

Hamilton Chamber of Commerce Long-Term Funding of Social Services Costs Due to Provincial Downloading

Issue:

The impact of social services downloading to all municipalities needs to be addressed.

Background:

The City of Hamilton has the greatest financial burden with respect to the total direct costs of social assistance and social housing through Provincial downloading. Even with the Province's plan to phase out GTA pooling over the next seven years, the City of Hamilton, with a median income level which is 20 % lower than that of the GTA, will be contributing a higher proportion of property tax revenues to fund social assistance and social housing than neighbouring communities in the GTA.

In fact, Ontario's taxpayers are still experiencing increased levels of conflict between jurisdictions of government over the concept of "downloading." The issue is the continual change in which the level of government, provincial or municipal, is accountable for delivery of programs or services, and the continual changes to the rules and standards associated with their delivery. Municipalities, as a result, face greater levels of uncertainty and confusion in providing their core services within budgetary restrictions.

A "task force" has been established at the Provincial level and will look at which level of government should deliver and pay for a range of social and health services. The final report is due in the spring of 2008.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Direct the Provincial "task force" (a.k.a. The Provincial-Municipal Fiscal and Service Delivery Review) and the Ministers of Finance and Municipal Affairs to establish a formula that will assure sustained funding of social services costs into the future. This formula must ensure financial viability for municipalities, as well as deliver an acceptable level of services to those in social need within an 18-month time frame, including enabling legislation.
2. In consultation with municipalities, clearly define the strategic principles underlying the division of authority for delivery of programs or services in the province of Ontario identifying the appropriate sources of revenue, the required expertise levels, the efficient use of current resources and anticipated budgetary pressures.