

Ministry of Finance  
Office of the Minister  
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Minister of Finance | Ministre des Finances  
**PETER BETHLENFALVY**

880-2024-330

Nando Iannicca  
Regional Chair & CEO  
Region of Peel  
[nando.iannicca@peelregion.ca](mailto:nando.iannicca@peelregion.ca)

REFERRAL TO \_\_\_\_\_  
RECOMMENDED \_\_\_\_\_  
DIRECTION REQUIRED \_\_\_\_\_  
RECEIPT RECOMMENDED  \_\_\_\_\_

Dear Mr. Iannicca:

*Nando,*

Thank you for your letter about provincial funding to municipalities. I appreciate you taking the time to write.

Maintaining a close relationship with our municipal partners remains critical as we continue to build Ontario's economy. Our government has been increasing support to municipalities so that they can deliver the critical services that their residents rely on, including those that you note in your letter. These investments include:

- Providing an additional \$202 million annually in homelessness prevention programs. Peel Region received \$42 million in support through this program for 2023-24.
- Restoring provincial annual base funding (\$47 million) for public health units to the level previously provided under the 2020 cost-share ratio, starting on January 1, 2024, and providing annual one per cent funding increases over the next three years.
- Increasing land ambulance funding to municipalities by an average of six per cent, bringing the province's total investment this year to over \$811 million.

As Ontario's population grows, we recognize the strain on existing infrastructure. That is why we are strengthening Ontario's communities with investments that will build critical infrastructure in growing communities like Peel, while laying a strong fiscal foundation for future generations. These supports include:

- \$200 million over three years through the Housing-Enabling Water Systems Fund as another step in protecting communities and helping to unlock new housing opportunities.
- Ongoing work to explore options to leverage the success of the existing Infrastructure Ontario Loan Program and help finance critical municipal water infrastructure projects.
- A proposed investment of \$3 billion in initial funding for the new Ontario Infrastructure Bank to support its ability to invest in critical infrastructure projects across the province to help spur community development.

... \cont'd

I look forward to continuing to work with Peel and all our municipal partners to help our communities grow with more jobs, homes, and infrastructure, and to build a stronger and more prosperous Ontario.

As your correspondence covers topics that fall under the jurisdiction of my colleagues, I have taken the liberty of sharing a copy for consideration with the Honourable Paul Calandra, Minister of Municipal Affairs and Housing, the Honourable Sylvia Jones, Minister of Health, the Honourable Stan Cho, Minister of Long-Term Care, and the Honourable Raymond Cho, Minister of Seniors and Accessibility.

Thank you again for writing.

Sincerely,



Peter Bethlenfalvy  
Minister of Finance

- c: The Honourable Doug Ford, Premier of Ontario
- The Honourable Paul Calandra, Minister of Municipal Affairs and Housing
- The Honourable Sylvia Jones, Minister of Health
- The Honourable Stan Cho, Minister of Long-Term Care
- The Honourable Raymond Cho, Minister of Seniors and Accessibility

December 8, 2023

The Honourable Doug Ford  
Premier of Ontario  
Legislative Building, Queen's Park  
Toronto ON, M7A 1A1

Hon Peter Bethlenfalvy  
Minister of Finance  
Frost Building South, 7th Floor  
7 Queen's Park Cres  
Toronto, ON, M7A 1Y7

Dear Premier Ford and Minister Bethlenfalvy,

**Re: Funding of provincially mandated programs delivered by municipalities**

One of the challenges facing Peel is the historic underfunding of provincially mandated programs. Peel Region plays a crucial role in providing essential services and infrastructure to ensure the safety and well-being of their communities. However, Peel Region, like many other municipalities, is facing significant fiscal challenges due to outdated funding models, and historic under-funding for provincially mandated services. The level of funding that Peel Region receives for provincially mandated services is being outpaced by significant population growth, increased service demand as well as substantial increases in inflation.

At its November 30 Regional Council Budget meeting, Council passed a resolution (attached) calling on the Province to increase funding for provincially-mandated programs to adequately keep pace with inflationary pressures and address existing funding deficits. It is estimated that in 2024, provincially mandated programs, including Public Health, Paramedics, Housing, and Seniors' Services, will be underfunded to the tune of \$5.7 million. As underfunding of provincially mandated programs has been historic, the cumulative total of the underfunding just since 2021 is \$16 million or \$26 in additional property taxes for the average residential homeowner.

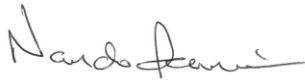
As provincial funding of mandated provincial programs has not kept pace with population growth, and inflation, the shortfall is made up by Peel Region's own revenue sources, which places an unfair burden on property taxpayers, some of whom face heightened unaffordability challenges due to higher inflation and rising interest rates. This situation is simply not sustainable going forward.

Peel Region strongly encourages the Province to address this historic underfunding of provincially mandated services by reviewing current funding formulas, so that they keep pace with population growth and inflation. While the annual 1% funding increase for public health is welcome, inflationary costs will be greater than the annual one per cent increase. We would like the Province to move quicker on the development of longer-term funding agreements.

We look forward to working more closely with your government on this long-standing issue and look forward to finding a solution that adequately meets the needs of Peel residents.

**Nando Iannicca**  
Regional Chair & CEO

Kindest personal regards,



Nando Iannicca  
Regional Chair & Chief Executive Officer  
Region of Peel

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Att: Resolution re Item 11.5 – Funding of Provincially-Mandated Programs