



Office of the Commissioner  
Community and Health Services Department

## MEMORANDUM

To: Regional Chair Emmerson and Members of Regional Council

From: Katherine Chislett  
Commissioner of Community and Health Services

Date: April 24, 2019

Re: Ontario Budget 2019 financial implications on Community and Health Services based on allocation notices received to date

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On April 11, 2019, the Ontario Government tabled its 2019 Budget entitled Protecting What Matters Most. The Budget identified several areas that impact Community and Health Services. The Province subsequently provided a number of communications, including funding allocations, many of which came on Thursday April 18, 2019. This memorandum provides high-level estimates of tax levy implications based on communications received to date.

We are continuing to analyze potential implications and mitigation strategies. Attachment 1 provides an initial analysis of tax levy implications based on communications received from the Province to date.

### Next Steps:

We are completing a full analysis of these announcements and will report to Council when more information is received.



Katherine Chislett  
Commissioner of Community and Health Services



Bruce Macgregor  
Chief Administrative Officer

Attachments 1  
eDOCS #



**Ontario Budget 2019: Financial Implications Resulting from Provincial Communications  
as of April 24, 2019**

Ontario Budget 2019	Financial Implications
<p><b>Public Health</b></p> <ul style="list-style-type: none"> <li>• Commits to improving program and back office efficiencies by adjusting provincial-municipal cost sharing funding in 2019-20</li> <li>• Reduce public health units to 10 regional public health entities by 2020-2021</li> <li>• Decrease public health spending by \$200 million by 2021-2022</li> <li>• Expand dental services to low income seniors through Public Health Units by late 2019</li> </ul>	<p>On April 18, 2019, the Region learned through a conference call with the Ontario Chief Medical Officer of Health that cost-share proportions of approximately 75:25 will change as follows:</p> <ul style="list-style-type: none"> <li>• April 2019: 70% Provincial - 30% Municipal</li> <li>• April 2020: 70% Provincial - 30% Municipal</li> <li>• April 2021: 60% Provincial - 40% Municipal</li> </ul> <p><b>As a result, Provincial funding in the 2019 Council approved budget is estimated to be overstated, creating a financial pressure of \$3.2M.</b></p> <p>As per the new cost-share ratio, the Provincial funding is estimated to reduce by an additional:</p> <ul style="list-style-type: none"> <li>• \$1.1M in 2020</li> <li>• \$4.4M in 2021</li> <li>• \$1.5M in 2022</li> </ul> <p>By 2022, it is estimated that the annual Provincial funding, based on changes to the cost-share ratio only, will be \$10.2M lower than in 2018. This does not include any funding that may come with the new dental program or any funds we may secure from the province to help mitigate the cuts.</p>
<p><b>Child Care</b></p> <ul style="list-style-type: none"> <li>• Effective 2019, under a new CARE program, eligible families would receive up to 75% of child care expenses.</li> <li>• Commits up to \$1 billion to create a maximum of 30,000 child care spaces in schools over a five year period.</li> </ul>	<p>On April 18, 2019, the Region received a funding allocation letter from the Ministry of Education indicating that the 2019 Child Care funding allocation will decrease by \$4.3M from the 2018 allocation.</p> <p>The Region had budgeted for a conservative funding increase of approximately \$1.3M in 2019 based on previous allocations by the Province.</p> <p>As a result, the Provincial funding in the 2019 Council approved budget is overstated by \$5.6M.</p> <p>In addition, the Province has also advised of new cost-sharing ratios for:</p> <ul style="list-style-type: none"> <li>• Previously 100% funded Expansion Plan component of Child Care now requires the Region to pay 20% for an estimated impact of \$3M in 2019</li> <li>• Changes to cost-sharing on Administration will have an estimated financial pressure of \$3M in 2019</li> </ul> <p><b>The total impact of all the Child care changes is estimated to create a tax levy pressure of \$6M in 2019.</b></p>

Ontario Budget 2019	Financial Implications
<p><b>Affordable Housing</b></p> <ul style="list-style-type: none"> <li>• Allocate approximately \$4 billion over nine years under the National Housing Strategy bilateral agreement with the federal government</li> <li>• Launched its Community Housing Renewal Strategy which includes: <ul style="list-style-type: none"> <li>◦ The Canada-Ontario Community Housing Initiative</li> <li>◦ The Ontario Priorities Housing Initiative which is equally cost shared by the provincial and federal government</li> </ul> </li> <li>• Launched its Ontario Priorities Housing Initiative funding of \$34.7 million in provincial funding for existing programs across 2018-19 and 2019-20.</li> </ul>	<p><b>Housing</b></p> <p>On April 17, 2019, The Region received a funding allocation letter from the Minister of Municipal Affairs and Housing indicating that:</p> <ul style="list-style-type: none"> <li>• 2019-20 funding for the Investment in Affordable Housing for Ontario initiative will be \$4.3M. Funding for only one year was confirmed.</li> <li>• 2019-20 funding for the Ontario Priorities Housing Initiative will be \$7.5M and will decrease in 2020-21 to \$3.9M and in 2021-22 to \$6.0M</li> <li>• 2019-20 funding for the Canada-Ontario Community Housing Initiative will be \$51.5K. Funding for only one year was confirmed.</li> </ul> <p>Details regarding the eligible expenditures are not known at this time.</p>
	<p><b>Homelessness</b></p> <p>On April 17, 2019, the Region received a funding allocation letter from the Minister of Municipal Affairs and Housing indicating that:</p> <ul style="list-style-type: none"> <li>• Previously planned increase to \$15.7M for 2019-2020 has been delayed to April 1, 2020</li> <li>• 2019-20 funding will be maintained at the 2018-19 level of \$14.0M</li> <li>• Funding for the supportive housing program, Home for Good, will be maintained at the 2018-19 level of \$550K for the next two years.</li> </ul> <p><b>As a result, the Provincial funding in the 2019 Council approved budget is overstated, creating a financial pressure of \$1.15M.</b></p>

**Bottom line:**

Preliminary estimates of changes in Provincial funding communicated after the April 11, 2019 budget announcements imply approximately \$10M less funding than anticipated in the Regional 2019 approved budget. Staff are working through the corresponding adjustments to mitigate the consequences of lower than expected provincial transfers.