
Downloaded Dilemma:

Background Report for the Social Services Downloading Steering Committee

January 23, 2006

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Executive Summary

Municipal capacity to contribute to the funding of social services is one of the most important issues facing Ontario communities. Like other Canadian municipalities, those in Ontario fall under the constitutional jurisdiction of the Provinces, and therefore have limited sources of revenue. As cities struggle to meet an ever-expanding list of priorities, programs aimed at helping the most vulnerable in our community are experiencing cost pressures. This has been a reoccurring issue in Hamilton, especially over the last few years, as provincial help has been sought to offset increasing social service funding costs. It is clear a solution is required both in the short and long-term. This report is intended to inform the efforts of the Social Services Downloading Steering Committee (SSDSC), which represents a variety of community interests within Hamilton, and is charged with the task of examining this issue.

History

Throughout the 1990s, Canadians witnessed a significant transition in the way in which all three levels of government provided supports for social services. This transformation in the delivery of social assistance has had significant impacts on communities across the country. In 1997, the Province of Ontario realigned responsibility for certain services; this came to be known as Local Services Realignment (LSR). One component of LSR was the provincial government's decision to download the responsibilities and costs of certain programs to municipalities. Although LSR was intended to be cost neutral, in Hamilton it resulted in a \$30 million shortfall. Some programs, like social housing, were fully transferred to municipalities, while others were cost-shared such as Ontario Works (OW) and Ontario Disability Support Program (ODSP). Unlike OW, ODSP, and social housing, which municipalities are mandated to provide, there are also services, such as residential care homes, where municipal funding is discretionary. This segment of social service spending is particularly vulnerable to cuts when municipalities are faced with budgetary pressures.

At the end of 1997, the province announced their intention to create a pooling arrangement for the Greater Toronto Area (GTA) municipalities with respect to social services. The pooling arrangement was designed to redistribute the municipal share of social assistance spending across the GTA with the net impact benefiting Toronto, where a greater number of services are provided and used. For cities like Hamilton, along with one time transitional funds to assist municipalities with downloading, the Province established the Community Reinvestment Fund (CRF) in 1998. The CRF was an annual fund that was intended to provide revenue neutrality in the funding arrangement for social services. Following complaints about the inadequacies of the CRF the Ontario government created the Ontario Municipal Partnership Fund (OMPF) in March 2005 as the replacement for the CRF. However, Ontario municipalities still struggle with funding social services from the property tax base.

The Hamilton Context

Hamilton, one of Ontario's older urban centres, is part of the third largest Census Metropolitan Area (CMA) in the province. Hamilton has been at the centre of Canadian industrial development for over a century and is now experiencing challenges as a mature Ontario city. Certain demographic trends put increased pressures on the demand for social services that are provided by the city and province:

- Almost 50 percent of unattached individuals in Hamilton earned less than \$20,000 in 2000 and almost 20 percent of families were living on \$30,000 or less.
- Hamilton's population is ageing faster and growing slower than the provincial average. The Hamilton CMA has the highest percentage of population over 65 years of age in comparison to other major Ontario municipalities.
- Immigration accounts for 85 percent of Hamilton's total population growth, and almost half of all recent immigrants to the City of Hamilton are living in poverty.
- Hamilton has the highest rate of poverty when compared to other major Ontario cities with 1 in 5 Hamiltonians living in poverty. 26 percent of those in poverty are classified as the working poor, while another 8 percent are Ontario Works participants who are job ready.
- The City of Hamilton is a regional centre for health and education services. The quality of services offered is known beyond the city borders and consequently Hamilton attracts certain groups to the city who may require social assistance.
- Between 2002 and the end of the third quarter of 2005, there was a net increase of 969 social service (OW) cases that transferred into Hamilton. More than half of the transfers into Hamilton (1756 cases) came from the Greater Toronto Area (GTA). Of these 1756 GTA transfers in, almost 70 percent came from the core City of Toronto.

Trends in Hamilton Social Services

Ontario Works (OW): Hamilton has an average of more than 10,000 OW cases. Hamilton's OW caseload is significant, and represents more than 5 percent of the total provincial caseload.¹ In addition, while total OW cases make up about 1.7 percent of the provincial population, Hamilton's caseload is approximately 2.1 percent of the local population.

Ontario Disability Support Program (ODSP): Hamilton has about 12,600 ODSP cases. This accounts for approximately 6 percent of Ontario's total ODSP caseload, while the city accounts for just 4 percent of the provincial population.² While total ODSP cases make up about 1.8 percent of the provincial population, Hamilton's caseload is approximately 2.5 percent of the local population.³ In addition, from 2001 to 2005, Hamilton's ODSP caseload increased by 839, a larger increase than many Ontario cities including Toronto and Ottawa.

Social Housing: There are approximately 14,200 social housing units in Hamilton.⁴ About 6,234 are owned by CityHousing Hamilton⁵ and approximately 8,100 are owned and managed by non-profit housing providers. There has been a steady increase in the number of people applying for social housing in Hamilton and the waiting list is estimated at 8,000.

Impacts of Social Service Challenges

Inability to Make Needed Investments & Economic Competitiveness: Hamilton, as a mature Ontario city, has several characteristics that place it in a difficult position. Changing demographics put Hamilton in a more stressful position in terms of demand for social services. Also, there is a pressing need for the expansion and rehabilitation of infrastructure, as well as urban revitalization, and the shifting trends in the local economic base. All of these factors contribute to an ever expanding list of priorities that Hamilton must address. Many of these priorities require investment and social services pressures in Hamilton contribute to an inability to make the needed investments. Additionally, spending pressures in Hamilton have led to high taxes, which diminish the city's economic competitiveness. This has an influence on business retention and relocation, which impacts property tax revenues, resulting in less money to fund local priorities such as social services.

Vulnerability to Economic Downturns: Financing social services from the property tax base can have dire implications, particularly during an economic downturn. A recent example of this can be found in the first quarter of 2004, when the labour market in Hamilton contracted significantly, much more than its provincial counterpart. A situation such as this could present the city with an unforeseen rise in demand for OW as a result of job losses, just as revenues from property taxes decline due to industrial closers.

Municipal Financial Planning: Over the last three years, the City of Hamilton has had to approach the Province to secure additional funds to avoid untenable tax increases which would prevent a deficit situation. Each year, after prolonged negotiation, the Province has provided a cash transfer to Hamilton, in part to offset the costs of social services. This model is clearly untenable, as there is no certainty for the municipality in their ability to provide consistent services or to plan for the future, as they cannot be certain if provincial funding will be available.

Next Steps and Conclusions

Moving forward, it is clear that the present situation is not sustainable. While many communities share some of the difficulties in funding social services, Hamilton is uniquely vulnerable due to several factors including our demographics, high poverty rate, and our position as a net importer of social service cases. The following are some options the SSDSC may wish to pursue as it moves forward:

Uploading of Social Service Costs: Ontario is one of the only jurisdictions of all the G-8 Nations that downloads the cost of social services to the local property tax base.⁶ Also, Ontario's municipalities have the highest property taxes in the country.⁷ Revenues from property taxes do not grow with the economy, as is the case with income taxes, yet Ontario municipalities have to rely on the property tax base to fund social services. There has been substantial analysis and discussion on the issue of municipal financial sustainability and social service funding and an oft-repeated conclusion is to fund income redistribution programs from income tax, not property tax. In practice this means returning a significant portion of social services costs to the province to fund. Building on the call of other organizations, the SSDSC may wish to formally request the province assume more financial responsibility for social programs. Specifically, Hamilton could solicit predictable, sustained

and annual funding to cover the social services funding shortfall that resulted from downloading, until such time as the province is able to rework the system. In practical terms, this would mean approaching the Province once again for funding assistance for immediate needs with the intent of working towards a long-term sustainable solution.

Expansion of GTA Social Pooling to Include Hamilton: The City of Hamilton estimates that there is a net benefit of \$30 million if Hamilton were part of the GTA pooling model.⁸ However, a potential consideration in pursuing this option is that existing GTA municipalities are not in favour of a further redistribution of social services costs. Also, demographic trends in suburban GTA municipalities show an increase in populations that are going to require social assistance and thus the long-term sustainability of this model is in question. The SSDSC may wish to explore this option as a solution to address immediate needs.

Hamilton as Part of an Alternative Pooling Arrangement: Another option for Hamilton would be for the province to establish a new pooling arrangement between Hamilton and neighbouring municipalities. A 2004 analysis of this concept presented options where Hamilton would pool social service costs with other municipalities, including the Region of Halton. The analysis showed that in general, Hamilton would benefit from an alternative pooling scenario. The Region of Halton would be impacted most negatively, and the analysis did not speculate what the impact would be of removing Halton from the GTA pooling arrangement.

Targeted Tripartite Agreements: To address complex social and economic problems in defined urban areas, the Government of Canada has entered into trilateral agreements with the other two orders of government to ensure the coordination of resource deployment. One example of this is the Canada/British Columbia/Vancouver agreement. Hamilton could pursue a similar agreement with the Ontario and federal governments to help with social service pressures. While this approach would not yield immediate additional revenues to offset social service costs, it would help address some of the core social issues, such as poverty, which would lead to less demand for social services.

New Municipal Legislation or City of Hamilton Act: The issue at the root of the social services downloading question is the fiscal capacity of Ontario municipalities. The property tax base alone is not a sufficient means to fund the many municipal responsibilities, including social services. Thus, one long-term solution to the social service funding issue is to explore new streams of municipal revenue generation. Following the creation of the proposed City of Toronto Act, Hamilton could pursue discussions with the provincial government on new Hamilton-specific legislation, or take a leadership role with its urban counterparts and pursue effective legislative changes to the Municipal Act.

It is important to remember that although other Ontario cities face similar funding pressures with respect to social services, Hamilton is unique due to a combination of local demographics and the fact that it is a importer of social service cases, the majority of which come from the neighbouring GTA. While this report synthesizes a multitude of information on the social services issue, further analysis should be sought to determine which next steps, if any, should be pursued. The intent of this report is to help the SSCSC plan its next steps, both in communicating Hamilton's immediate social services pressures and in advocating for a new sustainable framework.

1.0 Introduction

Municipal capacity to contribute to the funding of social services is one of the most important issues facing Ontario communities. Like other Canadian municipalities, those in Ontario fall under the constitutional jurisdiction of the Provinces, and therefore have limited sources of revenue. As cities struggle to meet an ever-expanding list of priorities, programs aimed at helping the most vulnerable in our community are facing cost pressures. This has been a reoccurring issue in Hamilton, especially over the last few years, as provincial help has been sought annually to help offset increasing social service funding costs. It is clear a solution is required both in the short and long-term. As such, the City of Hamilton has established the Social Services Downloading Steering Committee (SSDSC) to review this issue. The intent of this report is to provide background information for the SSCSC so that it can plan its next steps. The committee's membership represents a variety of community interests and includes the Hamilton Civic Coalition, McQuesten Legal and Community Services, the Social Planning and Research Council, the Hamilton Chamber of Commerce, as well as members of City Council.

The report outlines the history of downloading from Local Service Realignment, to the creation of the Ontario Municipal Partnership Fund, including a review of the GTA pooling arrangement. The report also provides important contextual information about Hamilton to illustrate why the city faces particular social services funding pressures given its demographics and position as a regional centre. From there, the report looks at the major social service programs themselves and how caseload numbers in Hamilton compare to other Ontario municipalities, and provincial averages. A discussion of the impacts of social service pressures follows including how the current situation puts Hamilton in an economically vulnerable position. The report concludes by outlining some possible next steps that could be explored by the SSDSC.

2.0 Background History

Canadians witnessed a significant transition in the way in which all three levels of government provided supports for social services throughout the 1990s. This transformation in the delivery of social assistance has had significant impacts in communities across the country.

Beginning in 1966, the federal government shouldered 50 percent of the cost of social services (administering social assistance, as well as homes for special care, child welfare, and other welfare services) through the Canada Assistance Plan (CAP). In April 1996, as part of a national program review, the federal government altered the way that it transferred funds for health and social assistance to the provinces. The Canadian Health and Social Transfer (CHST) was established to replace CAP, and instead of the 50-50 cost-sharing arrangement under CAP, the CHST provided funding for health services, post-secondary education and social assistance in one large fixed transfer.⁹ Again in 2004, the federal government altered its funding system by separating the CHST into the Canada Health Transfer (CHT) in support of health, and the Canada Social Transfer (CST) in support of post-secondary education, social assistance and social services, including early childhood development.¹⁰ The implication of the shift in funding has caused provinces to review the ways in which they fund and deliver social assistance to Canadians.

2.1 Local Services Realignment (LSR)

In the same year as the CHST was announced at the federal level, the provincial government in Ontario launched a review of provincial-municipal service delivery arrangements, known as the “Who Does What Panel”.¹¹ The Panel recommended that government programs primarily aimed at income distribution (ie. Ontario Works) should be funded by the Province, and that where possible, “only one level of government should be responsible for spending decisions, and the level of government making the spending decisions should have responsibility for the funding of that service.”¹² Despite the Panel’s recommendations, in 1997, the Province instituted the *Services Improvement Act*, which realigned responsibility for certain services; this came to be known as Local Services Realignment (LSR). As a result of LSR, the provincial government downloaded the responsibilities and costs relating to 16 programs. Among these 16 were a number of social service programs, including child care, social assistance, services for those with disabilities, and social housing. There were three broad groupings of programs that were downloaded; some, like social housing, were fully transferred to the municipalities, the municipalities administered others but the funding was structured in a cost-sharing arrangement, for example, Ontario Works (OW). The final grouping was those programs where the province retained full responsibility for providing services, with a cost-sharing arrangement in place, but would then bill the municipality for their cost of those services, for example, Ontario Disability Support Program (ODSP).¹³ Table 1 details the cost transfers and responsibility for Social Housing, OW and ODSP. Unlike OW, ODSP, and social housing, which municipalities are mandated to provide, there are also programs, such as residential care homes funding, that fall within discretionary social spending. This segment of social service spending is particular vulnerable to cuts when municipalities are faced with budgetary pressures.

Table 1: Cost Transfers and Responsibility for Social Housing, OW and ODSP¹⁴

Program	Responsibility	Funding
Social Housing	Municipalities	Municipalities provide 100% of social housing funding.
Ontario Works (OW)	Municipalities	Province funds 80% of program costs and 50% of administrative costs. Municipalities fund 20% of program costs and 50% of administrative costs.
Ontario Disability Support Program (ODSP)	Province	Province provides 80% of program funding and 50 % of administrative costs. Municipality provides 20% of program funding and 50% of administrative costs.

In exchange for the additional costs that the municipalities would have to bear for the provision of these services (estimated at \$3 billion in 1997-98) the province assumed responsibility for 50 percent of the educational portion of residential property taxes (estimated at \$2.5 billion).¹⁵ However, in Hamilton, this transfer of funding responsibilities was not cost-neutral and resulted in a short fall of over \$30 million (Table 2).

Table 2: 1998 LSR Costs After Education Tax Room¹⁶

LSR Programs	
Social Assistance	\$50.2M
Child Care	\$1.8M
Public Health	\$10.6M
Land Ambulance	\$10.7M
Social Housing	\$35.1M
Managed Forests	\$0.2M
Farm Tax Rebate	\$1.1M
Sub-Total Programs	\$109.6M
Other Program Costs	
GO Transit	\$2.1M
Property Assessment	\$4.7M
Transit	\$17.2
Child's Aid	\$3.5M
Gross Tax Receipts	\$2.5M
POA	\$2.6M
Sub-Total Costs	\$23M
Net LSR Before Education Tax Room	\$130.1M
Education Tax Room	\$96.7M
LSR Costs After Tax Room	\$33.3M

The provincial government established a number of funds and programs to facilitate the transition of the downloading of services to its municipalities, such as a one-time transition funds, the GTA Equalization formula, and the Community Reinvestment Fund.

2.2 GTA Equalization Formula (GTA pooling)

At the end of 1997, the provincial Ministry of Finance announced their intention to create a pooling arrangement for the Greater Toronto Area (GTA) municipalities with respect to GO Transit and social services. The GO Transit arrangement included the City of Toronto, the Regional Municipalities of Halton, Peel, Durham, York, and the Region of Hamilton-Wentworth. However, the social services pooling arrangement included the City of Toronto, the Regions of Halton, Peel, Durham, York and excluded the Region of Hamilton-Wentworth.¹⁷

The GTA pooling arrangement for social services was designed to redistribute the municipal share of social assistance spending across the City of Toronto and the regional municipalities of Peel, Durham, York and Halton. The argument for the pooling of service costs was that due to interdependencies in the use of these services throughout the larger GTA region, the cost of those services should be shared. The net result of the equalization formula benefited Toronto, where a greater number of services are provided and used. Hamilton was excluded from the GTA pool because the Province considers Hamilton its own catchment area for social services.

2.3 Community Reinvestment Fund (CRF)

Along with one time transitional funds to assist municipalities with downloading, the Province established the Community Reinvestment Fund (CRF) in 1998. The CRF was an annual grant that was intended to provide revenue neutrality in the funding arrangement for social services. Funds from the CRF were provided to municipalities whose total net LSR cost exceeded municipal “tax room.” Tax room refers to the municipal tax revenue that would have previously gone toward educational costs that were taken on by the Province as part of LSR. One important component of the CRF was the imposition of savings targets for municipalities in the delivery of services. The targets differed according to the size of the municipality, for example, those cities with populations between 100,000 and 500,000 were required to demonstrate a saving of 3.2 percent annually for all social services. The Province supplemented the CRF in 1999 with the CRF bonus, and again in 2000 with supplementary assistance. The CRF program remained in place until 2005.¹⁸

2.4 Ontario Municipal Partnership Fund (OMPF)

The OMPF was announced in March 2005 as the replacement of the CRF. Unlike the CRF, which was a single fund that was distributed to municipalities based on the tax room formula mentioned above, the OMPF is actually a collection of four different grants to assist municipalities. These include the Social Programs Grant, the Equalization Grant, the Northern and Rural Communities Grant, and the Police Services Grant. The Social Programs Grant and the Northern and Rural Communities Grant were designed to assist municipalities with the cost of social services.

The OMPF grants are meant to provide equal support for municipalities. They are based on each city’s ability to pay for services, and they are geared at municipalities that may not have an adequate means of generating funds for program costs from their property tax assessment base. The formula for the OMPF is based on a weighted assessment that takes into account a municipality’s annual property tax assessment roll and the municipality’s share of program costs.¹⁹ The OMPF rates are determined at the beginning of the year based on projected annuals cost. For example, the City of Hamilton was allocated a Social Programs Grant of \$30,175,188 for 2005.²⁰

In total, the province estimated that the OMPF would provide municipalities with \$656 million in grants. The province has also committed to providing \$233 million in one-time funding to cities to reconcile previous obligations from the CRF numbers for 2003 and 2004.²¹ As part of the transition to the OMPF, the Province announced a one-time stable funding guarantee that would ensure that municipalities would receive, in 2005, at least what they received in 2004. The Province also provided an additional one-time fund to maintain the levels of OMPF funding announced in March 2005. This is particularly relevant for Hamilton, as the Province estimated a \$2.2 million difference between March and October 2005. The 2.2 million was transferred to the City of Hamilton, but only for 2005.

3.0 The Hamilton Context

Hamilton, one of Ontario's older urban centres, is part of the third largest Census Metropolitan Area (CMA) in the province (Table 3). Hamilton has been at the centre of Canadian industrial development for over a century and is now experiencing challenges as a mature Ontario city. These challenges include a transition to a post-industrial economy, the renewal of infrastructure, the revitalization of the downtown, and a set of social and demographic conditions, which all add additional responsibilities to the local government in providing an adequate quality of life for Hamiltonians. It should be noted that many of the following statistics pertain to the Hamilton CMA, which includes the more affluent suburban municipality of Burlington. However, Burlington is part of the Region of Halton, which is included in the GTA pooling arrangement.

Table 3: Population of Select Ontario CMAs²²

	1996	2001	2004
Toronto	4,263,759	4,682,897	5,203,600
Ottawa-Hull	998,718	1,063,664	1,142,700
Hamilton*	624,360	662,401	710,300
London	416,546	432,451	459,700
Kitchener	382,940	414,284	450,100
Windsor	286,811	307,877	330,900

*includes Burlington and Grimsby

3.1 General Demographics

3.1.1 Lower income levels

Income levels are one indication of how susceptible a population may be in requiring social assistance to maintain adequate living conditions. Hamilton has one of the lowest median household income levels as compared to other major Ontario cities, ranking just above London (Table 4).

Table 4: Median Household Income, Selected CMAs, 2000²³

	Median Household Income
Toronto	\$59,502
Ottawa-Hull	\$59,009
Kitchener	\$55,528
Windsor	\$54,442
Hamilton	\$52,786
London	\$48,026

While the median household income in the Hamilton CMA was \$52,786 in 2000, almost 50 percent (or 29,842) of unattached individuals in the core City of Hamilton (not CMA) earned less than \$20,000.²⁴ In terms of families, almost 20 percent (or 25,747) were living on \$30,000 or less.²⁵ These figures point to a significant population in Hamilton that is more likely to require social assistance.

3.1.2 Senior Population

When compared to other major Ontario cities, the Hamilton CMA has a slightly higher median age and it has the highest percentage of its population over 65 years of age (Table 5). Hamilton's population is ageing faster and growing slower than the provincial average.²⁶ One sign of the impact of the aging population on social services in the city, is that the number of Ontario Works (OW) pending Ontario Disability Support Program (ODSP) caseloads, meaning those people transitioning from eligibility for OW to ODSP because of age, continues to increase.²⁷ This translates into a larger group of seniors, per capita, that may require support in areas such as social housing and health care. In addition, seniors may require social assistance to help with financial hardship. This hardship might be due to some age-related special needs, the number of dependants in the household, or ineligibility for Old Age Security benefits.²⁸

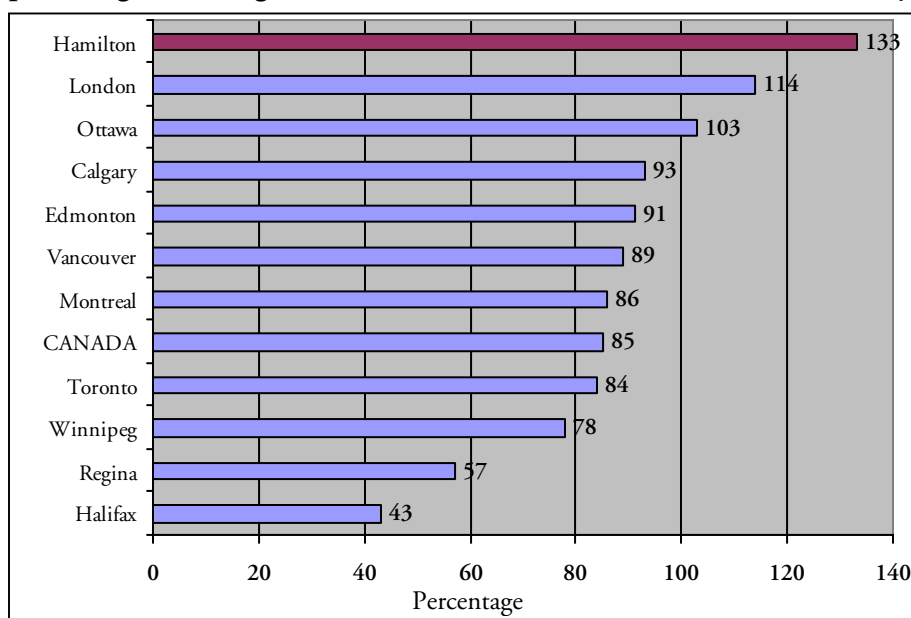
Table 5: Percentage of Population over 65 and Median Age, Selected CMAs, 2001²⁹

	Percentage of Population over 65	Median Age
Hamilton	14.3	37.8
London	13.2	36.9
Windsor	12.6	36.0
Toronto	11.3	36.2
Kitchener	11.2	35.3
Ottawa-Hull	10.8	36.6

3.1.3 Challenges faced by New Canadians in Hamilton

Immigration has always been a vital component in building Canada as a diverse and vibrant country, and this is no different in Hamilton. In fact, Hamilton has the third highest percentage of foreign-born citizens of any city in Canada, behind Toronto and Vancouver.³⁰ Currently, immigration accounts for 85 percent of Hamilton's total population growth, and it is estimated that this will rise to 100 percent in the coming decades.³¹ Further, Hamilton experiences significant "secondary immigration" where immigrants move to the city from their original destination in Canada. For example, in 2001, the actual number of recent immigrants to Hamilton was 133 percent of recent immigrant who declared the City of Hamilton as their intended destination when landing in Canada.³² This is a significantly higher than many cities across the country (Figure 1).

Figure 1: Recent immigrants (1996-2001) living in a given CMA as a percentage of immigrants who intended to live in that CMA when they landed



Over the years, new Canadians have been attracted to Hamilton for several reasons including economic opportunity, reunion with family members, and the cost of living. However, there has been substantial research conducted on the challenges faced by new Canadians in terms of integrating into the workforce. Although the gap is shrinking, recent immigrants tend to earn less and have higher unemployment rates as compared to Canadian-born citizens.³³ In Hamilton, these national trends are exacerbated as this city has one of the highest percentages of recent immigrants earning less than \$20,000 a year as compared to other major Ontario cities (Table 6). In addition, almost half of all recent immigrants to the core city of Hamilton (not CMA) are living below the Low-Income Cut-Off (LICO) line.³⁴

Table 6: Recent Immigrants (1996-2001) 15 years and over earning less than \$20,000 annually, Selected CMAs, 2001³⁵

	Percent of population
London	54
Hamilton	52.1
Toronto	50.3
Kitchener	49
Ottawa-Hull	48.3
Windsor	47.4

It should be noted that these figures do not necessarily mean that recent immigrants are relying on social assistance, as in many cases they are not eligible to do so for a period of time upon arrival. However, government restructuring processes, such as Local Service Realignment, have resulted in fewer secondary supports (e.g. child care services) available to recent immigrants which would lessen the burden of poverty, allowing them to “get on their feet” more quickly. Often, new Canadians will have low-wage “survival jobs” that put them, and their families, in a financially vulnerable position. Over time, high poverty rates and limited secondary supports put increased pressure on recent immigrants, who may need to eventually turn to social assistance.

3.2 High Levels of Poverty

“There’s one other issue in particular I believe represents the greatest challenge we face as a city and as a community...It is a problem we must address and resolve together if our community is to realize its vision and its potential. That issue is the curse of poverty in our midst.”

– Mayor Larry Di Ianni, State of the City Address, 2005

Hamilton has the highest rate of poverty when compared to other major Ontario cities (tied with Toronto, Table 7). This rate is based on Statistics Canada’s Low Income Cut-Off (LICO). LICO factors in the average cost of basic necessities (making adjustments for household sizes and community sizes) and adds an additional 20 percent to determine the low-income cut-off for a specific group.³⁶

Table 7: Poverty Levels in Ontario, Selected CMAs, 2001³⁷

	Incidence of Low Income %	Low Income Population
Hamilton	16.7	109,160
Toronto	16.7	771,535
London	15.1	64,260
Ottawa	15	156,815
Windsor	13.2	40,180
Kitchener	11.3	46,075

Looking specifically at the core city of Hamilton (not including Burlington or Grimsby), 20 percent or 1 in 5 residents were living below the LICO, according to the 2001 census. This figure represents about 95,370 residents including children.³⁸

A breakdown of the overall poverty figure reveals the distribution of poverty in Hamilton (Figure 2). 26 percent of those in poverty are classified as the working poor. This includes individuals who work, but received inadequate wages or lacked job stability to maintain a basic standard of living. Another 8 percent are Ontario Works (OW) participants who were job ready. There is typically a flow between these two categories as individuals move between working low-wage jobs and receiving benefits from OW. Another 15 percent of those in poverty are participants in OW or the Ontario Disability Support Program (ODSP), but, due to a range of issues they have significant barriers to employment. Additionally, other marginalized groups in Hamilton have particularly high levels of poverty including lone-parent families, recent immigrants, and the disabled (Table 8).

Figure 2: The Distribution of Poverty in Hamilton³⁹

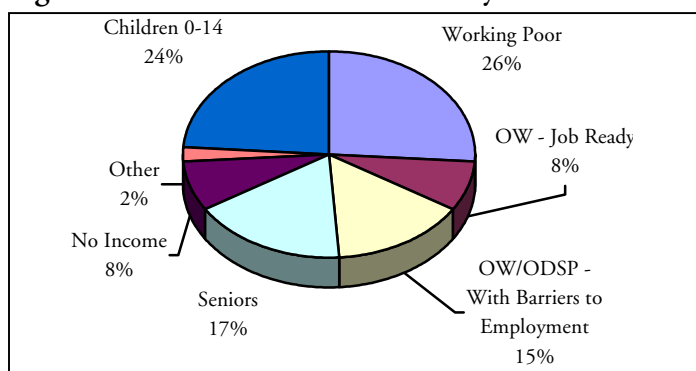


Table 8: Poverty Levels Within Select Hamilton Groups, 2001⁴⁰

Disabled	29%
Visible Minority Status	34%
Aboriginal Status	37%
Recent Immigrants	50%
Lone-parent families	56%

3.3 Net Importer of Social Service Cases

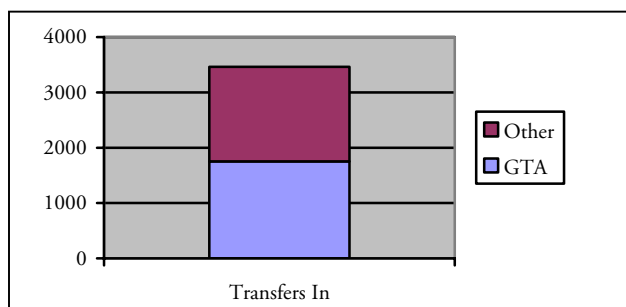
The City of Hamilton is a regional centre for health and education services. The quality of services offered here is known beyond the city borders and consequently Hamilton attracts certain groups to the city who may require social assistance. One indication of this is the fact that those transferring from Ontario Works (OW) to ODSP, and ODSP caseloads continue to rise due, in part, to the fact that the city is a magnet community for those with physical and mental health issues.⁴¹ For example, a recent survey of tenants in Residential Care Facilities (RCF) showed that over 30 percent of residents moved to Hamilton to access the services provided in the RCFs.⁴² Another indication of this movement can be seen in the migration of social service (OW) cases to Hamilton. In May 2001, the City of Hamilton started using a new province wide client computer system for delivering social assistance. The new system provided the ability to track the transfer of social service cases from one area to another. An analysis of this information gives an excellent illustration of trends relating to the migration of social service cases in and out of Hamilton, including how many of such cases are migrating into Hamilton from the Greater Toronto Area (GTA).

Table 9: Social Service Case Migration for Hamilton⁴³

	2002	2003	2004	2005 (until Q3)
Transfers In	1095	929	838	602
Transfers Out	686	720	658	431
Net Transfer	+409	+209	+180	+171
% from the GTA	51.8%	53.5%	50.7%	44.2%

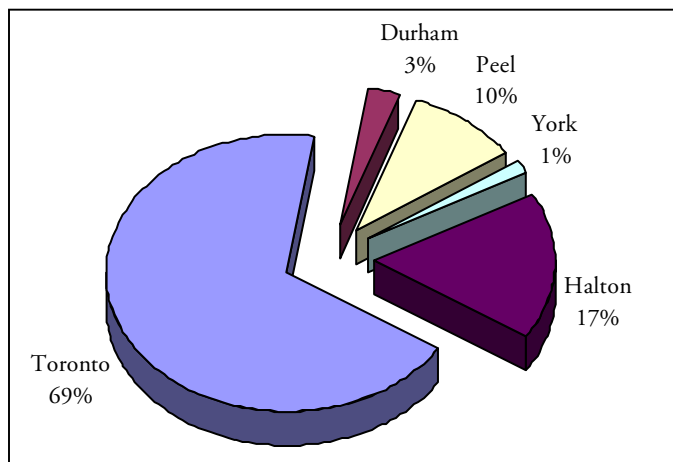
Between 2002 and the end of the third quarter of 2005, there was a net increase of 969 social service cases that transferred into Hamilton (Table 9). Also, within the same timeframe, more than half of the transfers into Hamilton (1756 cases) came from the Greater Toronto Area (Figure 3).

Figure 3: Origin of Social Service Case Migration for Hamilton 2002-2005⁴⁴



Looking specifically at these 1756 GTA transfers in, almost 70 percent came from the core City of Toronto, while the next most prevalent place of origin was Halton (Figure 4). These statistics are particularly relevant as the City of Toronto benefits from the social service pooling arrangement with its peripheral communities, while Hamilton does not. Yet, Hamilton experiences a net migration of social service cases, the majority of which come from the City of Toronto.

Figure 4: Origin of GTA Social Service Case Migration to Hamilton 2002-2005⁴⁵



4.0 Picture of Social Services in Hamilton

4.1 Social Service Programs

As discussed in greater detail above, the social assistance system in Ontario went through an overhaul in the mid-1990s. The provincial income support system was restructured and renamed Ontario Works (OW) and a new program serving those with disabilities was introduced in the form of the Ontario Disability Support Program (ODSP). At the same time, 16 programs, including OW, ODSP and Social Housing were downloaded from the provincial to municipal levels. The way in which the downloading was structured created three different arrangements for different programs. The three programs mentioned, OW, ODSP, and Social Housing are examples of the three types of downloading arrangements.

The following is a brief overview of these three programs and the current situation of each in Hamilton. The data about each will help to inform the next section of this paper, which addresses some of the particular impacts of social service downloading on Hamilton.

4.1.1 Ontario Works (OW)

Ontario Works “provides financial and employment assistance to people in temporary financial need. People receiving assistance through Ontario Works (OW) participate in a wide range of employment assistance activities, which helps them prepare for, find and keep a job.”⁴⁶ The program is cost-shared between the province and municipalities (see Table 1 in section 2.1) and the municipalities deliver services.

OW provides two types of assistance for participants. The first is employment assistance that includes job search, literacy training programs, Learning, Earning and Parenting (LEAP), employment placement, and community participation. The second type is basic financial assistance, which includes income assistance for the purpose of basic needs and shelter, benefits such as prescription drugs, and emergency assistance for basic needs and shelter.⁴⁷

In January 2004, the provincial government instituted a 3 percent increase in OW rates, the first such increase since 1993.⁴⁸ The basic annual OW benefit for a single person was \$6,432, and a family of four could receive \$17,424 (this includes the 3 percent increase).⁴⁹

Table 10: Ontario Works Average Caseloads for Selected Ontario Municipalities⁵⁰

	Toronto	Hamilton	London	Ottawa	Windsor	Region of Waterloo
2001	62,541	11,453	8,771	17,786	6,204	7,049
2002	64,539	10,872	8,658	17,604	6,847	7,000
2003	63,736	10,253	8,165	18,007	6,601	6,688
2004	63,363	10,276	8,133	17,671	6,618	6,298
2005 (As of Sep.)	66,235	10,091	8,069	17,509	7,131	6,159

The number of Hamilton OW caseloads was approximately 10,000 as of the third quarter of 2005, down from 2001 (Table 10). A comparison with other Ontario cities shows that Hamilton's OW caseloads are significant, and represent more than 5 percent of the total provincial caseload.⁵¹ While total OW cases make up about 1.7 percent of the provincial population, Hamilton's caseload is approximately 2.1 percent of the local population.⁵² Also, with new eligibility rule changes, there is a projected addition of 690 OW cases for Hamilton in 2006.⁵³

To provide some context to these figures, it is useful to compare the ability of each community to pay for its caseload. Property tax relative to household income is a good measure of this. Hamilton has the highest property taxes relative to household income when compared to other major Ontario cities (Table 11).

Table 11: Property Taxes Relative to Household Income⁵⁴

	2005 Property Taxes (\$)	Household Income (\$)*	Property Taxes as a % of Household Income
Hamilton	3,091	47,855	6.46%
London	2,872	46,153	6.22%
Toronto	3,047	49,345	6.17%
Windsor	2,882	46,949	6.14%
Ottawa	3,442	62,130	5.54%
Kitchener	2,482	50,877	4.88%

*Household Income represents 2000 median household income - all households
Source: 2001 Census, Statistics Canada

4.1.2 Ontario Disability Support Program (ODSP)

The *Ontario Disability Support Program Act* came into effect in 1998. The Act created a specific program for disabled citizens. ODSP provides financial assistance to people with eligible disabilities and to people 65 years and over who are not eligible for federal Old Age Security. The program is intended to provide financial assistance for basic living expenses such as food, shelter, clothing, and personal needs items.⁵⁵ The program is cost-shared between the province and municipalities (see Table 1 in section 2.1), but unlike OW, the province is responsible for service delivery.

The majority of people who rely on ODSP are single with no dependants and approximately 95 percent of ODSP recipients are disabled: of those, 50 percent suffer from mental disabilities such as psychoses or developmental delays, while the other 50 percent suffer from physical disabilities which includes diseases of the musculoskeletal system (e.g. osteoarthritis) or nervous system (e.g. Parkinson's disease).⁵⁶

ODSP assistance rates are greater than OW rates, and similar to OW, the ODSP allowances were subject to the 2004 increase of 3 percent. Again, like OW, these rates had not been changed since 1993.

Table 11: Ontario Disability Support Program Average Caseloads for Selected Ontario Municipalities⁵⁷

	Toronto	Hamilton	London	Ottawa	Windsor	Region of Waterloo
2001	46,217	11,774	7,398	14,829	6,160	5,379
2002	45,690	11,805	7,442	14,703	6,161	5,406
2003	46,081	12,062	7,833	14,895	6,358	5,673
2004	46,570	12,349	8,021	15,122	6,690	5,943
2005 (As of Sep.)	46,815	12,613	8,240	15,457	6,936	6,189
Net Change	+598	+839	+842	+628	+776	+810

Recent data shows that Hamilton has more than 12,600 ODSP cases (Table 11). This accounts for approximately 6 percent of Ontario's total ODSP caseload, while the city accounts for just 4 percent of the provincial population.⁵⁸ While total ODSP cases make up about 1.8 percent of the provincial population, Hamilton's caseload is approximately 2.5 percent of the local population.⁵⁹ From 2001 to 2005, Hamilton's ODSP caseload increased by 839, a larger increase than that of many Ontario cities including Toronto and Ottawa (Table 11).

In addition, the province has mandated changes to certain social service programs, which has resulted in increased program expenditure at the municipal level. With new eligibility rule changes, there is a projected addition of 440 ODSP cases for Hamilton in 2006.⁶⁰ The 2006 municipal tax levy incorporates an additional \$2.9 million to cover changes to the Ontario Drug Benefit (ODB) and ODSP.⁶¹

4.1.3 Social Housing

Although the federal and provincial governments in Canada have traditionally played a central role in financing, delivering and administering social housing, the 1990s was a decade that saw senior levels of governments relinquishing their responsibility for social housing.

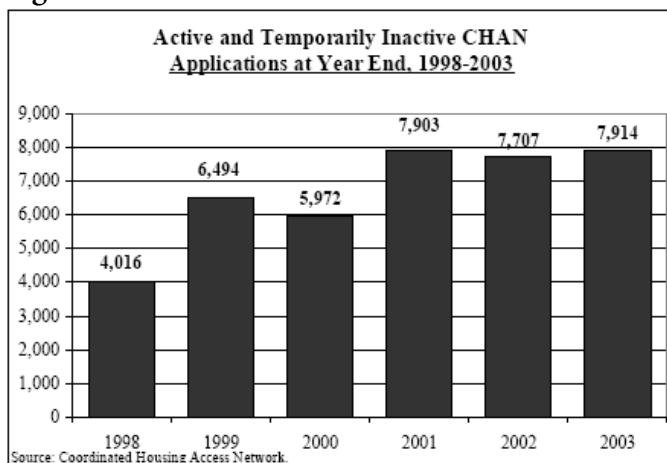
Between 1993 and 2000, the Government of Ontario reduced its expenditure on social housing by 26.6 percent.⁶² This reduction in support culminated in 2001, when the Province of Ontario transferred the responsibility for social housing to municipal governments under the *Social Housing Reform Act (SHRA)*. The annual subsidy cost for housing in Hamilton was in the range of \$32-33 million in 2004.⁶³ This translates into the administration of approximately 14,200 social housing units.⁶⁴ Of this total number of social housing units, about 6,234 are owned by CityHousing Hamilton, which is owned and operated by the City of Hamilton.⁶⁵ Approximately 8,100 are owned and managed by non-profit housing providers. There are also approximately 5,000 units of federally funded not-for-profit housing.⁶⁶

The demand for social housing in Hamilton is significant. From the late 1990s on, there has been a steady increase in the number of people applying for social housing in Hamilton (Figure 5). In November 2005, 4,653 applicants were on the waiting list for housing in Hamilton and the surrounding area.⁶⁷ This list is significantly longer, close to 8000, when you include persons classified as “Temporarily Inactive” meaning those applicants who have been moved off the active wait list pending further information. The average wait time ranges from a matter of months for shared accommodation to more than two years for a one-bedroom apartment. For townhouses and single-family homes, the wait is three years, on average.⁶⁸

Additionally, the province is currently finalizing a set of benchmarks for social housing which will result in a consistent funding formula to ensure funding is administered in a fair and equitable manner to all social housing providers.⁶⁹ However, these new benchmarks will increase municipal costs by \$1.9 million.⁷⁰

The federal government is beginning to recognize the long-term detrimental effects of their lack of funding for social housing throughout the 1990s, as they have begun to reinstate federal funding for affordable housing. The most recent example of this came in August 2005 with the announcement of a \$602 million Canada-Ontario Affordable Housing Program.⁷¹ In addition, the Province is currently finalizing a set of funding benchmarks which are a requirement under SHRA. These benchmarks will set up a consistent funding formula to ensure funding is administered in a fair and equitable manner to all social housing providers.⁷²

Figure 5⁷³



5.0 Impacts of Social Service Challenges

The implications of downloading have been extremely difficult for municipalities, particularly in Hamilton, where there are high levels of poverty and a net migration of social service cases year after year. It is important to emphasize that these population demographics, which are more likely to put high demand on social services, are also likely to place demand on other related services. For example, public transit service for the physically disabled is in very high demand in Hamilton as compared to other cities. In the Region of Peel, with a population of about one million, the disabled transit service operates a 26 vehicle fleet with about 200,000 trips/year provided. Compare that to Hamilton with about half the population and whose disabled transit service operates a 60 vehicle fleet (plus 20 taxis that assist in providing service) with about 600,000 trips/year provided.⁷⁴

The realities in Hamilton are challenging for local leadership, social service providers, and citizens who rely on social assistance. The City has struggled with the unenviable task of either raising taxes to maintain existing services or cutting certain programs. As it stands now, the existing funding for social assistance does not keep pace with changes in living costs.

5.1 Inability to Make Needed Investments and Economic Competitiveness

Hamilton, as a mature Ontario city, has several characteristics that place it in a difficult position. As has been highlighted, Hamilton's demographics put it in a more stressful position in terms of social service needs. Also, there is a pressing need for the expansion and rehabilitation of infrastructure, as well as urban revitalization, which includes downtown renewal, waterfront revitalization, and brownfield redevelopment. In addition, Hamilton is experiencing shifting trends in the local economic base, as the manufacturing sector shrinks and cities compete for a share of the knowledge-based economy. All of these factors contribute to an every expanding list of priorities that Hamilton must address. Many of these priorities require investment and, in part, social services pressures in Hamilton contribute to an inability to make the needed investments. In 2004, approximately 36% of the City's gross budget was attributed to social assistance, public health and social housing costs.⁷⁵ After accounting for conditional grants and transfers, this figure drops to 22%. However, this percentage is the highest in comparison to other major Ontario cities (Table 12).

Table 12: 2004 Social Assistance and Housing Burden⁷⁶

	Exclusive of Grants and Transfers	Inclusive of Grants and Transfers
Hamilton	36%	22%
London	35%	19%
Toronto	34%	16%
Ottawa	34%	21%

With such a large percentage of the budget going to this area, there is competition among other critical civic priorities for money, leading to a lack of adequate investment in important areas. Additionally, spending pressures in Hamilton have led to high taxes, which diminish the city's economic competitiveness. This has an influence on business retention and relocation, which impacts property tax revenues, resulting in less money to fund local priorities such as social services.

5.2 Vulnerability to Economic Downturns

The current model of downloading restricts the flexibility of municipalities. As articulated by the Auditor of the Province of Ontario in 2001, with the downloading of cost and responsibility of services to the municipality from the province, programs “once funded from a broad provincial spending based are now funded from a much narrower municipal property-tax spending base.”⁷⁷

The restrictions of the financing of social services at the municipal level can have dire implications, particularly in times of economic downturns or crisis. Hamilton has and will continue to face this uncertainty, particularly in relation to the transition of its labour force. A recent example of this can be found in the first quarter of 2004 when the labour market in Hamilton contracted significantly, much more than its provincial counterpart. This was due, in part, to the loss of more than 1200 jobs as a result of the closure of the Camco facility and the Levis Strauss factory.⁷⁸ In both these cases these losses represented the displacement of older workers who will require upgrading and skills training in order to stay competitive in the labour market. As the City of Hamilton, Public Health and Community Services Department has noted, “this will undoubtedly, in time, impact the Ontario Works caseloads’ size.”⁷⁹ Added to this is the looming uncertainty of Hamilton’s shifting industrial base. This could present the city with an unforeseen rise in demand for OW as a result of job losses, just as revenues from property taxes decline due to industrial closers.

5.3 Municipal Financial Planning

The current arrangement also presents a lack of flexibility in municipal financial planning. Municipalities in Ontario are legally restricted from running deficits and thus, over the last three years, the City of Hamilton has had to approach the Province to secure additional funds to avoid untenable tax increases, which would prevent a deficit situation. The Province provided a cash transfer in 2004 in excess of \$19 million to the City to help offset local spending pressure exacerbated by local social service program costs. Again during the 2005 budget cycle, the Mayor was forced to request additional assistance for program funding from the Province. Hamilton received \$15 million commitment from the Province for 2005. This model is untenable, as there is no certainty for the municipality in its ability to provide consistent services or to plan for the future, as they cannot be certain if provincial funding will be available.

6.0 Next Steps

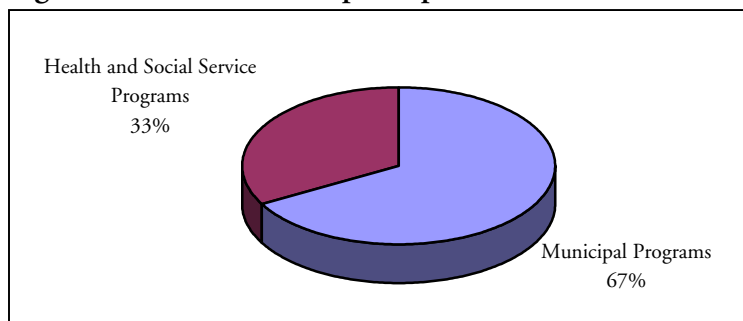
Moving forward, it is clear that the present situation is not sustainable. While many communities share some of the difficulties in funding social services, Hamilton is uniquely vulnerable due to several factors including our demographics, high poverty rate, and our position as a net importer of social service cases. A new arrangement with the province is needed. One of the fundamental problems that make all communities, including Hamilton, susceptible on this issue is the reliance on the property tax base as a means to fund social services. The following are some options the Social Services Downloading Steering Committee may wish to investigate and pursue as it moves forward.

6.1 Uploading of Social Service Costs

Ontario is one of the only jurisdictions of all the G-8 Nations that downloads a portion of the cost of social services onto the local property tax base.⁸⁰ Also, Ontario's municipalities have the highest property taxes in the country.⁸¹ Revenues from property taxes do not grow with the economy, as is the case with income taxes, yet Ontario municipalities have to use property tax as a basis to pay for social services. At the same time, Ontario municipalities are facing a variety of pressures to fund other areas of civic importance such as the expansion and rehabilitation of infrastructure. In other jurisdictions, such as the U.S., cities have more streams of revenue like access to income and consumption taxes, and higher levels of transfers from senior governments.⁸²

The Association of Municipalities of Ontario (AMO) estimates that about one third of Ontario municipalities' budgets are spent on health and social services (Figure 6). The net result is that Ontario cities do not have the necessary resources to adequately fund the variety of important programs on a sustainable basis.

Figure 6: Ontario Municipal Expenditures, 2002⁸³

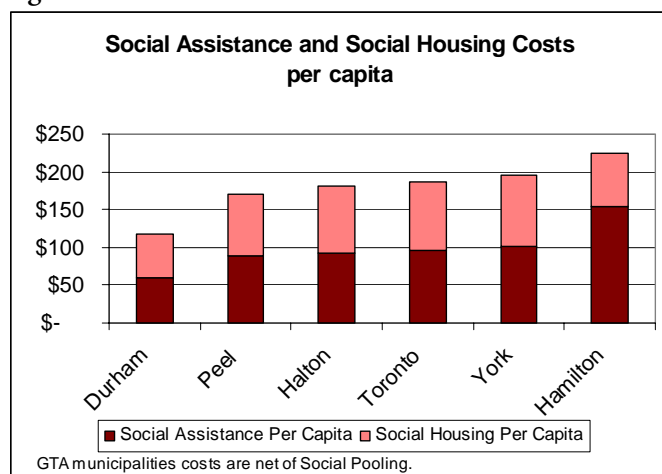


There has been substantial analysis and discussion on the issue of municipal financial sustainability and social service funding and the oft-repeated conclusion, including that of the AMO, the Ontario Chamber of Commerce, the Hamilton Civic Coalition, and Toronto City Summit Alliance, is to fund income redistribution programs from income tax, not property tax. In practice this means returning a significant portion of social services costs to the province to fund. This could happen in stages. For instance, ODSP and the Ontario Drug Benefit (ODB), programs into which the City of Hamilton pays but does not administer, could be uploaded. This would start to bring Ontario more in line with other jurisdictions in Canada who may have differing approaches and philosophies on the role of social services, but who do not place the financial burden on the municipal property tax base.⁸⁴ Building on the call of other organizations, the SSDSC may wish to formally request the province assume more financial responsibility for social programs. Specifically, Hamilton could solicit predictable, sustained and annual funding to cover the social services shortfall that resulted from downloading, until such time as the province is able to rework the system. In practical terms, this would mean approaching the Province once again for funding assistance for immediate needs with the intent of working towards a long-term sustainable solution.

6.2 Expansion of GTA Social Pooling to Include Hamilton

The City of Hamilton has advocated for this option in the past, which would see the city benefit from entering the pooling arrangement enjoyed by the City of Toronto. Within this geographic frame, a per capita comparison with GTA municipalities shows that social assistance and social housing costs in Hamilton are the highest (Figure 7).

Figure 7⁸⁵



Source: City of Hamilton, *Social Services Pooling Backgrounder*, 2005

In the existing OMPF model as well as the GTA pooling model, total social service costs are compared to a municipality's "ability to pay" based on property tax assessment. However, the pooling model combines all costs across the GTA and applies them equally across the region, redistributing money based on a weighted assessment, whereas, the OMPF model only looks at costs and assessment from the individual municipalities before determining the grant amount. The net result, according to the City of Hamilton, is that the City receives approximately \$30 million less than if the City were part of the GTA pooling model.⁸⁶

A potential consideration for Hamilton joining the GTA pool would be that existing GTA municipalities are not in favour of a further redistribution of social services costs. An analysis by the Regional Municipality of Halton in 2004 (using 2003 figures) predicted that the inclusion of Hamilton in the GTA pooling model would lower Hamilton's costs by \$43.6 million, while increasing Halton's costs by \$3.2 million and Toronto's costs by \$21.7.⁸⁷ In addition, there has been friction between municipalities in the existing pooling arrangement. York Region is in a disagreement as to how much it should provide Toronto⁸⁸ and Peel Region has also released research showing its demographics are moving the city towards, "becoming more like Toronto and Hamilton: two large mature urban areas where the incidence of low income is higher than in the rest of the province."⁸⁹ Thus, it appears the current social services arrangement will not be sustainable in the long-term. However, the SSDSC may wish to explore this option as a solution to address immediate needs.

6.3 Hamilton as Part of an Alternative Pooling Arrangement

With higher than average social service pressures, Hamilton needs a solution that is based more on needs, and not just reflective of per capita population numbers. This was the premise behind the Toronto pooling arrangement. Thus, another option for Hamilton would be for the province to establish a new pooling arrangement between Hamilton and neighbouring municipalities. The Regional Municipality of Halton, which includes the City of Burlington and the Towns of Halton Hills, Milton and Oakville, conducted research on this option, which projects potential costs or benefits enjoyed by participating municipalities. The analysis was based on 2003 Community Reinvestment Fund (CRF) figures and includes three pooling scenarios:

1. Hamilton, Halton, Niagara, Waterloo
2. Hamilton, Halton, Niagara
3. Hamilton, Halton

The analysis shows that, in general, Hamilton would benefit from all three scenarios with the greatest reduction in social assistance and social housing costs being in option three (Table 13). Halton would be the only net contributor in all three scenarios and the projections assumed that the City of Hamilton's CRF grant was redirected in the groups to reduce the pooling costs. Once again, there would be resistance to the creation of such an arrangement and the impact of removing Halton from the GTA pool would have to be considered as well.

Table 13: Potential Alternative Pooling Scenarios (using 2003 data)⁹⁰

	Hamilton	Halton	Niagara	Waterloo
Option 1				
Net Pooling Position	+\$21,439,000	-\$43,765,000	+\$13,291,000	+\$9,035,000
Option 2				
Net Pooling Position	+\$24,419,000	-\$40,103,000	+\$15,684,000	
Option 3				
Net Pooling Position	+\$31,458,000	-\$31,458,000		

6.4 Targeted Tripartite Agreements

To address complex social and economic problems in defined urban areas, the Government of Canada has entered into trilateral agreements with the other two orders of government to ensure the coordination of resource deployment. A current example is the Canada/British Columbia/Vancouver agreement.⁹¹ The agreement was signed in March 2000 and commits these government partners to work together, and with communities and business in Vancouver, on a coordinated strategy to promote and support sustainable economic, social and community development. The first focus of the Vancouver Agreement is the city's downtown Eastside area¹. Initially, the Vancouver Agreement did not have designated funding. However, after developing a strategic plan in 2002, the federal and provincial governments announced, in 2003, that they would contribute \$10 million dollars each to facilitate the plan's implementation.⁹²

Hamilton could pursue a similar agreement with the Ontario and federal governments to help with social service pressures. While this approach would not yield immediate additional revenues to offset social service costs, it would help address some of the core social issues, such as poverty, which would lead to less demand for social services in the future.

6.5 New Municipal Legislation or City of Hamilton Act

The issue at the root of the social services downloading question is the fiscal capacity of Ontario municipalities. The property tax base alone is not a sufficient means to fund the many municipal responsibilities, including social services. Thus, one long-term solution to the social services funding issue is to explore new streams of municipal revenue generation.

Following the creation of the proposed City of Toronto Act⁹³, Hamilton could pursue a new legislative framework with the Province that could provide the needed flexibility to address its many responsibilities. While it does not appear that Toronto's new legislation will change the funding arrangements for social services specifically, it will allow for the implementation of selected new taxes and fees at the municipal level.⁹⁴ This will provide the City of Toronto with more streams of revenue, which would, in turn, ensure adequate resources can be allocated to social services. Hamilton could pursue discussions with the provincial government on new Hamilton-specific legislation, or take a leadership role with its urban counterparts and pursue legislative changes, which would affect all Ontario municipalities. There has been indication that the Government of Ontario would be open to a discussion on this issue in the context of the Municipal Act, and Hamilton could ensure any amendments to this legislation would provide sufficient revenue tools for the city.⁹⁵

¹ The Downtown Eastside was once a vibrant commercial and entertainment district in the economic heart of the city. By the late 1990s, however, economic decline and business closures replaced this vitality when anchor businesses closed and an illegal open drug market flourished.

7.0 Conclusions

There are many facets to the issue of social services funding including the history of downloading, both from the federal government to the provincial, and from the provincial government to the municipal. For Hamilton, there are particular issues surrounding local population demographics, poverty rates, and being a net importer of social service cases. Additionally, there is the fiscal capacity dimension to this issue, including the inadequacies of the property tax base as the major municipal source of revenue. All these aspects contribute to making the issue complex, but this does not take away from the need to change the status quo for Hamilton. It is important to remember that although other Ontario cities face similar funding pressures with respect to social services, Hamilton is unique. Therefore, effective dialogue between Hamilton and the Province of Ontario is necessary to communicate the City's specific social service pressures, leading to a lasting solution.

While this report synthesizes a multitude of information related to social services in Hamilton, further analysis should be sought to determine which next steps, if any, should be pursued. While there are short-term fiscal needs of the City of Hamilton, there are some fundamental issues in need of examination in order to reach a solution over the long-term. The intent of this report is to help the SSCSC to plan its next steps, which include communicating Hamilton's immediate social services pressures and in advocating for a new sustainable framework.

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