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Quick Connect

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Provincial Finance Minister Dwight Duncan announced the 2011 Provincial Budget this afternoon.

Much like the federal budget released last week, the 2011 provincial budget focuses far more on past achievements than on future commitments. Touting its Open Ontario plan from last year and the improving economy, the government uses this budget to “focus on eliminating the deficit and reforming the delivery of public services.” As a result, there are almost no new spending programs or even targeted initiatives aimed at particular groups.

Key items that will be of interest to OMSSA members include:

Economic Security

- A proposed increase of 1 percent for adult basic-needs allowances and maximum shelter allowances for people on ODSP and OW in the fall of 2011. Municipalities would not be required to contribute to the proposed rate increases until January 2012.
- The introduction of the Ontario Trillium Benefit to combine three provincial refundable tax credits into a single monthly payment. The Ontario Sales Tax Credit, the Ontario Energy and Property Tax credit, and the Northern Ontario Energy Credit will be combined and delivered on a monthly basis rather than quarterly.
- In the fall of 2011, the government will propose to appoint a committee representing both business and workers to provide advice on the minimum wage in advance of the 2012 budget. For the current year, however, the Ontario minimum wage increase will remain at \$10.25 per hour.
- Starting in July 2011, Ontario Child Benefit payments will be divided equally between parents each month in shared custody arrangements, rather than having the monthly

payments delivered in the first 6 months to one parent and the following 6 months to the other parent.

- \$100 million investment annually to enhance the pharmacy services and support to recipients of the Ontario Drug Benefit Program, primarily seniors and social assistance recipients.

Workforce development and employment supports

- An additional \$44 million over 3 years for literacy and basic skills programs.
- An additional \$22.5 million in 2011-12 for the Summer Jobs Strategy, including targeted resources for youth in high-needs neighbourhoods.
- \$64 million in additional operating grants to colleges and universities, an allocation that is set to rise to \$309 million by 2013-14.
- As well, the government and its private sector partners plan to announce new investments of over \$1.3 billion, including nearly \$175 million of provincial funding, in the hope of creating more than 2,100 jobs and retaining nearly 7,800 jobs. No further details were provided.

Children's services, early learning, and child care

- A comprehensive Mental Health and Addictions Strategy, starting with children and youth. By 2013-2014, funding to support the Strategy will grow to \$93 million per year.
- \$66 million over three years to continue to help children and youth with complex special needs and their families by making services more accessible, better coordinated, and more responsive.

There are no new announcements regarding funding for the early learning and child care sector.

The budget reiterates its previous commitment of up to \$51 million for child care stabilization and up to \$12 million for capital retrofits. As well, the budget repeats its commitment to the expansion of Full-day Kindergarten by September 2014.

Housing and homelessness

- An annual funding increase of 3 percent to the community services sector including long-term care homes, home care and other community supports, assisted living services, and mental health and addiction services. This funding, through the Ministry of Health, is intended to reduce Alternative Level of Care pressures, where patients occupy acute care beds in hospitals while waiting for services to open up in a community care setting.

The budget speaks briefly about the Long-term Affordable Housing Strategy but does not articulate any funding related to housing. It does mention—though not directly by name—its efforts to work with the federal government on extending a “new affordable housing initiative.” The budget further stresses the point that the federal government should be a long-term partner in funding affordable housing. This “long-term fair-share commitment from the federal government would help to ensure that Ontario families have access to housing.”

Poverty reduction

The budget contains no new initiatives that directly address poverty reduction.

Northern and rural issues

- Expanding the Northern Ontario Heritage Fund to \$100 million to support community infrastructure and economic development projects.

There were no other northern- or rural-oriented initiatives noted.

Service delivery issues

One of the key areas of the government's focus on "managing responsibly" was an emphasis on service delivery. Among the points noted in the budget were:

- Establishing a Commission on Broader Public Sector Reform, led by Don Drummond. This commission will examine the long-term, fundamental changes to the way government works, including areas of service delivery that could potentially be delivered more efficiently by another entity, and how, overall, to get better value for the taxpayers money invested in the delivery of public services. The goal is to issue a report to the Minister of Finance in time to inform the 2012 budget.
- Exploring "other changes to further improve benefits program delivery," and building on Service Ontario's one-stop benefits window launched on March 22.
- Exploring alternative service delivery models for Service Ontario, including service delivery by entities other than the provincial government, whether it be "another level of government, a not-for-profit, a social enterprise, or a private sector organization."
- Exploring opportunities to expand Service Ontario's one-stop delivery network to other lines of business, including delivering services on behalf of other governments through partnerships.
- Permanently reducing funding for executive offices of specific transfer payment recipients by 10 percent over 2 years.

Federal relationships

Continuing a theme from last year's budget, the 2011 budget speaks to the need for a stronger provincial-federal relationship and, more specifically, for a re-aligning of federal-provincial responsibilities.

The province is seeking to "disentangle areas of overlapping responsibilities" so as to "clarify roles, enhance transparency and accountability, and generate savings and efficiencies." Such realignment would also help to avoid scenarios in which policy decisions at one level of government impose significant costs on another level of government."

The primary impetus for this section in the budget is the challenges with the immigrant settlement programs and labour market development programs. In both areas, the province is arguing for the devolution of direct funding and responsibility from the federal to provincial governments.

The budget document also mentions the need for long-term federal support for housing and the need to renew the Canada Social Transfer. It is silent, however, on any national child care program.

Analysis

The 2011 provincial budget is a very "safe" budget for a government poised to defend its record in the upcoming election campaign. As with the federal government's budget released last week, the emphasis is on what the government has done rather than on what it will do.

Despite the lack of new spending initiatives, the underlying theme of service delivery reform

has direct relevance to OMSSA and our members.

The language of service delivery reform suggests that the echoes of the Provincial-Municipal Fiscal and Service Delivery Review are resonating through the halls of the provincial government. Proposals such as the Ontario Trillium Benefit, which is intended to help low-to-moderate-income families and single people better manage their household budgets by increasing the sense of predictability in their payments, reflect an understanding that services delivery should make sense for the people being served. Similarly, the fact that the new Commission on Broader Public Service Reform is being led by OMSSA Champion of Human Services Don Drummond is an encouraging sign in this regard.

In the budget documents, the government commits to engaging with its partners in other levels of government and the private sector about future opportunities for additional service delivery and building new partnerships. The goal is to table the results of this engagement with the Minister of Government Services so as to inform the 2012 budget. There is clearly an opportunity for OMSSA to bring our expertise and credibility on the subject of service delivery reform to the discussion. Our own work on human services integration, and the work of our CMSM and DSSAB members, can provide detailed best practice perspectives that can inform these discussions.

The new funding for long-term care homes offers another opportunity for OMSSA to reinforce our key messages. The increase in funding for long-term care homes and other housing supports is a positive one that OMSSA and our members have long asked for. Yet it will be crucial that these program and service delivery enhancements be coordinated provincially and locally with the broader housing and homelessness planning activities related to the Long-term Affordable Housing Strategy. Particularly given the broader themes in the budget about the need to improve the service delivery experience, this is exactly the kind of interministerial coordination that OMSSA has previously advocated for. OMSSA will continue to stress this need to coordinate all housing and homelessness programs across all ministries so as to create the most beneficial housing environments for Ontarians.

We also note that the government's own financial analyses referenced in the back of the budget reinforce OMSSA's on-going message that investing in people makes sense. In the government's Medium-Term Expense Outlook, the budget estimates that the average provincial annual operating cost per bed in a long-term care home is \$48,300, while a 1 percent increase in the number of beds costs the province an additional \$38 million. Using these figures, it becomes quite clear that investing in those social and medical supports that allow seniors to age in home rather than in a facility makes sense from a human and a financial perspective.

Finally, although the budget speaks only of strengthening the provincial-federal relationship, the issues raised in this regard will offer OMSSA and our members an opportunity to contribute to the conversation. Our Human Services Integration Committee is currently working on a paper on accountability frameworks. We are confident that this work will help all levels of government—federal, provincial, and municipal—to better understand the key service delivery, management, and funding issues in the human services sector.

Links

A copy of the 2011 Provincial Budget can be found [here](#).

OMSSA's provincial pre-budget submission can be accessed here: [OMSSA 2011 Provincial](#)

[Pre-Budget Submission](#)

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