

Challenges of Growth Communities

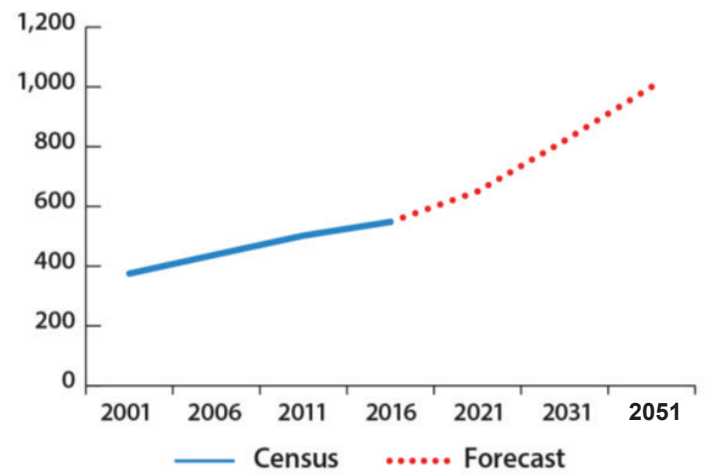
Halton: A Snapshot



Halton Region is home to more than 580,000 residents in four communities. Along with its Local Municipalities (City of Burlington, the Town of Halton Hills, Town of Milton and Town of Oakville), Halton Region is an effective two-tier government recognized for its strong financial position, safe communities, natural environment, progressive approach to urban development and citizen-focused reliable services.

Halton is one of the fastest-growing communities, and situated in one of the highest growth areas in Canada. Under the Provincial Growth Plan, the Region is mandated to grow to a population of 1.1 million by 2051. These high expectations of growth and the increasing demand for services have not been met with the necessary legislation, regulation or funding to support our community's needs. By working in partnership with the Provincial Government we can narrow the gap to build strong communities for the people of Halton.

Halton Population Forecast (thousands)



\$ Annual Cost of Development

The Development Charges Act (DCA) creates a significant financial challenge for municipalities, as it does not satisfy the “growth pays for growth” principle by not allowing municipalities to recover the full cost of growth. The current legislation includes a growth-related funding gap consisting of ineligible services, caps within the calculation on service levels, and exemptions. When combined with the Region, local municipalities, and the school boards the cost of growth is estimated at over \$80 million per year based on the “growth pays for growth” principle.

The Regional portion of the annual shortfall within the DC legislation is approximately \$13 million representing 4.4 per cent on the Regional portion of property taxes. This includes the most recent changes to the DC legislation enacted in 2020 that removed the requirement of a 10 per cent deduction on general services which will be incorporated into the next DC by-law update in 2022. However the new legislation also introduces new financial challenges for Halton such as the timing of DC collection, determination of DC rate, and exemption of secondary dwelling units in new construction. The magnitude and extent of the impacts are still unknown and will be assessed and updated as part of the next DC update.

Pressures Related to Provincial Funding not Keeping Pace

As Halton Region continues to face the financial challenges of achieving mandated growth targets, there are additional pressures that continue to be experienced.

Public Health

Public Health mandatory program core funding has not kept pace with the growing needs of the community. Between 2014-2020, a 3 per cent increase in funding for cost-shared programs was received in 2018, however 0 per cent was received for all other years.

The Healthy Babies, Healthy Children program has not received an increase in Provincial Funding since 2008, despite the large increase in growth.

The Provincial Government has underfunded Halton's Health Department for many years, despite increasing population and expectations for Public Health. In 2021, the annual provincial funding shortfall for Health Department programs is anticipated to be \$7.0 million. This represents approximately 2.4 per cent of the Region's property taxes on the tax bill. This short fall includes:

- \$4.7 million in Public health
- \$1.2 million in Healthy Babies, Healthy Children program
- \$1.1 million in Paramedic Services



Long-Term Care

The Provincial Government continues to reduce the levels of funding to the Long-Term Care homes through indexing the Case Mix Index. In 2021, the annual projected provincial funding shortfall resulting from the difference between calculated CMI and the funded CMI is anticipated to be \$1.8 million, which represents approximately 0.6 per cent of the Region's property taxes on the tax bill.

Halton's 2021 Regional Budget included a Regional Contribution to the operating costs of our three Long-Term Care homes of \$19.0 million. While our growth increases, so does our aging population. It is essential that more Long-Term Care beds be delivered to meet the growing need. The funding model must be updated to ensure existing beds are sustainable and to promote delivery of new beds in the community.



Employment & Social Services

The cost of administering the Ontario Works program is intended to be cost-shared 50/50 with municipalities, however, the Provincial Government has underfunded the program for many years. The funding has also been frozen at the 2018 level.

In 2021, the anticipated shortfall is \$529,000, representing approximately 0.2 per cent of the Region's property taxes on the tax bill.

The following table provides a summary of provincial funding shortfalls in 2021.



Regional Services (\$millions)	2021 Shortfall	Impact of Provincial Shortfall
Public Health including HBHC	\$5,884	Without this Regional investment, the Region's ability to meet the mandated standards, address local needs in Halton including population growth would be impacted.
Paramedic Services	\$1,116	Without this Regional investment, there would be a risk to service levels and response times in a growth community.
Long-term Care	\$1,844	Without this Regional investment, the Region's ability to achieve its' high standard of care would be lessened.
Employment & Social Services	\$529	Without this Regional investment, there would be longer wait times and reduced support for Ontario Works recipients.
Total Regional Services	\$9,373	
% of the Region's property taxes on the tax bill	3.30%	

Municipalities need long-term sustainable funding tools that allow for the delivery of planned infrastructure to achieve provincial growth projections, while ensuring that growth pays for itself. A collaborative approach between municipalities and the Provincial Government is required in order to ensure that communities and the economy are able to grow in a fiscally responsible way and ensure that residents are not burdened with the cost of growth.

Halton requests:

- Appropriate level of funding tools and mechanisms that deliver timely funding to pay for infrastructure required to support growth.
- Increased investments in public health, paramedic services, Long-Term Care CMI, employment and social services to reflect the cost of growth.