

Report of the Provincial-Municipal Fiscal and Service Delivery Review



AMO Board and Member Briefing
October 31, 2008



The Report

Overview:

- Review of PMFSDR Process
- Key Fiscal Outcomes of the Review, including phased upload of Ontario Works and Court Security
- Other key policy outcomes of the Review
- AMO key messages
- Next Steps
- AMO Political Table Representatives



Review Process

- Announced at the 2006 AMO Conference, the Review began autumn 2006.
- Six different Tables were established including municipal staff and elected officials from all corners of the province, provincial staff and the Ministers of Finance and MMAH.
- Some 60 municipal representatives attended a total of 108 meetings held over a 20 month period.
- The Tables produced consensus-based reports which put forward options for the consideration of the Coordinating and Political Tables.
- Each Table conducted extensive research and reviewed many topics within their mandates.



Key fiscal outcomes of the Review

- Ontario Disability Support and the Ontario Drug Benefit Programs will be fully funded by the province by 2011 (no changes from 2007 announcement).
- Ontario Works benefits (income and employment assistance) will be uploaded with implementation beginning in 2010 and completed by 2018.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
OW Benefits		3%	6%	14%	29%	43%	57%	71%	86%	100%

- A review of Ontario Works cost of administration, including updated cost information, will occur in time for 2010 Ontario Works benefit upload.
- The OMPF social program grant will decline (as it normally would) in response to the upload of ODSP/ODB and Ontario Works.
- OMPF base/equalization funding of approximately \$500M/year will be maintained.
- The Province will extend the OMPF “stable funding guarantee” for 2009 at an additional cost to province of \$70M - details are expected in November.
- The Court Security upload will begin in 2012 and be completed by 2018 to a maximum value of \$125M.



Other key outcomes of the Review

The Report agreed to all of the Service Delivery Accountability Table's recommendations and key Infrastructure Table recommendations including:

- A joint provincial-municipal review process to develop options regarding responsibilities and funding arrangements for roads and bridges, including those downloaded in the 1990s.
- The consolidation of more than 20 different housing and homeless programs into outcome-focused housing services managed at the municipal level.
- A new focus on the outcomes, for individuals and families, of the services municipalities provide through the develop a shared accountability framework for human services programs.
- The better integration of provincially and municipally managed employment services.
- Improving the integration of health promotion programs with social services and streamlined interactions between boards of health and ministries.



Other key outcomes of the Review

- The Infrastructure Table reviewed in great detail the size and scope of the core hard services infrastructure deficit in Ontario. It concluded that an additional \$6 billion a year needs to be spent for the next 10 years to close the infrastructure gap. This is in addition to existing spending. This the first time the gap has been quantified. It sends a strong signal to the provincial and federal governments of the need for significant ongoing infrastructure investment.
- The Fiscal Health Table also covered new ground by developing a set of financial and economic data for each municipality. This offers a relative comparison to examine the financial characteristics of different municipalities and different regions across the province. This is the first time that financial and economic data has been combined to paint the fiscal picture of municipalities and offers a baseline for ongoing work and measurement.



AMO Key Messages

- This is a good deal for property tax payers in Ontario.
- This Review will ultimately result in \$1.5 billion a year in net savings for municipal governments through the upload of social assistance and court security costs.
- The ODSP, ODB and Ontario Works uploads will eliminate a major area of financial risk and uncertainty for municipal property tax payers – the number one priority for municipal governments.
- The Report enshrines the principle that property taxpayers and municipalities should not bear responsibility for the cost of social assistance programs.
- Significantly, the Review has not resulted in any new service responsibilities or costs for municipalities.
- The Review has secured the upload of court security and prisoner transfer costs that will save municipalities \$125 million a year when fully implemented.



AMO Key Messages (cont.)

- The Review has secured the extension of the one-time \$70 million OMPF “stable funding guarantee” for municipalities for 2009 and details are expected in the coming weeks. AMO will work on securing this mitigation funding for future years.
- The review will provide municipalities with greater flexibility to deliver programs more effectively – focusing on outcomes for people rather than outdated rules and regulations.
- The era of provincial-municipal cooperation continues. People expect their governments to work together. The Review is an example of how we have done that and how we will continue to work together in the future.
- This review is an important milestone in ever-evolving provincial municipal fiscal arrangements. AMO will continue to advocate for advances in areas like social housing, farm tax policy, the cost of servicing crown lands, payments in lieu, development charge reform and predictable infrastructure funding.



Next Steps

- Provincial and Municipal officials will continue to meet on a regular basis to begin the implementation of the Report's recommendations.
- Implementation planning will occur in partnership between the Province, AMO and the City of Toronto beginning later in 2008.
- The AMO-MOU forum will monitor implementation and serve as a venue for future cooperation and consultation.
- AMO will continue its advocacy efforts including efforts to accelerate the uploads if economic conditions warrant and for the maintenance of the OMPF stable funding guarantee in 2010 and beyond.



AMO Elected officials who led the Review

- AMO Past President and Review Co-Chair, Southwest Middlesex Mayor Doug Reycraft
- AMO President Peter Hume
- Mississauga Mayor Hazel McCallion
- Durham Region Chair Roger Anderson
- Windsor Mayor Eddie Francis
- Municipality of Greenstone Mayor Michael Power
- Parry Sound Mayor Richard Adams
- Petawawa Mayor Bob Sweet

