickering, Belleville, Hamilton ($200 million expansion and renovation project for a Centre for Mountain Health Services; and the $150 million Henderson General Hospital rebuilding project), London (two projects), Mississauga, Sarnia, Sault Ste. Marie, Sudbury and Toronto (Note: staff are awaiting confirmation of figures from the Ministry of Public Infrastructure Renewal).

**STELCO Inc.**

The Provincial 2006/07 budget highlights a $114 million increase to the Ministry of Finance to account for the forgivable portion of a $150 million loan provided to STELCO Inc. to assist with the company’s restructuring plan.

**Youth**

The Province has recently announced more than $28 million in the first three years of a new Youth Opportunities Strategy. The investment will support the hiring of youth outreach workers and other employment and training opportunities in at-risk communities, starting in Toronto and expanding across the province in 2007–08, including Windsor, Ottawa, London, Hamilton and Thunder Bay.

**Agriculture**

$125 million to help grain, oil seed, horticulture farmers and the livestock industry.

**Electricity Generation**

Energy projects will provide about 11,000 megawatts of supply and conservation over the next five years; including Hamilton Renewable Energy CoGen Project, which the budget document identifies is equivalent to providing electricity to 420 residential properties.

**Research and Innovation**

The government is also providing support for the Medical and Related Sciences (MaRS) Discovery District in Toronto, the McMaster Innovation Park in Hamilton and the Waterloo Research and Technology Park. Complementing these investments is a
coordinated system of 11 regional innovation networks across the province. These networks are multi-stakeholder organizations established to support partnerships among business, institutions and local governments to promote innovation.

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