

Addressing underfunding for mandated services

Partnering for healthy, strong communities

Peel Region values its partnership with the Province of Ontario in delivering essential services that support residents at every stage of life. Peel appreciates the more than \$70 million annually in provincial funding received for Paramedic Services. The 2024/25 provincial funding for programs such as the \$6.5 million for the Ontario Seniors Dental Care Program (OSDCP) and the \$7.6 million for Healthy Babies Healthy Children are great examples as these investments improve health outcomes, reduce illness, and generate strong returns, saving \$8 for every \$1 invested.

Peel Region also appreciates the \$65 million received for mandated Housing Services, including the Homelessness Prevention Program (HPP), Canada-Ontario Community Housing Initiative (COCHI), and Ontario Priorities Housing Initiative (OPHI), which provide vital supports for residents experiencing or at risk of homelessness.

Addressing funding shortfalls

While these investments are valued, Peel's rapid growth and rising service demands have outpaced provincial funding, forcing Peel Region to rely heavily on property taxes and reserves to cover the gap.

Public Health

- An additional \$34.8 million in annual provincial funding is needed in 2025 to meet Peel Public Health operating needs.
- In 2024, Peel Region received \$6.5 million in OSDCP funding for 20,698 seniors, while York Region received \$11 million for 18,834 seniors. Joint efforts with provincial officials to access federal funding for the program are underway.

Housing Services

- Peel faces an \$86.3 million pressure in 2025 to address capital repair needs in Peel's community housing stock.
- In 2024, Peel Region funded 77% of housing operating costs and 87% of capital costs, with an average of 80% funded through local property taxes. This includes funding for programs such as HPP and COCHI/OPHI, and exceeds the contributions from the province (14%) and federal government (9%).



Unique pressures facing Peel Region

Extraordinary growth

- Population: 1.6 million, larger than 6 provinces; projected to reach 2.28 million by 2051.
- Home to over 200,000 businesses.

Non-permanent residents

- Increased from 23,000 (2016) to over 216,000 (2024).
- Often excluded from funding formulas despite urgent needs.

Rising costs and poverty

- Second-lowest after-tax median income in the GTA.
- Unemployment: 8.9% (vs. 7% Ontario); youth: 22.4%.
- Rents among highest in Ontario at \$2,400 for a 1-bedroom.

Public Health cost sharing

- Current provincial/regional split for public health funding stands at 48/52%, significantly lower than the 70/30 cost-sharing formula.

Addressing underfunding for mandated services

A renewed provincial partnership

Many municipalities like Peel are facing a community affordability crisis. Peel Region is committed to meeting shared goals on housing, health, and economic growth but requires the following key actions:

- **Address underfunding** of fast-growing communities in Ontario, like Peel.
- **Increase base funding** for mandated programs to reflect inflation, population growth, and growing service demand.
- **Modernize municipal revenue tools** by working with all levels of government to explore fairer, income-based taxation models and sustainable funding sources.
- **Reform and enhance grant programs** to ensure they are adequate, responsive, and aligned with actual service delivery costs.



Key takeaway

A renewed provincial partnership is essential to ensure that Peel Region can continue delivering vital services, support Ontario's growth, and maintain long-term financial sustainability.

