WHEN IS BIGGER NOT BETTER?

THE MANAGEMENT AND DELIVERY OF SOCIAL SERVICES ON MANITOULIN ISLAND

MPA Research Report

Submitted to:
Local Government Program
Dept. of Political Science
University of Western Ontario

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WHEN IS BIGGER NOT BETTER?

THE MANAGEMENT AND DELIVERY OF SOCIAL SERVICES ON MANITOULIN ISLAND

INTRODUCTION

On January 14, 1997, in what is now known across Ontario as 'mega-week', the provincial government announced that municipalities would be assuming responsibility for social assistance, child care, and social housing as of January 1998. This announcement was part of a realignment of responsibilities between the province and municipalities. What municipalities were in fact assuming was responsibility for management, service delivery, and greater cost-sharing of the three core services as well as, eventually, land ambulances and public health. Since some management, cost sharing and most service delivery was already being done at the local level for General Welfare Assistance (GWA) and child care, the big change was the new municipal cost-sharing responsibility for the Family Benefits Assistance program (FBA). This program, which provides benefits for sole support parents and foster parents, was to be rolled together with the GWA program, along with the old assisted employment program, into the new Ontario Works.

Although the new responsibility for social housing, land ambulance and public health also caused some consternation in Ontario municipalities, since their implementation was to be delayed, it was the somewhat unexpected addition of the much larger, more expensive FBA program which caused the most dismay.
In January 1998, the group responsible for the implementation of this new policy direction, now referred to as ‘consolidation of municipal services management’, published two documents entitled, “Consolidation Planning Framework”- one for Northern Ontario and one for Southern Ontario. These described the process by which approximately 50 municipal service managers would be created across the province to assume management responsibility for the three core services within the policies and standards established by the province. In the north the guidelines for deciding upon a municipal service manager stated that “there will be about 10 service boards or municipalities managing social and community health services.”

Since, at the time these guidelines were published, there were 87 municipalities and 6 District Welfare Administration Boards (DWABs) delivering these programs, it was obvious that there would have to be some creation of new alliances to achieve 10 service managers. The model the province conceived for northern Ontario was that of the District Social Services Administration Board, (DSSAB), of which there would be about 10. The plan is for these to eventually evolve into an Area Services Board (ASB), but since the legislation (Northern Services Improvement Act) to enable the creation of ASBs had not passed in the legislature, and in fact is not slated to be given final reading until the 1998 fall session, the DSSABs would be the prescribed model for the present.

This consolidation of management of social services is consistent with current government policy in many other areas. The Conservative government was elected on a platform of less government and greater efficiency, underneath which lies the belief that in

administration of government, as in private enterprise, bigger is better. The term 'economies of scale', formerly used primarily by corporate CEO's and economists, has now become a household word. Larger, more centralized administrative units are believed to be more efficient. This ideology can be seen manifest in the dramatic changes taking place in municipal restructuring, hospital amalgamations, and consolidation of boards of education, to name a few examples. This paper will dispute the government's assumption that bigger is better when the geographical area is large and the population to be served is sparse.

The creation of municipal service managers across Ontario is expected "to simplify access to services and serve clients better, while at the same time improving cost-effectiveness through clearer accountability, better co-ordination, innovation, sharing of resources, and economies of scale."2 In this paper, I will argue that in Northern Ontario, and on Manitoulin Island specifically, these goals cannot be met by the proposed DSSAB model.

In March of 1998, the Manitoulin Municipal Association submitted, on behalf of all the municipalities on Manitoulin Island, an application for a DSSAB for Manitoulin District. In June, 1998, that request was refused. In the following pages, I will discuss why Manitoulin believes it will fare better under its own DSSAB and what the implications of the provincial decision will be for Manitoulin. I will outline options for a local response to that decision, and advocate for a different structure to be created under the ASB legislation which will better serve both the purposes of the government and the residents of Manitoulin.

2 ibid. p.1
"By the year 2000, Manitoulin District will have an Island-based and Island-wide agency that is responsible for coordination and delivery of community health and social services, and is accountable to all Manitoulin citizens and communities."³

In 1988, social and health service providers from across the Island attended “Conference 2000”, hosted by Dr. Robert Hamilton, a family physician on the Island. They were asked for their vision for the future of human services on Manitoulin. This statement was the result. This was the first formal statement of what many had come to realize informally - Manitoulin had many services addressing many diverse needs, but there was no system. There was, rather, a hodgepodge of agencies, satellite offices, individual providers and ‘remote’ workers from Sudbury, all working largely in isolation from one another.

But first, some background. Manitoulin is an island in Georgian Bay of Lake Huron, whereby it claims to be the largest freshwater island in the world. It is approximately the size of the island of Jamaica, but with a population of under 12,000. Currently there are 10 organized municipalities, (which includes two towns), and 2 unorganized townships on the Island, although this number may change in the next year as further amalgamations are being considered. The majority of the population lives in small villages and hamlets, on farms, and in First Nation communities. Only two towns, Gore Bay and Little Current, have a population of more than 1000. Wikwemikong First Nation

has a population of about 2500, but this is spread out over a relatively large area. The aboriginal population accounts for approximately one third of the total population.

This quiet rural setting is quite a popular vacation spot, and increasingly so as the European community seems to have recently discovered its charms. The population of the area is estimated to triple in the summer months. This tourist income is a welcome contribution to an economy which is otherwise relatively weak. Unemployment and welfare rates on Manitoulin are above the provincial average, and family income rates considerably below the provincial average.4

Geographically, Manitoulin is isolated from its neighbours, a fact of life by definition for island communities. In character, Manitoulin is also somewhat isolationist, a phenomenon which again is not unusual for island communities. With the nearest city (Sudbury) more than a two hour drive for most residents of the Island, and with only one access and exit point (Little Current) for most months of the year, Islanders have learned to become quite self-sufficient, and they take some pride in that. Except for the possibility of having to go to Sudbury for medical treatment in the case of a serious illness, Islanders can have most of their needs met locally if they so choose. This self-sufficiency extends to the municipal councils as well. Although in the past they have not exhibited high levels of cooperation with each other, recent years have seen a growing sense of loyalty to each other and to the Island as a whole, especially when dealing with ‘outsiders’.

Many social services for the Island are based in Sudbury. The exceptions to this rule, those services which are locally-based, include two primary-care hospitals, three

homes for the aged, child care and violence against women services, services for the
developmentally disabled, and the GWA portion of social assistance. Schools are now
administered by a Sudbury-based board, as are mental health services, public health
services, FBA, Children's Aid, and addiction services. First Nations communities provide
many of their own social services, although there is a substantial portion of the aboriginal
population who use off-reserve services. Given the rural nature, sparse population and
unique culture of the Island, its geographic and ideological distance from Sudbury, and the
relatively severe social problems which exist here, the urban service delivery models which
originate in Sudbury do not always match local needs. This brings us back to our starting
point, the vision for locally controlled services developed by the Conference 2000
participants.

The momentum created by Conference 2000 continued to build, and two years
later, in 1990, a planning conference was held where virtually all the agencies,
professionals, and social and health programs serving Manitoulin were represented. A very
compelling graphic representation of the existing service pattern was developed on the
chalkboard by the aforementioned Dr. Hamilton, with input from all the programs
represented there. What resulted was a confusing array of disconnected and sometimes
overlapping services. What was even more alarming was that the majority of service
providers in the room had little or no knowledge of the mandate of, and sometimes even
the existence of, the other services. The concerns which were identified by conference
participants included: "lack of coordination at all levels of decision making", "duplication
in services which leads to a waste of resources”, “lack of local control over planning and delivery of services”, “lack of a coordinated approach to health and social issues”. 5

Having identified the problem and the future vision, the question remained how to achieve these aims. In 1992, the Manitoulin Municipal Association, a body which represents all of the municipalities on the Island, and the Manitoulin Health and Social Service Advisory Committee, a local advisory body to the District Health Council in Sudbury, jointly appointed a working group made up of municipal councilors and service providers. Their task was to explore ways to coordinate services and eliminate overlaps, and to look at how services could be made more accountable to local needs by transferring the administrative responsibilities to an umbrella organization on Manitoulin. This soon became known as the Human Services Authority Working Group, and in the fall of 1993, it obtained funding for a planning study. The consultant’s statement of her overriding objective in this study read: “To assist the Working Group in defining and refining a model of a Human Services Authority for Manitoulin Island; and to delineate the main issues involved in the implementation of that model.” 6

This study entailed three phases: the development by the Working Group of a shared vision for the Manitoulin Human Services Authority (MHSA); the consultation with the stakeholders concerning this vision; and, the plan for implementation of the MHSA based on the results of the public consultation. With the help of the consultant, the Working Group developed the following mission statement.

“The Manitoulin Human Services Authority (MHSA) will be an Island-based and

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6 ibid. p. 4
Island-wide organization that is responsible for planning, coordination, and delivery of community health and social services, and is accountable to all Manitoulin citizens and communities.\textsuperscript{7}

As can be readily seen, the vision had changed little over the course of the five years from 1988 to 1993, although many of the faces at the table had changed. There were nine purposes identified for the proposed MHSA.

- To ensure local control of human services on Manitoulin Island.
- To ensure that the range of human services and the way they are delivered are appropriate to the unique needs of the population of Manitoulin Island.
- To promote the accessibility of human services to the people of Manitoulin Island.
- To ensure that the human services on Manitoulin Island meet high standards of quality.
- To coordinate among Manitoulin human services to eliminate duplication and to promote development of services to fill any gaps.
- To coordinate among service providers to promote cooperation, communication, and partnerships among them.
- To promote cost-saving measures which minimize administrative costs and discourage unnecessary expenditures in the delivery of human services on Manitoulin Island.
- To create employment on Manitoulin Island by promoting, wherever feasible, the development of human services on the Island, rather than at off-Island centres.
- To negotiate with the Province to allow the MHSA to use cost savings for the development of a discretionary fund for Manitoulin human services.\textsuperscript{8}

In the list of services slated for possible inclusion in the first phase of the MHSA were found social and health services planning, child care, GWA, FBA, social housing, Jobs Ontario, welfare-related employment and training programs, and public health, among others. Ambulances were slated for inclusion in phase 2.

\textsuperscript{7} \textit{ibid.} p. 10
\textsuperscript{8} \textit{ibid.} p. 10-12
This vision was taken to the public in a consultation process which focused on municipal councils and service agencies and providers. Close to 2% of the adult non-reserve population of the Island participated in the consultation phase. "In most cases, the reaction might be described as both overwhelmingly positive and overwhelmingly cautious. There was keen interest in the concept of the MHSA, but concerns and skepticism over how it might be implemented and potential pitfalls it might encounter. Those in attendance were eager to hear more details of implementation, details which were, of course, not yet developed." Although concern was expressed about the implementation, there was whole-hearted endorsement of the goals of local control, more appropriate service priorities, decreased duplication, improved cost effectiveness, improved access to services and the possibility of local job creation.

The third phase saw the development of recommendations for an implementation agenda. These included:

- broadening the base of involvement in the Working Group for greater representation,
- finalizing a plan for the initial and ultimate scope of the organization,
- beginning on a small scale by supporting local pilot projects and coordination efforts.
- creating sub-committees or task groups to resolve specific issues such as governance, labour, welfare administration, Long Term Care, and financial feasibility.
- planning an organizational structure once decisions about scope and governance were finalized.

The MHSA report was well received by the Ministry of Community and Social Services (MCSS) office in Sudbury, and in late 1994 a proposal was submitted for funding.

9 ibid. p.20
under the Community Innovations Program for the first stage of implementation. This proposal advocated a comprehensive approach which would see a small scale, bottom-up process of support for pilot coordination projects and the beginning of an umbrella organization which would initially provide one telephone number access to the full range of social and community health services on the Island, while at the same time continuing the top-down process of planning and consultation through an expanded Working Group, which would be called the HSA Steering Committee. Unfortunately, the price tag for this proposal was out of the range which MCSS was willing to consider under the Community Innovations funding, and it was rejected.

The Ministry sent back a counter proposal for a smaller, less ambitious project. In 1995, funding was approved under the Community Innovations Program for this project which would see “the amalgamation of services delivered through at least two of the existing agencies providing services on Manitoulin Island under an incorporated non-profit board.”10 The agencies identified by MCSS as potential candidates for this amalgamation were a child care agency, a developmental services agency, a violence against women agency, a child welfare agency and a mental health agency. The proposal for this project suggested that “Successful completion of this project will give the Steering Committee guidelines by which development of a larger MHSA could take place.”11

Unfortunately for all concerned, the outcome fell far short of the expected goal. The consultants explain, in the Final Report, the many delays and frustrations encountered in the process. There were logistical problems of too many players at the table and

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changes in the managerial group who were supposed to be negotiating the terms of the amalgamation. It was a time of great uncertainty for agencies in terms of funding cutbacks, and there was reluctance on the part of MCSS to commit to programs. The provincial election which occurred early on in the project saw a Conservative government elected which vowed reduce funding to social programs. This created an atmosphere of tension and mistrust not conducive to negotiation. Although these are the reasons listed in the Final Report, upon reflection, one of the consultants adds this comment,

"The Ministry can take some responsibility for the disappointing outcome. They fund all these programs yet they are the ones paying consultants to do a study to bring them together. Logic would dictate that if they think it is worthwhile to amalgamate, they should be doing it on their own and saying, "Here, you're now going to be doing it under one roof. Get it done." Again, no direction from the Ministry."12

Another perspective on this dissatisfying conclusion to the HSA movement on Manitoulin can be seen if we look at the recommendations of the consultant in the original HSA Planning Study. After recommendation # 3, wherein she advocates support for small scale pilot projects, she comments, "The 'bottom-up' strategy suggested above will be an ineffective, piecemeal approach if it is not to be accompanied by simultaneous attention to the 'top-down' issues. That is, there needs to be continued planning on the unresolved issues of MHSA governance and organizational structure."13 For a variety of reasons such continued planning did not happen. Not the least of these was that many of the key players had moved on to other pursuits, and the atmosphere of uncertainty created by the new provincial regime made further planning for social services much more difficult.

12 Key informant interview with T. Farquhar, formerly of CMCG.
Another major flaw, in hindsight, with the Community Innovations Project was that it ignored one of the areas with the most need for consolidation of local delivery, that of social assistance. The fractured and inconsistent delivery system for social assistance on Manitoulin had been one of the original motivators of the MHSA process, and certainly one of the main concerns of the municipal representatives on the Working Group. Unfortunately, at the time of the Community Innovations Project, MCSS appeared to be more concerned with eliminating a local non-profit board of directors which was causing problems, and saw Manitoulin's desire for service coordination as a way of accomplishing this. The irony is that the services slated for amalgamation were, to a great extent, those which were already locally controlled and not those which were Sudbury-based.

On the municipal scene, there was a process underway through the Ontario Municipal Social Services Association called the "Voluntary Consolidation Project". Its mandate was to encourage "the establishment of a full-time administration to deliver the General Welfare program on behalf of towns, villages and townships in a County or District."14 This process was happening in the same time-frame as the Community Innovations Project, that is 1994-1995.

Manitoulin was one of the areas involved in this attempt to get municipalities to voluntarily consolidate their welfare service delivery. Three of the municipalities on the eastern end of Manitoulin had undertaken to do this in 1993, and they attempted, unsuccessfully, to get the remainder of the Island to come on board. The historical tendency of Islanders to refuse to work together unless facing a common enemy came into play in this case. Because there was no significant external threat, and because there was

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14 OMSSA. Consolidation Project, p. 1
dissent about which part of the Island would end up subsidizing the other, the project was
doomed to failure. The GWA program was a relatively small program in most
municipalities at the time, and even though it was universally disliked by the clerk-
treasurers, they were able to carry out the duties in addition to their other duties, thus
administration costs were hidden. Inconsistency of service delivery, however, was clearly
identified as a problem.

If the province had seen fit to encourage the inclusion of social assistance in a
larger package of locally-based services, what could be described as the ‘mall’ rather than
the ‘silo’ approach, and had taken a more active role in fostering implementation of the
MHSA, the momentum of that movement could have been sustained. The question
remains whether it would have ultimately found enough favour with Islanders. There was
considerable concern that what would be created would be a new level of government, a
regional government, anathema to the stubbornly independent municipalities.

"The dissenting voices locally gave the Ministry an out to not make any hard decisions
about what should happen. If there had been more of a unified voice at the time,
promoting a vision of what we could do for ourselves, we could have seen a DSSAB on
Manitoulin years ago, probably as a pilot project."\(^{15}\)

It is easy to assign blame in hindsight, but for those who were involved in trying to
achieve the vision, it is an irony that Manitoulin now will have the consolidated planning,
coordination and delivery of service they sought a decade ago, albeit not Island-based.
The question which this paper poses is, will Manitoulin as part of a Sudbury-Manitoulin
District Social Services Administration Board achieve the local control, the local
accountability, the accessibility and the cost savings dreamt of under the MHSA?

\(^{15}\) Key informant interview with T. Farquhar, former Chair of HSA Working Group.
PROVINCIAL POLICY REGARDING SOCIAL SERVICES IN ONTARIO

AN HISTORICAL OVERVIEW

There are many thorny dilemmas to be confronted when asking how social services should be provided to the citizens of Ontario. There is the fundamental consideration of whether all social services should be standardized across the province as a basic right of all citizens and therefore be administered at a senior level of government to assure this uniformity. The counter argument to this goes, that in order to be responsive to real human needs and differing circumstances, these programs should be more flexible and reflective of the community they serve, and should therefore be administered at the lowest level of government possible.

Other questions which need to be considered are what constitutes a social service? and how are the different services related to each other? and thus, how should the management, planning and delivery of them be coordinated? Perhaps the most difficult question to be answered concerns the different functions involved in ensuring that citizens of the province have equal access to social services. Who should take responsibility for the setting of policy, the planning for the future, the management of the program, the delivery of the service and, of course, who should pay the bills? Should the agent who delivers the program participate in policy setting and planning, since it is at this level that there is the most contact with the recipients and the most intimate knowledge of the problems encountered? Should the funder have authority in determining the policies without the input of the program manager? How can these different functions be logically
divided between the two levels of government? These questions have plagued the provincial government, regardless of political stripe, for at least the past twenty years.

In the previous section, reference was made to the concept of 'silos' and 'malls' in regard to social service management. A silo is, as the name implies, a narrow, vertical arrangement whereby funding and policy setting occur at the top level, management and planning responsibility reside at the middle level, and delivery is found at the bottom. Each program is housed in its own silo, quite unconnected from all the other silos. This would generally describe the situation in Ontario’s system of social services prior to 1998.

A mall, on the other hand, is a low-level, broad based collection of interrelated services administered by one umbrella organization, at one level, preferably the lowest to make it most responsive to the neighbourhood in which it resides. This is the model which the Manitoulin Human Services Authority had in mind, and it would appear that it is also the model which the current government is hoping to achieve through the DSSAB and eventually the Area Service Board structure. There is one fundamental difference between the two, that being responsibility for funding. The MHSA vision assumed that funding for social services would come in 'one envelope' from the province and be administered, within provincial guidelines, by the local authority.

The ASB/DSSAB vision falls somewhat short of the true mall model, in that not all functions are carried out at the local level. Policy making and some funding are still held onto by the province, although this is not the way it was originally intended by the Harris government. In order to understand how the province has made this partial transition from silo to mall, we need to look at the history of this issue.
According to Mike Brown, MPP for Algoma-Manitoulin, at least as far back as 1979-1980, the province was trying to find some way to share more of the costs of social assistance with the municipalities. The 80%-20% split on the GWA program was not popular with the municipalities, as mentioned previously; however, the new scheme floated by the government of the time, that of trading away 10% of the GWA costs in return for picking up 10% of the FBA costs, was even less popular. The cost of social assistance was spiraling, and the municipalities argued that it was as much if not more than they could manage to cover just the GWA program. Cost was not the only problem. The system was becoming increasingly cumbersome.

"The whole process of GWA has become more complex over time. Forty years ago most municipalities issued assistance basically according to their own rules, within the general guidelines of the province. There were perceived inequities and as the level of payout began to increase, the province began to create regulations to put fences around this. Now there is a 3" thick binder just on the regulations." 16

In 1987, the government of the day commissioned the Provincial-Municipal Social Services Review (PMSSR) by a committee comprised of representatives from MCSS, the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA). Their goal was to suggest a more rational framework for the realignment of the responsibilities of the two levels of government. This is how they outlined the problem:

"It is recognized that the diverse network of services that make up the social service system requires improved coordination and planning to help the system function more effectively and to make the best use of available resources. The current roles and responsibilities for providing and funding services were established in the 1960’s and have not undergone a major overhaul since then. We conclude that it is time for a fundamental rethinking of the way the system is managed and funded." 17

16 Key informant interview with Ned Martin, Treasurer of Northeastern Manitoulin and the Islands.
The PMSSR committee looked at three functions: funding, management, and policy setting. They considered five service envelopes: children’s services; income and employment support services; facility-based care for the developmentally disabled; child care; and community-based support services. In the first three of these five service envelopes, they recommended complete provincial responsibility - for policy, for funding and for management. Child care and community-based support services were the exception, with recommendations that the province take responsibility for policy, the municipality take responsibility for management and the costs be split 75/25 in favour of the municipalities.

This report was ground-breaking in that it was the first to recommend full provincial funding for social assistance. They justified this recommendation as follows:

"Income support is one of the few components of the Canadian income security system that are not fully funded by senior levels of government in Ontario. It is one of the least appropriate programs to be funded by the property tax because costs tend to rise at times when local governments are least able to afford an increase. Income support must be available, on an equitable basis, to anyone who is eligible across Ontario, and should not depend on the revenue-generating capacity of an individual municipality."\(^{18}\)

At the same time, they recommended that municipalities should have responsibility for service delivery and planning. They were particularly concerned that planning be carried out at the community level in conjunction with community health planning and land use planning, and they even recommended planning links with school boards, housing authorities, recreation departments and other related services. To strengthen the emphasis on the planning process, they recommended that MCSS cost-share planning at 75-25. These were rather revolutionary concepts. Unfortunately for the Committee, it was apparently a little too revolutionary, since most of their recommendations were ignored.

\(^{18}\) ibid. p.21
Although the recommendations were not adopted, they set the stage for further
discussion and study. A host of other reports appeared in the early 90's which looked at
provincial-municipal sharing of responsibilities in areas such as health care, child care, and
children's services. This became known as the disentanglement exercise, and it culminated
in the Report of the Advisory Committee to the Minister of Municipal Affairs on the
Provincial-Municipal Financial Relationship (Hopcroft Report), 1993. This report
focused on the disentanglement of policy and funding responsibilities for health and social
services in Ontario. Mr. Hopcroft recommended that the province assume full policy and
funding responsibility for all social assistance, including administration costs, except
discretionary items under the GWA program. Further, he recommended that subsidized
child care and mandatory public health programs be a provincial policy and financial
responsibility. On the functions of planning and management, the Hopcroft Report simply
assumed that the province would combine these with its policy role, and on the question of
delivery, it was left to the province to determine the most appropriate model.

However, as much as the municipalities were happy to endorse the Hopcroft
recommendations for provincial responsibility for funding and policy, they were not
satisfied with the province having control of management, delivery and planning. Several
other reports since PMSSR had recommended one local authority for health and social
services, on the basis that it would facilitate overall planning of services, one-stop direct
access to a coordinated system of services, more cost-efficiency and less duplication.

In the same vein, many other Ontario communities besides Manitoulin Island were
submitting proposals at that time for a local authority organization to oversee the
planning, management and delivery of community health and social services. In a position paper released by the Association of Municipalities of Ontario in 1993, the following vision of a future role for municipalities was outlined:

“The vision of a future local authority model for health and social services is one which:

* includes the assignment of responsibilities of planning, management and delivery of health and social services to local authorities within a framework of provincial responsibility for policy, standards and financing.

* ensures that provincial policies are implemented at the local level in a manner that is best suited to meet local needs.”

In spite of the fact that there seemed to be a growing consensus that health and social services should be planned, managed and delivered on a more local basis, it did not come to fruition. The recession and the precarious state of the provincial economy intervened and created new urgencies. When the Conservative government took office in 1995, they were faced with some hard fiscal realities. The province had gone from having the lowest per capita debt in Canada in 1990 to the highest per capita in Canada in 1995. Provincial revenues were about 20% less than their expenditures and debt servicing costs had risen dramatically. According to Mike Brown, MPP,

“Any government which came in at the time was confronted with a big problem. The government of the day decided that income taxes were too high and that property taxes could absorb much more of the costs of operating the province...So to solve the problem, they decided that revenue from property tax needed to finance a whole bunch more things.”

In 1996, David Crombie, former mayor of Toronto, was asked to chair a panel, the now famous ‘Who Does What’ panel, to advise the government, once again, on how to sort out the alignment of responsibilities between the province and the municipalities. This
panel proposed that the province take over 'soft services', that is education and social services, while the municipalities would take over 'hard services'. As regards responsibility for social assistance under the new Ontario Works program and child care, the Who Does What (WDW) Social Services sub-panel, chaired by Grant Hopcroft, recommended that the province take full responsibility for funding, saying:

"The sub-panel recognizes that the financial impact of moving from the current cost-sharing arrangement to full provincial funding must be carefully considered by the government in making decisions about provincial and municipal funding roles. However, there is a strong argument to be made for the shift in funding responsibility, an argument that has been made in previous reviews. The sub-panel thinks that the services should be funded by one level of government. Since these services are income redistributive in nature, we believe that the provincial tax base, and not the local property tax base, should support them. When the local economy is poor, demand for income assistance is higher and the municipality's ability to respond from its revenue base is lessened. Therefore, funding from the provincial tax base is more appropriate."  

At the same time as the sub-panel recommended provincial responsibility for funding, it also felt that management of the system should remain with the province. Service delivery of Ontario Works and child care, not surprisingly, was assigned to the municipal level, but with the recommendation that, "...these services be delivered by fewer, more viable units providing full-time professional service. Approximately 50 consolidated service delivery units are recommended."  

The WDW sub-panel recommendations were made in October 1996, but in January, 1997 the government announced that it would take education from the municipalities in return for municipalities taking over hard services and those soft services which fall into the community health and social services category. In spite of all the

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20 Letter to Al Leach, Minister of Municipal Affairs and Housing from Who Does What Social Services Sub-panel. Recommendations of the Sub-panel. p.3  
21 ibid. p.4
accumulated advice over many years from many studies, social assistance and child care were to become a municipal responsibility. There are numerous theories about how and why this surprising and contradictory decision was made, most of them focusing on education as the key to the puzzle. John Harrison, Chair of the Regional Municipality of Haldimand-Norfolk, says,

"In the background, however, the antipathy of this provincial government for the education system as it existed up until now was becoming a driving factor in the government decision-making. The government was committed to capturing control of education by taking its cost off the property taxpayer to justify gutting the power of the local boards of education. No arguments by Crombie or anyone else could dissuade them." 22

Another theory is that Toronto was the model for the exercise, and that since Toronto had a very rich property tax base which the province wanted to get its hands on, education was the way in. If education was to be on the province's side of the books, social services would have to be the trade off. Thus, under this scenario, it had little or nothing to do with the nature of the services themselves, but everything to do with shuffling numbers, adding and subtracting costs from one side to the other until they could be made to balance (achieve revenue neutrality) in Toronto.

Whatever the explanation, the announcement caused great consternation amongst the municipalities. Although they were not fond of collecting property taxes to pay for education, the thought of trading those fairly predictable costs and the somewhat accountable education system for the unpredictable and increasingly expensive welfare system did not appeal to them. As a result, AMO and the Provincial/Municipal Implementation teams began negotiations to resuffle the deck. “During March and April

22 Harrison, John. New Municipal Roles. in Municipal World, Aug. 1998. p. 16
of 1997, the two teams, working with AMO staff, managed to convince the government to rework the trade to put one half of the education cost back on the residential property taxpayer, albeit controlled by the province, and to remove an equal amount of money from the social services download.\textsuperscript{23}

In August 1997 the province announced the provincial-municipal alignment and allocation methodology for each program. In the case of Ontario Works, the province would pay 80\% of allowances and benefits and the municipalities would pay 20\%. Administrative costs were to be shared 50/50. For child care services, the province would pay 80\% and the municipalities 20\%. Social housing funding was to be assumed by the municipalities, except for the portion which is federally funded. Public health would also become a municipal responsibility, except for those programs such as immunization which requires province-wide coordination. Funding of land ambulances would now be a municipal responsibility.

This compromise position satisfied very few of the critics. According to John Harrison, “The roles of the municipal and provincial sectors have not been clarified, and significant areas for conflict remain while new areas for friction have been created.”\textsuperscript{24} Or as Mike Brown succinctly puts it, “They’ve redefined responsibilities without disentangling anything - uploaded control and downloaded costs.”

We now come to January 1998 and the implementation of the mega-week announcements. One piece of advice from the WDW Social Services sub-panel which the government did heed was the recommendation to consolidate municipal service

\textsuperscript{23} ibid. p.16
\textsuperscript{24} ibid. p.18
management into approximately 50 municipalities and municipal service boards. This was done by adding amendments to the District Welfare Administration Boards Act, allowing the Minister of Community and Social Services to establish DSSABs and to change the definition of a district to a geographic area designated by the Minister. In Northern Ontario, the consolidation framework stated that, “Municipalities and unincorporated areas will develop arrangements among themselves as to how services will be managed, the boundaries of service management areas, what the accountability arrangements will be with the municipal service manager and how costs will be divided.”

In several places throughout the consolidation planning framework document, reference is made to the flexibility allowed for municipalities to develop their own consolidation arrangements.

“Municipalities and unincorporated areas in Northern Ontario have the flexibility to choose their own partners and geographic boundaries for consolidation, as long as about 10 municipal service managers result.”

“A major objective of the policy is to provide flexibility for local development of consolidation arrangements, within the policy that there will be about 10 municipal service managers in Northern Ontario.”

“The province will approve a consolidation arrangement if it is consistent with the policy and has the support of the municipalities and unincorporated areas involved.”

In spite of these reassurances, the application from Manitoulin was rejected. Prior to the process, there were 10 geographic districts in Northern Ontario, including Manitoulin District. When the decision came down there were 11 DSSABs approved. Manitoulin was the only district whose application was rejected. The next section will discuss the rationale for the application and the explanation for why it was not approved.

26 Queen’s Printer for Ontario. Consolidation Planning Framework: Northern Ontario. p. 4
When the new costs to be downloaded to the municipalities were finally determined, Northern Ontario municipalities were dismayed to discover that their worst fears had been realized. Of the five municipalities with the highest per capita cost of downloading and Municipal Grants lost, four were located in Northern Ontario. The remaining northern municipalities all ranked in the top quartile in terms of per capita cost of services transferred and grants lost. Manitoulin Island had the dubious honour of topping the list for the entire province, at a staggering $930 per capita.\(^\text{27}\)

These findings, though discouraging, were not surprising to northerners, who know well the additional costs of providing service to a sparser population spread over a much larger area, at levels equivalent to those in the south. Also, given the lower assessment base of Northern Ontario municipalities relative to those in the south, the local tax base would have a much more difficult time meeting the challenge. Manitoulin ranked among the lowest five municipalities (with 16%) in the amount of education taxes available to municipalities as a percentage of the total cost of services transferred by the province and lost Municipal Support grants.\(^\text{28}\)

In explaining their findings on the impact of downloading on Northern Ontario, KPMG noted that:

"Given the adverse weather conditions experienced in Northern Ontario compared to the remainder of the province, the larger geographical area covered by northern

\(^{27}\) KPMG. The Impact of Downloading on Northern Ontario and the Regional Municipality of Sudbury April 1998 p. 11

\(^{28}\) ibid p.13
municipalities and the resource-based nature of the Northern Ontario economy, Northern Ontario has historically relied on the Municipal Support Grants more than the average Ontario municipality.\textsuperscript{29}

In the fall and winter of 1997-1998, as municipalities everywhere in the province struggled to figure out what the final numbers would be and come to terms with how they would pay the new bills, the Manitoulin municipalities found themselves also struggling with the questions of an Area Services Board. The deadline for an ASB application was fast approaching and a decision was necessary. Can we afford to do it ourselves? Should we look east to Sudbury or west to Sault Ste. Marie for partners? How big will the area have to be to satisfy the province and make the costs manageable? How will we make our voices heard in an ASB which covers such a large area?

The decision was taken in October 1997 by the Manitoulin Municipal Association to participate in a study which was being done in the Algoma District, perhaps not so much because there was serious consideration given to joining with their neighbours to the west, with whom they shared almost no services, but because the study might be able to provide Island decision-makers with useful information in considering a Manitoulin-only ASB.

Shortly after the Algoma study was undertaken, the Province announced that the ASB implementation would be delayed. However, as an interim measure, municipalities must now be prepared to apply for a DSSAB no later than March 31, 1998. Manitoulin District and Sudbury District agreed to undertake a study to evaluate the options available to them. This study was conducted by the Randolph Group, The Planning Partnership and

\textsuperscript{29} \textit{ibid.} p.15
Enid Slack Consulting, the same firms who were doing the Algoma study. Because the Sudbury-Manitoulin study was started later than the Algoma study, it had the advantage of more up-to-date cost estimates, and did not have to make the change from the ASB to the DSSAB model in mid-study. In spite of the differing methodologies and some discrepancies in the actual numbers, the results of the two studies were surprisingly similar for Manitoulin. This was summed up in a letter to the Assistant Deputy Minister of MCSS in charge of the Implementation Project from the Chair of the Steering Committee for the Sudbury-Manitoulin District DSSAB study, Merwyn Sheppard.

"Based on the formula of weighted assessment, which was the only viable formula at the time of the presentation of the study, both the Algoma study and ours indicated a major cost shift from the larger municipalities to the outside area. In all cases, the smaller communities would contribute to the larger communities."30

The Algoma study considered three options, with Manitoulin as part of the eastern section of each option:

- **A**: The entire area comprising the Districts of Algoma and Manitoulin, as well as six municipalities in Sudbury District (those communities in Sudbury District West in the Espanola-Lacloche corridor along Hwy 17) and one municipality in the Thunder Bay District (Manitowadge). This option also included the city of Sault Ste. Marie.

- **B**: East/West - Two service boards, one in the east with Elliot Lake as the urban centre, with a total population of 34,300, and the western one with Sault Ste. Marie as the urban centre, with a total population of 102,600.

- **C1**: The entire area, as in A above, but with Sault Ste. Marie not included.
- **C2**: The East/West area, as in B above, but with Sault Ste. Marie not included.

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30 Letter from Merwyn Sheppard, Clerk Treasurer/ Administrator for Town of Espanola and Chair of the Steering Committee Re: Proposed District Social Services Administration Board - Sudbury & Manitoulin Districts. March 1998. p.2
Cost figures for these options are somewhat misleading, as they were calculated with an ASB as the model, and also because the cost for land ambulance on Manitoulin was overestimated. However, Table 1 serves to show the pattern referred to by Mr. Sheppard. As for representation, shown in Table 2, the Algoma options are even less advantageous to Manitoulin than are the costs.

Table 1

**ALGOMA COMPARISON OF DOWNLOADED EXPENDITURES WITH & WITHOUT DSSAB**

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>COSTS (without DSSAB)</th>
<th>OPTION A Entire Study Area</th>
<th>OPTION B East/West Scenario</th>
<th>OPTION C1 Entire area without S.S.M.</th>
<th>OPTION C2 East/West without S.S.M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sault Ste. Marie</td>
<td>22,373,000</td>
<td>20,720,750</td>
<td>20,942,529</td>
<td>22,373,000</td>
<td>22,373,000</td>
</tr>
<tr>
<td>Elliot Lake</td>
<td>2,487,000</td>
<td>1,451,420</td>
<td>1,590,223</td>
<td>1,441,788</td>
<td>1,590,223</td>
</tr>
<tr>
<td>Algoma District</td>
<td>5,779,000</td>
<td>5,915,386</td>
<td>6,035,917</td>
<td>5,287,075</td>
<td>5,026,657</td>
</tr>
<tr>
<td>Manitoulin District</td>
<td>2,716,400</td>
<td>2,914,696</td>
<td>2,744,932</td>
<td>2,527,427</td>
<td>2,744,932</td>
</tr>
<tr>
<td>Sudbury District West</td>
<td>2,469,000</td>
<td>2,821,456</td>
<td>2,798,432</td>
<td>2,531,481</td>
<td>2,711,055</td>
</tr>
<tr>
<td>Thunder Bay District</td>
<td>337,000</td>
<td>386,025</td>
<td>390,012</td>
<td>366,468</td>
<td>324,486</td>
</tr>
</tbody>
</table>

Table 2

**MANITOULIN REPRESENTATION IN ALGOMA STUDY**

<table>
<thead>
<tr>
<th>OPTION</th>
<th># OF REPS - MANITOULIN</th>
<th>TOTAL # OF REPS ON BOARD</th>
<th>REP/POP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>0</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Option B</td>
<td>3</td>
<td>15</td>
<td>2887</td>
</tr>
<tr>
<td>Option C1</td>
<td>2</td>
<td>17</td>
<td>4330</td>
</tr>
<tr>
<td>Option C2</td>
<td>3</td>
<td>15</td>
<td>2887</td>
</tr>
</tbody>
</table>

---

31 The Randolph Group, The Planning Partnership and Enid Slack Consulting. *ASB Feasibility Study - Phase II Progress Report*. Feb. 1998. Figure 2
32 *ibid.* Pp.10 - 13
The Sudbury-Manitoulin study showed the same phenomenon of smaller areas supporting larger ones even more clearly than did the Algoma study. This study looked at four options scaled down from an original list of eight provided to the consultants. These options include: (A - 2 boards; B - 3 boards; C - 1 board; D - 2 boards.)

- **A1:** Sudbury District & Region. - including several small and unorganized townships on the eastern border of Algoma District and 4 townships officially in Manitoulin District but on the mainland and with closer ties to Sudbury than to Manitoulin. Population of the area: 180,500.
  
  - **A2:** Manitoulin Island. Population: 6720 (does not include First Nations)

- **B1:** District of Sudbury, including the fringe areas of Algoma and Manitoulin as described above. Population: 25,700
  
  - **B2:** Regional Municipality of Sudbury. Population: 155,000
  - **B3:** Manitoulin Island. Population: 6720

- **C:** One Board: District of Sudbury, Region of Sudbury, District of Manitoulin. Population: 186,100.

- **D1:** Region of Sudbury and Sudbury District East and North. Population: 169,500
  
  - **D2:** District of Manitoulin and Sudbury District West (Espanola-Lacloche area) Population: 16,270.

The following table shows the distribution of costs for the downloaded services under the four different options considered. Table 3 shows the costs for the three core programs, then the costs for the two optional programs, then the total cost for all five services. These figures are based on the December 1997 WDW estimates provided by the province. Preliminary weighted assessment, based on transition ratios and preliminary unweighted assessment data provided by the province in Nov. 1997, was used to distribute the expenditures under each of the options. We shall see revised figures later in this paper, but these are the figures the consultants had to work with at the time. Again, the land ambulance figures for Manitoulin skew the picture for the optional services and totals.
### Table 3

**SUDBURY-MANITOULIN STUDY: COMPARISON OF DOWNLOADED COSTS WITH & WITHOUT DSSAB**

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>COSTS without DSSAB</th>
<th>OPTION A Region &amp; Dist Manitoulin</th>
<th>OPTION B Sud. Region Sud. District Manitoulin</th>
<th>OPTION C all one board</th>
<th>OPTION D Reg. &amp; Dis E. Man &amp; Dis W</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3 CORE SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>35,324,000</td>
<td>32,296,127</td>
<td>35,324,000</td>
<td>31,484,055</td>
<td>33,308,220</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>1,170,000</td>
<td>1,244,998</td>
<td>1,299,094</td>
<td>2,414,707</td>
<td>1,484,041</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>1,776,000</td>
<td>4,483,986</td>
<td>1,741,099</td>
<td>4,371,238</td>
<td>3,477,740</td>
</tr>
<tr>
<td><strong>2 OPTIONAL SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>9,057,000</td>
<td>9,274,536</td>
<td>9,057,000</td>
<td>10,221,829</td>
<td>8,952,710</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td><em>1,832,000</em></td>
<td><em>1,882,442</em></td>
<td><em>1,900,109</em></td>
<td><em>783,975</em></td>
<td><em>1,431,465</em></td>
</tr>
<tr>
<td>Sudbury District</td>
<td>1,536,000</td>
<td>1,287,676</td>
<td>1,484,836</td>
<td>1,419,196</td>
<td>2,040,827</td>
</tr>
<tr>
<td><strong>TOTAL COST - 5 SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>44,381,000</td>
<td>41,570,663</td>
<td>44,381,000</td>
<td>41,705,883</td>
<td>42,260,930</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>3,002,000</td>
<td>3,127,440</td>
<td>3,199,202</td>
<td>3,198,683</td>
<td>2,915,504</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>3,312,000</td>
<td>5,771,661</td>
<td>3,225,836</td>
<td>5,790,434</td>
<td>5,518,567</td>
</tr>
</tbody>
</table>

* figures inaccurate due to overestimation of land ambulance costs

### Table 4

**MANITOULIN REPRESENTATION IN SUDBURY-MANITOULIN STUDY**

<table>
<thead>
<tr>
<th>OPTION</th>
<th># OF REPS - MANITOULIN</th>
<th>TOTAL # OF REPS ON BOARD</th>
<th>REP/POP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>10</td>
<td>10</td>
<td>672</td>
</tr>
<tr>
<td>Option B</td>
<td>10</td>
<td>10</td>
<td>672</td>
</tr>
<tr>
<td>Option C</td>
<td>1</td>
<td>19</td>
<td>7095</td>
</tr>
<tr>
<td>Option D</td>
<td>8</td>
<td>16</td>
<td>840</td>
</tr>
</tbody>
</table>

---


34 ibid. Pp.9-12
On March 24, 1998, in a memo addressed to all the member municipalities of the MMA, Secretary-Treasurer Ned Martin enclosed his own summary of the results from the Sudbury study, using more accurate expenditure and assessment data for Manitoulin than the consultants had to work with. Following is his analysis of the costs of downloading allocated by weighted assessment for the four DSSAB options in the study.

Table 5

SUDBURY-MANITOULIN DSSAB STUDY - MMA REVISED REPORT

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>COSTS without DSSAB</th>
<th>OPTION A Region &amp; Dist Manitoulin</th>
<th>OPTION B Sud. Region Sud. District Manitoulin</th>
<th>OPTION C all one board</th>
<th>OPTION D Reg. &amp; Dis E. Man &amp; Dis W</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 CORE SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>35,324,000</td>
<td>32,585,232</td>
<td>35,324,000</td>
<td>31,530,233</td>
<td>33,626,565</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>1,143,000</td>
<td>1,143,000</td>
<td>1,143,000</td>
<td>2,348,899</td>
<td>1,151,356</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>1,803,000</td>
<td>4,595,795</td>
<td>1,895,207</td>
<td>4,446,999</td>
<td>3,492,079</td>
</tr>
<tr>
<td>2 OPTIONAL SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>9,057,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>1,757,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>2,211,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>TOTAL COST - 5 SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>44,381,000</td>
<td>42,476,459</td>
<td>44,381,000</td>
<td>42,267,546</td>
<td>43,032,303</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>2,910,000</td>
<td>2,910,000</td>
<td>2,910,000</td>
<td>3,148,794</td>
<td>2,684,765</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>4,014,000</td>
<td>5,990,846</td>
<td>4,112,855</td>
<td>5,961,381</td>
<td>5,587,932</td>
</tr>
</tbody>
</table>

* these figures not provided

He also points out that, although Option D shows a saving of $225,000 to Manitoulin, it is not compulsory for the DSSAB to take on land ambulance and it may prove more cost-effective to operate this service cooperatively with the First Nations communities.

Looking at all these figures, it seemed clear to Manitoulin that, at least for the 3 core services, there was little to be gained by joining with a larger area for a DSSAB. The two most compelling reasons for this decision were clearly cost and representation. Cost because Manitoulin people, with some of the lowest average incomes in the province, would be subsidizing Sudbury's welfare rolls. Representation because the delivery of Ontario Works and child care, both community-based services, would now be taken out of the community and given to a regional government dominated by a board with very few Manitoulin voices. According to Jeff Hietkamp, chair of the Manitoulin Municipal Association,

"It just made sense for a lot of reasons. Self-control was the biggest one....Their (Sudbury's) costs per assessment were higher, so they averaged us up. From their point of view it didn't make much difference, but it made a huge difference to us.... Intuitively it makes sense. We all know their welfare costs are higher, and INCO's in a slump. It certainly could get worse, which is another reason we didn't want to be in with Sudbury."  

The consultants suggested in their study that there were five other important factors to consider when evaluating the options for a DSSAB in addition to those of cost and representation. The efficiency factor concerns the opportunity for long-term savings. Although the province had suggested a population of at least 100,000 for DSSABs, the report goes on to suggest that a board with a huge geographic territory but a limited number of municipalities, such as is found in Northern Ontario, presents fewer opportunities for efficiencies than a board with a relatively concentrated population.  

36 Key informant interview with Jeff Hietkamp, Chair, Manitoulin Municipal Association & Reeve of Gordon Twp.
On Manitoulin, the belief is that greater efficiency can be achieved through the economies of small scale management. There is already an agency delivering social assistance to six of the ten municipalities on the Island. It would be a simple matter to expand it to serve the whole Island without having to add another layer of administration. Child care is a program which is already being delivered and managed on Manitoulin by a single organization serving the entire Island, so there is little required there in terms of new administrative costs. Social housing has been managed and delivered by a joint housing authority with Espanola and Manitoulin. This is small enough to be easily transferred to a DSSAB and unlikely to incur significant additional costs to administer.

Another factor to be considered is community of interest. The consultants advise that areas which share economies, geography and social characteristics are most likely to experience the fewest conflicts, and "to the greatest degree, expenditures of funds will be seen as in the common interest."38 Mention has already been made of the isolationist preferences of the Islanders and the unique culture found here. Although petty rivalries may still exist between communities, the past twenty years have seen many examples of cooperative efforts between municipalities. A joint Planning Board, an Economic Development Association, a Chamber of Commerce, Island-wide funding for a home for the aged, to name just a few examples. Partnerships are developing between the two cultures on the Island as well, and a Manitoulin-only DSSAB would foster greater cooperation with the aboriginal community for shared service provision. Finally, perhaps more than anywhere else in Ontario, the spirit of volunteerism is alive and well and at the root of the strong bond to community which exists among Islanders.

38 ibid. P. 7
Degree of risk must be considered in weighing the options for a DSSAB. "To the degree that existing service structure arrangements are altered, there is an increased degree of risk both in terms of the level of service and the cost of the service." \(^{39}\) Historically, Manitoulin District has provided services within its jurisdiction, while the communities which make up the Sudbury District have had joint service arrangements with the Region. Examples of this can be seen in the provision of children's services, services for the developmentally handicapped, services for victims of violence, social assistance programs and employment programs. Espanola and the communities along the North Shore, the area known as Sudbury District West, have received all of these services through purchase of service agreements with the Region of Sudbury, while Manitoulin has administered them locally. Changing this traditional pattern is likely to involve some degree of risk.

In considering the ease of implementation of any option for a DSSAB, the consultants suggest that, "It may be desirable to select an option that meets with the majority of municipalities, but is less than the ideal choice, because it will meet with approval and move forward." \(^{40}\) In this case, the majority of the municipalities as well as a majority of the population adopted Option B of the Manitoulin -Sudbury study, that is three separate DSSABs, one for each of Manitoulin and Sudbury District and one for the Region. As a matter of fact, there was overwhelming support from all of the areas represented, including the Region. In making the submission to the Ministry, it was also pointed out that half of the population of Northern Ontario is represented by the Districts

\(^{39}\) ibid. p.8  
\(^{40}\) ibid. p.8
of Algoma, Manitoulin and Sudbury. Since the consolidation policy stated that there
should be about 10 service boards, it seemed logical that half of that number of boards(5)
should be created to represent half of the population of the North.

The final factor when weighing the options for a DSSAB recommended by the
consultants was to look to the future and consider the long-term planning potential of
the area selected for the DSSAB. As we’ve seen, planning for social services to be locally
based has a 20 year history on Manitoulin. The Manitoulin Municipal Association had its
sights set on an Area Services Board at the time of submission of the application for a
DSSAB. In the letter which accompanied the consolidation plan for Manitoulin, the Chair
of the MMA outlined the future plans for land ambulance, homes for the aged, land use
planning, policing and economic development, all of which are currently being delivered
and administered in a way which recognizes the geographic boundary of the District of
Manitoulin.

In summarizing the decision by the Manitoulin Municipal Association to apply for
a stand-alone DSSAB, the Secretary of the MMA said this,

“Traditionally Manitoulin likes to do things by itself. Also, because of the distance,
Sudbury bureaucrats are usually pretty happy to leave us alone. The MMA thought,
here was one of the ten territorial districts in the province, it was already delivering
welfare to a significant proportion itself, and the additional services of child care and
housing didn’t seem too onerous. There was also concern with loss of control over
costs, over policy directions, with being lumped in with a larger area. Certainly it would
mean more traveling by the benefit recipients. Manitoulin is a neat package with no
loose ends, because we’re surrounded by water. That and the Manitoulin spirit prompted
the decision. And certainly the province was not saying no. We were told way back
in August, ‘If you think you can do it and do it more cheaply, show us.’”

41 Key informant interview with Ned Martin, Secretary, Manitoulin Municipal Association
So how, then, to explain the province’s decision in early June to reject Manitoulin’s application and to put Manitoulin into a DSSAB with Sudbury Districts West, North and East? The answer to that question has never been clarified by the Ministers, but the consensus of opinion is that Manitoulin is just too small. Although there was no clear definition of what is large enough, and although Manitoulin seemingly was able to satisfy all the other criteria, the decision apparently came down to someone’s idea of what the right size should be, and Manitoulin didn’t fit.
A DSSAB FOR SUDBURY & MANITOULIN DISTRICTS - THE DECISION

The unpopular decision was received in a letter from Janet Ecker, the Minister of Community and Social Services and Chris Hodgson, the Minister of Northern Development and Mines. It stated "We regret that we are unable to approve three District Social Services Administration Boards for the Sudbury/Manitoulin Districts. We are approving instead, one DSSAB for Manitoulin and the District of Sudbury, excluding the Regional Municipality of Sudbury for Ontario Works, child care and social housing."42

There was no explanation supplied. Attached to the letter was a listing of the 11 consolidated municipal service managers which were approved for Northern Ontario.

These were:

- Kenora District Services Board
- Rainy River DSSAB
- Thunder Bay DSSAB
- Sault Ste. Marie DSSAB
- Algoma DSSAB
- Manitoulin and Sudbury DSSAB
- Regional Municipality of Sudbury
- Nipissing DSSAB
- Parry Sound DSSAB
- Temiskaming DSSAB
- Cochrane DSSAB

The only one on the list which was not a district prior to the decision was Sault Ste. Marie, and the only DSSAB created which combined existing districts was the one for Sudbury-Manitoulin. It is easy to understand why the District of Algoma was separated

42 Letter to Jeff Hietkamp, Chair, Manitoulin Municipal Association, from Janet Ecker, Minister, MCSS & Chris Hodgson, Minister, MNDM p. 1
from the city of Sault Ste. Marie by looking at Table 1 and noting how the outlying district would have subsidized the costs of the city. Likewise, it is to the advantage of the District of Sudbury not to have been included with the Region. However, other than the arbitrary number of ‘about 10’ and the unspoken number of what is big enough, there is no clear reason why Manitoulin and Sudbury Districts were not left separate.

Commenting on the decision, the Clerk/Administrator of North Eastern Manitoulin and the Islands said, “How does it fit that Sudbury has its own, the Sault has its own, and yet the city of Thunder Bay and the entire territorial District of Thunder Bay is all one big DSSAB? Also the District of Kenora? That seems a little inconsistent.” As for the decision for Manitoulin, he added, “Put the two of them together (Sudbury District and Manitoulin District) and you’ve got a caseload for GWA purposes of about 1100, suitable for a DSSAB. The Ontario Works caseload determined it - something large enough to warrant the administrative structure.”

Since the new DSSAB model was not one of the options explored under either the Sudbury-Manitoulin study or the Algoma study, it again fell to Treasurer Ned Martin to crunch the numbers. In a memo dated July 8 addressed to the MMA membership, he outlined the revised costs, using more up-dated information, but using the same format as in his previous version of the Sudbury-Manitoulin Study cost-sharing estimates, found in Table 5 in this paper. Table 6 shows this new information, with one important difference. In this case, Option C, the one large board encompassing all of Sudbury District, Sudbury Region and Manitoulin, has been replaced with the model chosen by the province.

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43 Key informant interview with Ed Bond, Clerk/Administrator, Town of North Eastern Manitoulin and the Islands.
44 ibid
### Table 6

**COMPARISON OF DOWNLOADED COSTS SHOWING DSSAB OPTIONS - INCLUDING PROVINCIAL* MODEL**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3 CORE SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>32,720,000</td>
<td>31,396,230</td>
<td>32,720,000</td>
<td>32,720,000</td>
<td>31,535,572</td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>962,000</td>
<td>962,000</td>
<td>962,000</td>
<td>1,402,240</td>
<td>1,540,686</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>3,095,000</td>
<td>4,428,099</td>
<td>3,123,965</td>
<td>2,654,760</td>
<td>3,700,743</td>
</tr>
<tr>
<td>2 OPTIONAL SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>9,198,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoulin Dist.</td>
<td>868,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury District</td>
<td>1,998,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL COST - 5 SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudbury Region</td>
<td>41,918,000</td>
<td>41,225,102</td>
<td>41,918,000</td>
<td>41,918,546</td>
<td>40,827,527</td>
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<tr>
<td>Manitoulin Dist.</td>
<td>1,830,000</td>
<td>1,830,000</td>
<td>1,830,000</td>
<td>2,392,830</td>
<td>2,632,785</td>
</tr>
<tr>
<td>Sudbury District</td>
<td>5,093,000</td>
<td>5,814,356</td>
<td>5,131,735</td>
<td>4,530,170</td>
<td>5,380,688</td>
</tr>
</tbody>
</table>

### Table 7

**SUDBURY & MANITOULIN DISTRICTS COMPARISON - BY POPULATION & BY ONTARIO WORKS CASELOAD**

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>POPULATION</th>
<th>%</th>
<th>CASELOAD</th>
<th>%</th>
<th>CASELOAD/POP’N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sudbury West</td>
<td>9,795</td>
<td>30%</td>
<td>434</td>
<td>42%</td>
<td>4%</td>
</tr>
<tr>
<td>Sudbury East</td>
<td>11,764</td>
<td>36%</td>
<td>341</td>
<td>33%</td>
<td>3%</td>
</tr>
<tr>
<td>Sudbury North</td>
<td>2,872</td>
<td>9%</td>
<td>99</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Manitoulin</td>
<td>7,839</td>
<td>24%</td>
<td>154</td>
<td>15%</td>
<td>2%</td>
</tr>
<tr>
<td>TOTALS</td>
<td>32,270</td>
<td></td>
<td>1028</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

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45 Memo to MMA Members of DSSAB Working Group from Ned Martin, Sec’t-Treas., MMA Re: Manitoulin-Sudbury DSSAB pp. 2 &3

46 Caseload statistics from MCSS DSSAB -Copy of Slide Presentation June 25, Days Inn, Sudbury
In attempting to compare the different parts of this DSSAB district, some problems are encountered. The municipality of Rutherford & George, on the mainland to the east of Manitoulin and south of Sudbury, is officially in Manitoulin District, but considered part of Sudbury District in terms of services. There are many unorganized areas around Sudbury and it is difficult to know whether they fit into Sudbury East, West, or North. The area around Gogama is to the north and east of Sudbury, but it proved impossible to find anyone who knew which part of the District it is considered to be in. These dilemmas serve to illustrate the point that it is somewhat unnatural to separate the District from the Region and attach it to Manitoulin. What seems equally unnatural is that Manitoulin is in the same district as Chapleau, a town which is a full day's drive from the Island and has much closer ties with Timmins than with any of the towns in the district.

Table 8

SUDBURY & MANITOULIN DISTRICTS COMPARISON - BY POPULATION, CASELOAD & WEIGHTED ASSESSMENT

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>POP. %</th>
<th>C.L %</th>
<th>ASSESSMENT</th>
<th>%</th>
<th>COST</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sudbury West</td>
<td>30%</td>
<td>42%</td>
<td>676,751,711</td>
<td>33%</td>
<td>1,336,815</td>
<td>33%</td>
</tr>
<tr>
<td>Sudbury East</td>
<td>36%</td>
<td>33%</td>
<td>553,694,833</td>
<td>27%</td>
<td>1,093,737</td>
<td>27%</td>
</tr>
<tr>
<td>Sudbury North</td>
<td>9%</td>
<td>10%</td>
<td>113,502,877</td>
<td>5%</td>
<td>224,207</td>
<td>5%</td>
</tr>
<tr>
<td>Sudbury Total</td>
<td>76%</td>
<td>85%</td>
<td>1,343,949,421</td>
<td>65%</td>
<td>2,654,760</td>
<td>65%</td>
</tr>
<tr>
<td>Manitoulin</td>
<td>24%</td>
<td>15%</td>
<td>709,872,273</td>
<td>35%</td>
<td>1,402,240</td>
<td>35%</td>
</tr>
<tr>
<td>TOTALS</td>
<td>100%</td>
<td>100%</td>
<td>2,053,821,694</td>
<td>100%</td>
<td>4,057,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

It can be seen from the tables above that Manitoulin has 24% of the population of the area, 15% of the caseload of Ontario Works, and yet 35% of the weighted assessment and the costs. Again, Manitoulin will pick up more than its share of the welfare burden.

47 Weighted assessment data from Memo to MMA Members. *Op Cit* p.2
What will the implications of this decision be for the residents of Manitoulin? On the question of affordability, it seems clear that it will be more expensive than an Island-only DSSAB. As to whether it would prove less costly than a DSSAB with just Manitoulin and Sudbury District West, as in Option D of the Sudbury-Manitoulin study, it depends on which set of figures you look at. Both Table 3 and Table 5 show a modest advantage to Manitoulin under this configuration when land ambulance and public health are added to the picture. However, the newer figures in Table 6 show no such advantage, and, as has been pointed out, land ambulance at this point is optional, and Manitoulin could possibly do much better sharing this service with First Nations communities on the Island. The best thing which can be said about this decision in terms of affordability is that it is a definite improvement over a single board DSSAB with Sudbury Region in the mix. The worst is that it will cost the taxpayers of Manitoulin half a million dollars more, (an increase of 145%), than a Manitoulin-only DSSAB for just the three core services.

In terms of how the costs will be apportioned, it would obviously be in Manitoulin’s favour to apportion costs by basing it on real costs, since the areas with the higher case loads will incur more costs, and Manitoulin has a relatively small case load. However, this is sure to be unpopular with the District municipalities, especially Sudbury West, which has a disproportionately high case load. This is a reflection of the fact that larger communities, like Espanola, and those with multiple rental facilities attract social assistance recipients from other municipalities. When there is an economic downturn, such as a layoff at INCO in Sudbury, it is the larger towns which will bear the brunt of social assistance costs going up, not the rural and farming communities. Weighted
assessment, on the other hand, penalizes the municipalities which use the system less. Cockburn Island is an example of a very small rural municipality which has no welfare recipients, but will be apportioned costs under weighted assessment. Manitoulin municipalities, with their low year-round populations but relatively high assessment due to seasonal residents and recreational land, will be at a disadvantage.

Is it any more favourable to Manitoulin in terms of accountability? To answer this question, we need to make some assumptions. If there were a 12 member board, for instance, and representation was by population, Manitoulin would have three members. If representation was based on weighted assessment, Manitoulin could have four. If it were by volume of clients in the Ontario Works program, which is unlikely, Manitoulin would have only two. The best case scenario, then, would be one-third of the members on the DSSAB board. Decision making requires a double majority - a majority of the members representing a majority of the population. With one-third of the members at most and 24% of the population, Manitoulin will have little power in the face of a united District. The case of cost apportionment cited above may well be the first example of this.

It will be difficult for a DSSAB to be accountable to the all citizens of Manitoulin when there will be at most four representatives for an Island which currently has ten municipalities. How will the decision be made as to which municipality has representation and which does not? What will happen to the unorganized municipalities in terms of representation? They will certainly be sharing the costs, but will they also be helping to make the decisions?
Will the decision for a Sudbury-Manitoulin DSSAB have implications for service delivery to the residents of Manitoulin? This question is more difficult to answer, since no one is sure at this point what the service delivery pattern will look like. Some of the key informants for this study were willing to speculate. Tom Farquhar, former Reeve of Carnarvon Township and former Chair of the MHSA, said,

“The clients will suffer because the services won’t be there. As soon as the budgets get tight in any of the services, the District of Sudbury has more people to worry about. Workers will get pulled back from Manitoulin to fill the need in the Sudbury area. It’s the same pattern we’ve seen for years.”

Ed Bond, Clerk Administrator of Northeastern Manitoulin and the Islands, said,

“A DSSAB will not be beneficial for the taxpayers, but the clients will be much better served. Benefits will be consistent across the area. Also for getting people off the system and back into the workforce, I think it will have some potential because there will be specialized staff and it will be someone’s mandate to supply these people with some training.”

Jeff Hietkamp, Chair of the MMA and Reeve of Gordon Township, had a concern with potential abuse of the welfare system,

“There’s not much abuse, but I think there’s a little bit. I think a clerk in a township, they’ve always got their nose pretty close to the ground. If somebody’s not doing what they’re supposed to be doing, the clerk’s going to know about it. The further away the service gets from the community, the more there’s a chance for that (abuse) to happen.”

Mike Brown, Liberal MPP for Algoma-Manitoulin riding, looks at the problem from the vantage point of an opposition member, frustrated with policies he considers unwise:

“The difference with Manitoulin is that there’s a different culture here. All islands consider themselves unique. They look at themselves differently and they want to be dealt with differently. That’s what this government doesn’t want to do. They want the easy way out - to treat everybody the same. It sounds reasonable - why should anyone be treated differently? But the fact is, the province is quite different. The biggest problem here is that, while they solved Toronto, they tried to make the same solution work for everybody else. The medium size cities are working out okay, but when you get into the rural counties where there are no medium size cities, it is not working. They are solving it right now by writing cheques, but the good times are going to end, and there will be no money for these funds. They have created a structure that won’t be self-sustaining in the next economic down-turn.”
THE MANITOULIN RESPONSE

In light of the less than satisfactory rating this decision gets on almost every yardstick Manitoulin might use to measure it, how have the residents of the Island responded to the announcement? It might be accurate to say that the response has been almost as controversial as the province’s decision was. On June 9, the letter announcing the decision was received. On June 11, the Manitoulin Municipal Association met to discuss it. At that meeting, a resolution was passed and carried unanimously which read as follows:

MOTION 98-25 H. Moggy/A. Hunt

“Resolved that the Manitoulin Municipal Association requests a meeting with the Ministers of Northern Development and Mines and Community and Social Services to request reconsideration of the decision not to create a DSSAB for Manitoulin, and express unwillingness to proceed with the implementation of a Sudbury-Manitoulin DSSAB until such a meeting has been convened.”

This resolution was sent to the two Ministers along with a strongly worded letter expressing the dissatisfaction of the MMA with the province’s decision, and suggesting that the denial of the application from Manitoulin was:

- “arbitrary in imposing a decision contrary to our wishes, which conformed to all published criteria, and without consulting us on the option you selected;
- irrational in not maximizing cost-effective service delivery; and
- unjust in forcing us to subsidize the District of Sudbury and yet have no meaningful say on a board governed by double majority rules for decision making.”

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48 Contained in a letter addressed to Hon. Janet Ecker, MCSS and the Hon. Chris Hodgson, MNDM, dated June 16, 1998, from Jeff Hietkamp, Chair, MMA.
49 ibid. p.2
However, the MMA is a forum for discussion only. It does not have legislative authority, and representatives of the municipalities usually do not take action on important issues raised there without taking them back to their respective councils for approval. In this case, because of the need for a quick response, the decision was taken then and there, with no opportunity to consult with the councils. This proved somewhat problematic, since two of the larger municipalities had second thoughts when it came before their councils. Gore Bay had had doubts all along, on the basis that they felt Manitoulin was too small to be able to afford the costs of a DSSAB alone. In fact, Gore Bay had cast the one dissenting vote at the time that the application was originally submitted. Gore Bay was not represented at the MMA meeting on June 11, and consequently chose not to honour the boycott of the Sudbury-Manitoulin DSSAB talks.

Northeastern Manitoulin and the Islands was the other partner to question the wisdom of boycotting the meetings to establish the new DSSAB. Although still firmly maintaining that they believe a Manitoulin-only DSSAB is the best option, they have decided to participate in the discussions with the District of Sudbury towards the establishment of the provincial model. Ned Martin explains this decision:

We thought, 'Well, let's do what we can but we don't want to let this thing sneak up on us.' For Northeastern Manitoulin, we carry the contract for JobLink. We took a pragmatic approach in that we want to make sure that employee is well looked after... Better the devil you know than the devil you don't."

Since June 11, there have been several developments. A meeting was offered to the MMA with civil servants in the Ministry of Community and Social Services, and the decision was made not to accept, but to hold out for a meeting with the Ministers. It
would appear now that the best chance for a meeting with the Ministers will come at the AMO Conference in late August.

Meanwhile, meetings continue to be held of the Steering Committee for the Sudbury-Manitoulin DSSAB and invitations continue to be sent to the MMA members who are boycotting the meetings. The Steering Committee has several tasks to accomplish before the planned implementation date for the new body, which is December 1, 1998. They must establish a representation model and a cost-sharing model, develop delivery option models and implement delivery, and they must incorporate the new DSSAB board. These are all fundamentally important issues, and Manitoulin runs a considerable risk by not being at the table, assuming that they are unsuccessful in getting the decision reversed. MMA members are very aware of this risk, of course, which is further evidence of their strong feelings about this issue. Public opinion is divided on whether the hard line position taken by the MMA is wise. Some believe that Manitoulin’s presence at the table doesn’t mean real participation anyway, since the province is making all the important decisions, and Manitoulin represents such a small portion of the population. They see more power in making a statement by NOT being at the table than by being there. Others are of the opinion that ‘not playing the game is a good way to lose’, and by not being there, the Island has no recourse if the decisions taken are not to its advantage.

At the same time as the DSSAB process moves on, those who are determined to keep up the lobby for a Manitoulin-only DSSAB must prepare their arguments for the meeting with the Ministers. In addition, hearings were scheduled for Bill 12, the *Northern*
*Services Improvement Act* before it comes up for third reading in the Legislature in the fall. This Bill will allow communities to establish Area Service Boards. The closest of these hearings was held in Sault Ste. Marie on Aug. 12. MMA representatives made a presentation which generated much media interest, but no government response.

What approach could Manitoulin take at this point which might offer a way out of the impasse? Almost certainly the Ministers will be loathe to reverse their decision on the DSSAB. A compromise solution is needed which would allow them to save face and still accomplish the goal of more efficient consolidated service management. Perhaps it’s time to look back to 1988 and the vision of the Conference 2000 participants. “An Island-based and Island-wide organization that is responsible for the planning, coordination and delivery of community health and social services, and is accountable to all Manitoulin citizens and communities.”

Back to the future - the concept of the mall. If the only argument against a Manitoulin-only DSSAB is that it’s just too small, then rather than expanding the agency’s geographic borders, why not expand its service envelope? If Manitoulin is too small to deal with two or three programs efficiently, (although the figures suggest otherwise), it’s not too small to deal with ten or twelve efficiently. “Put all the services together, get clear direction from the Ministries on the way they want them delivered, and implement them from one administrative structure. In 1994, without counting Ministry of Education or Ministry of Health programs, there was over $12 million per year in government services

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being spent on Manitoulin. That is a significant amount which could be controlled by
Manitoulin and used to meet the needs of our clients more effectively and efficiently.\footnote{Key informant interview with T. Farquhar, former Chair of Manitoulin Human Services Authority Working Group.}

This is precisely the thrust of the Area Service Board legislation, Bill 12. An ASB
would have the authority to manage a range of core and optional services: Ontario Works,
child care, social housing, land ambulance services, public health, and municipal homes for
the aged, with the possible inclusion of policing, land use planning, and economic
development. As mentioned previously, Manitoulin has begun planning for or actually has
in place local management of all these services with the exception of public health and
policing. Over the course of the next three years, which is the phase in period identified
by the province for the voluntary creation of the ASBs, a solid plan for a Manitoulin-only
ASB should be developed. A comprehensive cost-benefit analysis should be conducted to
compare the relative advantages of the provincial DSSAB model prescribed for
Manitoulin-Sudbury District with a Manitoulin-only ASB. Since Area Service Boards will
have the authority to tax municipalities and unincorporated areas, it is vitally important
that the board members actually represent and are truly accountable to those
municipalities. No configuration of Districts will ensure this for Manitoulin except a
Manitoulin ASB.

What of the fate of the District of Sudbury in this scenario? Too small, apparently,
to stand alone in a DSSAB, and yet not to their advantage to be swallowed up by the
Region of Sudbury. One possible solution might be to carve it up into more natural
groupings. Sudbury East historically has very strong ties with the city of Sudbury, and is
geographically closer. Many of its communities are predominantly francophone, another feature which has more in common with Sudbury than with the rest of the District.

Sudbury District North, including Chapleau and Gogama, has traditional transportation and communication ties with Timmins and would possibly fare better in that grouping. Sudbury District West, most of which is geographically closer to Manitoulin and Elliot Lake than to Sudbury, might be better served by joining the District of Algoma or applying to become part of a Manitoulin Area Services Board.

Such new boundaries would comply with the principles set out by the province which state that:

"Services will be accessible to the public, with service management boundaries that are easily understood, take language and culture into account, and make sense in terms of existing transportation and communication patterns."\(^{52}\)

Rather than ask the Ministers at this point to backtrack on a decision which is already made and beginning to be implemented, a strong case should be made for considering Manitoulin’s participation in the Manitoulin-Sudbury DSSAB an interim measure only. A commitment should be sought from the Ministers for careful consideration to be given to an application for a Manitoulin Area Services Board - consideration which looks at how well the objectives and criteria can be met and does not automatically rule us out because of some arbitrary but unstated concept of how big is ‘big enough’. If such a commitment can be obtained, work should start immediately and build upon the foundation laid by the MHSA to develop an application for a Manitoulin Area Service Board, to be submitted for approval before the next provincial election.

\(^{52}\) Consolidation of Municipal Services Management, *Consolidation Planning Framework: Northern Ontario*. P. 3
CONCLUSION

This paper considered the recent creation by the province of Ontario of 'municipal service managers' for social and community health services under a structure known as District Social Service Administration Boards. The stated objectives of this policy are:

"to simplify access to services and serve clients better, while at the same time improving cost-effectiveness through clearer accountability, better co-ordination, innovation, sharing of resources, and economies of scale."\(^{53}\)

This paper has attempted to show that the recent decision of the Minister of Community and Social Services and the Minister of Northern Development and Mines to create a DSSAB for the combined Districts of Sudbury and Manitoulin will achieve none of the above-stated objectives. It has also attempted to make a case for presenting a compromise solution to the Ministers which recognizes the historical patterns of service delivery, social planning and community of interest. This Manitoulin Area Service Board solution would need to be carefully researched, and solid documentation prepared to show that it can provide the required levels of service more cost-effectively than any other option. I believe that this can be done, but the window of opportunity is small and decisive action must be taken immediately to forestall the seemingly inevitable slide from an unsatisfactory DSSAB into an even more unpalatable ASB.

\(^{53}\) *ibid.* p.1
As to the question of "When is bigger not better?", the following quote from the former Chair of the Manitoulin Human Services Authority Working Group suggests this answer:

"It seems to make sense on a strictly financial basis: the larger the scale, the greater the opportunity for cost savings. However, when you do this over a large geographical area, then you actually start increasing the costs by increasing the scale. Sending supervisors and board members to meetings in Sudbury, sending workers out from Sudbury to all the corners of the District, adding another layer of bureaucracy. When you add the factor of distance, then you get into how effectively is the service being delivered? And how accountable are the administrators to the people for whom they are delivering it? If you take the example of 10 agencies on Manitoulin joining together with a combined budget of $12 million, then you only need one or two Executive Directors, rather than 12. That's where you save money. If you go to a much bigger scale, you are going to build a bureaucracy much the same as the provincial government allowed their bureaucracy to build. So bigger isn't always better."54

When is bigger better? There are two possible answers to the question: When you have the concentration of population to allow consolidation of services within a tight geographical area, and, in the situation where you have a widely dispersed population over a huge geographic area, bigger is better when you keep the districts small but enlarge the scope of services. It is my hope that this paper has shown this to be true in the case of Manitoulin Island.

54 Key informant interview with T. Farquhar, former Chair of Manitoulin Human Services Authority Working Group.
APPENDIX 1

KEY INFORMANT INTERVIEW GUIDE

A DSSAB FOR MANITOULIN ISLAND

1. What do you know of the history of provincial policy concerning the management and delivery of social services in Ontario? e.g. PMSSR, disentanglement, Voluntary Consolidation Project, Who Does What

2. Why did the MMA make the decision to apply for a Manitoulin-only DSSAB?

3. What was the reasoning behind the final decision of the province on the allocation of northern DSSABs?

4. What impact will the decision to include Manitoulin in a Sudbury-based DSSAB have on:
   - Affordability?
   - Accountability?
   - Service delivery?

5. How do you think costs should be apportioned under the DSSAB?
   - Weighted assessment?
   - O. W. Case load?
   - Real costs?
   - Population?

6. What do you think of the MMA’s response to the provincial decision?

7. What changes do you anticipate for the north, and specifically Manitoulin, with the Northern Services Improvement Act regarding ASBs?
STUDY REPORTS:


KPMG, *The Impact of Provincial Downloading on Northern Ontario and the Regional Municipality of Sudbury.* KPMG, Sudbury, Ont. April 7, 1998


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