



## **QUICK CONNECT - Ontario Budget 2013**

In the 2013 provincial budget, Finance Minister Charles Sousa has reasserted the government's commitment to fiscal responsibility while committing to moving Ontario to a more prosperous and fair society.

The 2013 budget is not a bold statement in any one direction and in the areas of interest to OMSSA members such as social assistance transformation, significant policy shifts are not to be found in this budget.

Driving the budget is the government's commitment to eliminate the deficit by 2017-2018. While appreciating Ontarian's desire for high-quality services the budget holds firm on program spending increases at 1% in an effort to avoid an unsustainable debt.

### **Areas of interest to OMSSA members**

OMSSA members will be pleased to see that the budget confirms the government's intention to transform Ontario's social assistance program. Definitive steps in this direction beyond consultation, however, are not identified.

### ***Social Assistance transformation to be built on consultation:***

Recognizing that "successful transformation will take time", the first steps towards transformation will begin through conversations with key stakeholders, including municipalities, recipients and delivery agents to set priorities and to work through the choices required for transformation.

The budget is largely silent on specific priorities outside of employment integration. It is unclear whether the integration of the Ontario Works and Ontario Disability Support Program is being considered or if it will be a priority set by consensus of key stakeholders.

The budget does contain some key steps aimed at improving opportunities for recipients of social assistance in transitioning to work and reducing hardship including:

- A rate increase of 1% beginning and an additional \$14 per month top up for Ontario Works adults without children;
- Increased earning exemption of \$200 per month;
- Increased asset levels for Ontario Works recipients from \$606 to \$2,500 for adults and from \$1,043 to \$5,000 for couples; and

- Simplifying asset rules that includes removing the restriction on the value of a primary vehicle and permitting gifts of up to \$6,000.

The above changes will total approximately \$400 million over the next three years (to 2016-2017) and take effect as of September 2013. The municipal cost share contributions will be deferred until January 1, 2014. OMSSA will be seeking clarification on the impact to CMSM and DSSABs of the changes and will be advising members of the implications.

Other notable changes include:

- the government's commitment to work with partners to develop a simpler, more flexible employment related benefits structure;
- a commitment to develop benchmarks on setting a consistent social assistance rates;
- effective September 2013 treating self-employment of Ontario Works and Ontario Disability Support Program recipients the same as employment earnings; and
- allowing full time high school students to keep earnings from part time work effective September 2013

***Integrating Employment Program and Services:***

OMSSA and its members have been interested in the 2012 provincial government announcement to integrate employment programs and services across government with Employment Ontario. Budget 2013 commits to “engaging with municipalities, First Nation communities and employment service providers” to work on this plan.

***Poverty Reduction and social assistance transformation:***

A notable announcement is the governments renewed commitment to continue to work on poverty reduction.

The budget identifies the creation of a cross government approach to developing the second Poverty Reduction Strategy under the leadership of a new Cabinet Committee on Poverty Reduction.

The Cabinet Committee will also be charged with leading social assistance transformation. The new poverty reduction will be released in late 2013. Details on elements of the strategy or mechanisms to develop the strategy were not provided.

***Benefits Transformation:***

The 2012 budget announced the intention to explore developing a one window approach to applying for and accessing benefits information through the “My Benefits Account”. The 2013 budget indicates that deliberations on this approach continue.

***Increasing opportunities for Ontario's most vulnerable:***

As previously announced, the government is committing \$295 million over two years on a Youth Jobs Strategy. Addressing the ongoing youth unemployment challenges as well as the impact of our aging society on the labour pool the Youth Jobs Strategy includes:

- \$195 million to expand youth employment opportunities;
- \$45 million to support entrepreneurs through mentorship, startup capital and outreach;
- \$10 million for innovation including industrial research, development and commercialization and university and college support; and
- \$25 to promote partnerships among business, labour, educators and youth

***Early Learning and Child Care:***

The budget indicates the government's firm commitment to continuing the implementation of full day kindergarten by September 2014 and to continue to build the vision for an integrated early year's program and services.

***Other budget commitments that may be of interest to OMSSA members include:***

- An additional \$15 million over three years for Bridge Training and the Minister of Citizenship and Immigration will convene an employer's table in the spring of 2013 to look at better ways of supporting both employers and immigrants for better employment outcomes;
- \$5 million in annual funding targeted investments in children's treatment centres in support of a pilot project aimed at helping children transition into school and full day kindergarten;
- Investments and initiatives to improve health outcomes including:
  - \$20 million in annual funding for small and rural hospitals to improve access to high quality services;
  - Continued investments in home and community care increasing to \$700 million by 2015-2016 (previously announced)
  - Continuing to move ahead on the Action Plan for Seniors; and
  - Mention of continuing to move forward on the Comprehensive Mental Health and Addiction Strategy by improving services for adults and youth.

***Broader areas of interest:***

Other budget highlights include:

- Continued commitment to upload social assistance benefits as agreed in the 2008 Provincial Municipal Fiscal and Service Delivery Review;
- Funding for infrastructure investment including \$100 million announced last week to assist small, rural and northern municipalities for roads, bridges and other infrastructure needs;

- The development of a permanent infrastructure funding program for rural and northern municipalities in 2014;
- Enshrining the provincial gas tax in legislation;
- Examining new revenue tools to support transportation and public transit in the Greater Toronto and Hamilton Area;
- Affirmation of the \$25 million reduction in the Ontario Municipal Partnership Fund by 2014.

Supporting the Premier's statement that a strong Ontario is dependent on the health and strength of all communities the budget reinforces its commitment to development in a number of areas including:

- Local food initiatives and development;
- Continued efforts focused on rural and northern economic development as well as regional development such as the south western and eastern Ontario economic development initiatives; and
- Continued commitment to work with municipalities as partners.

***Federal Advocacy:***

The budget indicates provincial government's ongoing efforts to engage the federal government in key areas including immigration and social and affordable housing.

This includes calling on the federal government to support Ontario's Immigration Strategy by making Ontario a full partner in immigration selection and settlement and raising Ontario's provincial nominees to 5,000.

In terms of social and affordable housing the province commends the government on the recent extension of the Investment in Affordable Housing Program and commits to working with the federal government on the program design.

***Synopsis:***

In many ways the 2013 provincial budget is a holding pattern that signals the direction the government is committed to taking given the opportunity.

OMSSA is committed to working with the government in moving forward on social assistance transformation and other areas of mutual interest and concern. This includes all elements of poverty reduction and as appropriate the development of federal-provincial programs.

OMSSA will share information on the budget as it becomes available.

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