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GTA POOLING PAYMENTS

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, April 16, 2004, from the Regional Solicitor:

1. RECOMMENDATIONS

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to respond to a question raised at Regional Council on March 25, 2004 with respect to the implications of withholding GTA pooling payments.

3. BACKGROUND

Under the *Ontario Works Act, 1997* and the *Social Housing Reform Act, 2000*, costs for social assistance and social housing are shared among the Regions of York, Durham, Peel, Halton and the City of Toronto. This allocation is commonly referred to as "GTA pooling". At the time GTA pooling was initiated, the Regional Solicitor reported that the legislation was constitutional. The regulations enacted under the respective Acts set out a formula by which costs for each participating municipality are calculated and re-allocated. The allocation is based on average weighted assessment. In recent years, York Region's share of pooling costs was as follows:

Table 1
York Region's Share of Pooling Costs

Year	Percentage Share	Amount of Payment ($ M)*
2001	15.61%	83.2
2002	14.60%	77.9
2003	14.94%	78.8
2004	14.98%	79.2

* 2002 to 2004 figures are provincial estimates.

4. ANALYSIS AND OPTIONS

Under the legislation, municipalities are given a notice specifying the amounts allocated under the pooling provisions, and amounts are paid monthly.

Both statutes set out remedies and penalties for non-payment. Under the *Social Housing Reform Act*, amounts payable become a debt owing to the Crown and may be recovered by any remedy or procedure available by law. Unpaid amounts are also subject to interest and penalty charges. In addition, amounts owing may be set off against amounts payable to the Region under housing programs. Currently, however, the Region pays approximately $41.4 million in social housing pooling and receives approximately $9 million in housing program funding which is allocated by the federal government but payable by the provincial Minister of Finance.

There are provisions to enforce payments due under pooling for social assistance under the *Ontario Works Act*. Unpaid amounts are subject to interest and penalty payments and may also be deducted from amounts payable to the Region under any other program for which the Minister of Community and Social Services is responsible. In 2003, the cost of pooling for social assistance was approximately $55 million. Subsidies and other payments due to the Region totalled approximately $56 million. The Province submits monthly statements which show the net amount payable after pooling costs are netted against subsidies.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report as no action is recommended to be taken.

6. LOCAL MUNICIPAL IMPACT

GTA pooling costs are funded through a levy imposed by the Region on each local municipality as provided in the applicable legislation.

7. CONCLUSION

At its meeting on March 25, 2004, Council inquired as to the implications of withholding GTA pooling payments. If these payments are withheld, they are subject to interest and penalties and are recoverable as a debt to the Province. In addition, the legislation provides for rights of set-off with respect to amounts owed by the Province to the Region under other programs. With respect to social housing, there is a net amount due to the Province of approximately $32 million. For social assistance, however, the amount due under pooling is approximately equal to the amount payable by the Province under other programs.

The Senior Management Group has reviewed this report.