



### “Uploading” for Ontario’s Cities

Alan Broadbent

Ontario municipalities received some particularly welcome Halloween goodies at the door of Municipal Affairs minister Jim Watson on October 31 when he announced that the province would upload welfare and court security costs over a ten year period. Watson and Finance Minister Dwight Duncan announced the upload with a group of mayors representing the Association of Municipalities of Ontario and Toronto Mayor David Miller. The ten year period reflects the fact of the current economic meltdown and Ontario’s shrinking revenues due to the manufacturing slump in the province. The ministers and mayors acknowledged they would have liked more sooner, but had to bow to reality.

The upload announcement is part of a series of moves by the McGuinty government to reverse the damaging downloading with which the Harris government had saddled the cities. In 1998 the government organized a swap of responsibilities which it characterized as “revenue neutral”, taking public education up to the provincial level, and sending the costs of social housing, social assistance, public transit, child care, public health and ambulances to the cities. As well, they downloaded responsibility for a broad swath of infrastructure like roads, bridges, and water treatment plants. In fact it proved nothing close to revenue neutral, but created expensive obligations for city budgets. The provincial move was a chain reaction from the

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Chretien government downloading health and social costs to the provinces as a way to balance the federal budget. The province thought that was a good move, so did it to the cities. The cities didn’t have anyone they could do it to, other than the property tax payer, and there ensued a decade of cities living with extremely tight budgets, raising property taxes and other fees, and generally watching their services and infrastructure deteriorate.

From the first day it took office, the McGuinty government was besieged with requests from the cities and city advocates to begin to reverse the downloading. Besides strained municipal budgets, they objected to cities paying what were really provincial costs, like Provincial Court security. They also had a very real concern that social assistance costs should not rest on the property tax, or at the level of government with the least fiscal resilience. Just wait, the government was told, until there is a recession and some real pressure is put on welfare. The cities won’t be able to respond.

To its credit, the McGuinty government listened and acted. They have provided cities with some stop-gap funding to meet budget shortfalls. And they began the negotiation with AMO and Toronto to map out what should be done at each level of government and how it should be paid for. It is notable that the last two Municipal Affairs Ministers have been former mayors, Watson in Ottawa and John Gerretsen in Kingston, so they brought with them to the task the real experience of running cities.

The uploading announcement, as many of the mayors commented, was unique because it wasn't merely another reshuffling of the deck, with some things being taken up and others being sent down, with the Province always the dealer. This time it was one way, with the Province providing some much needed relief to the cities.

Much more needs to be done. When economic conditions and provincial revenues improve, the ten year time frame needs to be shortened dramatically. And social housing, transit and roads need to join the upload. Watson acknowledged as much in his announcement. There is still a long way to go.

But it is worth pausing with this announcement and thinking about how much the McGuinty government has done to repair the damage to our social structure of the Harris years. In education, healthcare, environment, and now our cities, the McGuinty government has given us a period of good government in Ontario, reminiscent of the Robarts and Davis governments of the past.

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