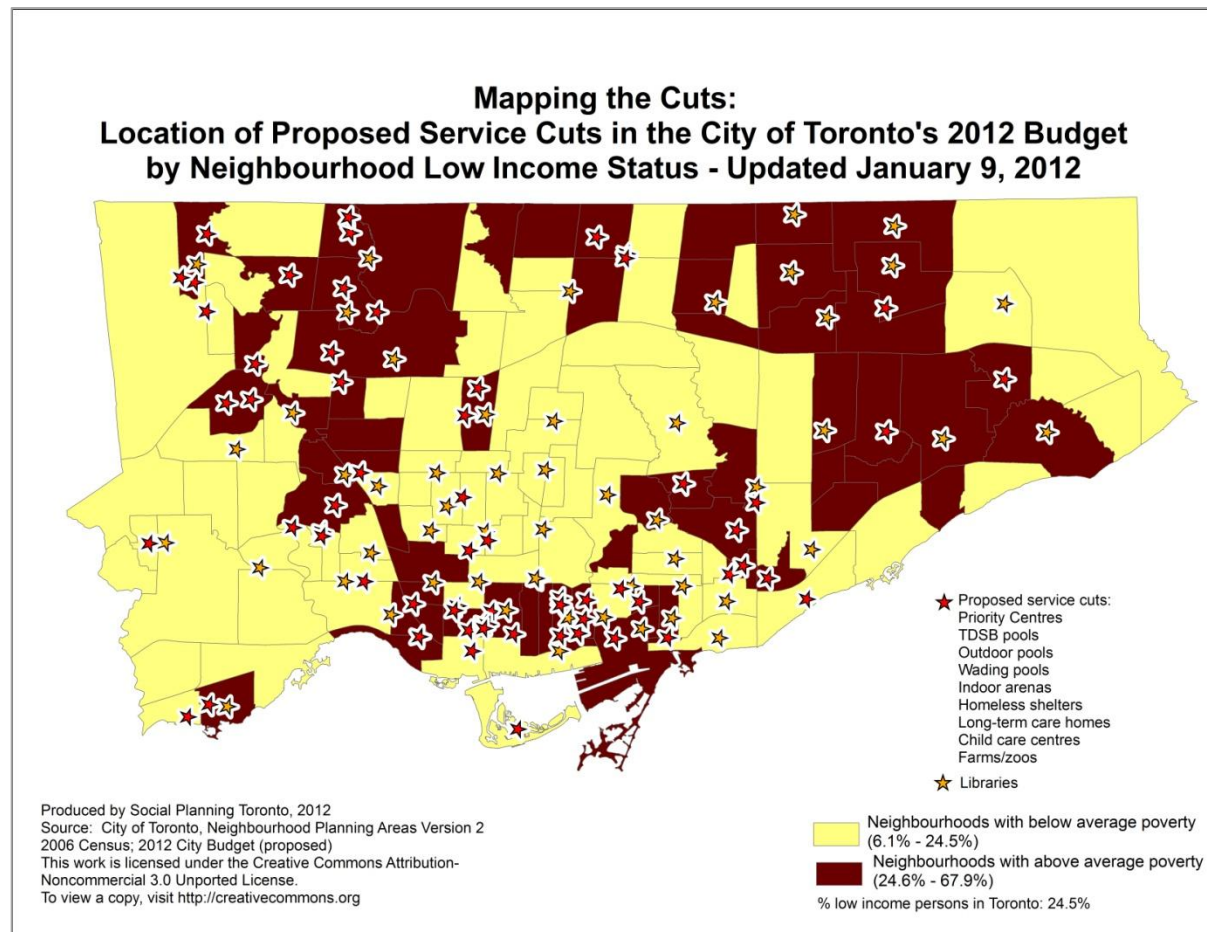


Toronto Budget Update – January 9, 2012

Budget Committee Keeps \$85.2 Million in Cuts on the Table, Majority of Location-Specific Cuts in Low Income Neighbourhoods

On January 9, the Budget Committee concluded its review of the 2012 City operating and capital budgets, recommending \$85.2 million in service cuts, down from \$88 million proposed in the original staff-recommended budget launched on November 28. As well, the committee maintained the staff recommendations for recreation user fee increases and a TTC fare hike.

Among 120 location-specific cuts recommended by the Budget Committee, 56% are located in low income neighbourhoods. We have mapped two types of cuts: 59 library and 61 non-library sites. Forty-six percent of library branches at risk of cuts to operating hours and 66% of non-library services slated for cuts, including recreation, child care, homeless shelters, long-term care homes and farms/zoos, are located in low income neighbourhoods. Forty-five percent of Toronto neighbourhoods have poverty levels above the city average of 24.5%.



Budget Committee Recommendations Hit Low Income Neighbourhoods

In December, Social Planning Toronto mapped 75 location-specific cuts proposed in the staff-recommended budget, not including libraries. At that time, we also found that 56% of location-specific cuts were located in low income neighbourhoods. The Budget Committee's recommendations have taken some cuts off the table but the pattern of impact on low income neighbourhoods remains.

On January 9, 2012, the Budget Committee voted to take \$2.8 million in cuts off the table including 58 student nutrition programs, recreation programs provided in 12 Toronto District School Board (TDSB) shared-use schools and City-run aquatics programs in 2 of 7 TDSB pools slated for program elimination. While an important step, the committee has left the vast majority of cuts on the table. Only 2 of the 12 TDSB shared-use schools and neither of the 2 TDSB pools spared from the cuts are located in low income neighbourhoods. For this reason, there is an increase in the percentage of non-library cuts in low income neighbourhoods from 56% in the staff recommended budget to 66% in the Budget Committee recommendations. In December when we created the map, the list of student nutrition programs on the chopping block was not yet available, and not included in the original map.

Our Public Libraries at Risk

In October, a staff report to the Toronto Public Library (TPL) board identified 59 libraries including research and reference, district and neighbourhood branches for proposed service reductions in the hours of operation. On two occasions, the TPL board refused to make this recommendation. Instead, the board passed a budget with a 5.9% cut, against the direction of the City Manager to all departments, agencies, boards and commissions to reduce their budgets by 10% (many did not). On January 9, the Budget Committee passed a motion requiring the board to make additional cuts totaling 10%. Councillor Lee was the single member of the Budget Committee to vote against this motion. The Chief Librarian made it clear that to achieve this budget target, the TPL will have to cut hours of operation, the circulation budget and/or programs such as literacy support. For this reason, we have identified the 59 libraries originally slated for cuts in the October staff report as sites at risk under the current budget.

Public Transit – Paying More for Less

The current (and previous) map does not include service cuts to TTC bus routes and streetcar lines. These service cuts impact low income neighbourhoods and people living in poverty throughout the city. TTC service cuts compounded with a fare increase mean paying more for less for those least able to pay and most reliant on the public transit system.

Bearing the Brunt of the Cuts

As well, many of the proposed cuts are not location-specific but impact directly or disproportionately on low income groups. For example, the Hardship Fund aids low income seniors, particularly women, and people with disabilities with serious health problems. This modest fund that amounts to 60 cents on the annual tax bill of the average homeowner is on the chopping block. Also the specifics of some cuts are unknown, such as the 9.8% proposed reduction to the Community Partnership and Investment Program (CPIP). Nonprofit community agencies provide a range of community services, health initiatives and arts programs in local neighbourhoods, larger geographic areas and on a city-wide basis. The budget recommendations do not specify which programs will be cut, and which neighbourhoods affected. Unfortunately, it is safe to say that low income residents will be directly and disproportionately impacted by cuts in this area.

Women, racialized groups, Aboriginal people, newcomers, people with disabilities, lone mothers, children and youth have disproportionately high rates of poverty. We can expect these groups to bear the brunt of the cuts.

Executive Committee Has An Opportunity to Put Things Right

On Thursday, January 12, the Executive Committee meets to review and make recommendations to City Council on the 2012 City operating and capital budgets. The 2011 budget surplus at an estimated \$154 million is sufficient to take the service cuts off the table, as well as put funds aside for capital projects and the tax rate stabilization fund (the rainy day fund). Apart from the surplus funds, \$6 million remains from the \$8.8 million in unanticipated assessment growth recently announced. Executive Committee could also make a modest addition to the 2.5% proposed property tax increase or consider other revenue options such as re-instating the vehicle registration tax as recommended by many community deputants at Budget Committee. While some of these options will be more palatable than others, one thing's for certain –

**Toronto City Council has choices available to it.
Service cuts are not inevitable.**