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## Information Alert

### 2016 Provincial Budget Provides Good Investments in Affordable Housing

#### *Budget Highlights*

February 25, 2016

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On February 25, 2016, Minister of Finance, Charles Sousa, released the government's 2016 budget: ***Jobs for Today and Tomorrow.***

Good news for OMSSA members with new investments in:

- \$178 million over three years to provide housing subsidies and benefits to additional households, including support for the construction of up to 1,500 new supportive housing units over the long run through the Long Term Affordable Housing Strategy.
- As part of the Province's Special Needs Strategy, the government has committed to an investment of \$17.8 million over the next three years.
- An increase of social assistance rates by 1.5 per cent for adults receiving Ontario Works (OW) and people with disabilities relying on the Ontario Disability Support Program (ODSP):
  - A further top-up to those with the lowest social assistance rates - singles without children receiving OW - bringing their total increase to \$25 per month.
  - Families with children who are receiving social assistance and child support payments will see reductions in claw backs through changes to social assistance rules.
- Local Poverty Reduction Fund: over the course of 2016 and 2017, a total of \$10 million will be targeted for projects related to homelessness. The next call for proposals for the Local Poverty Reduction Fund will be launched in spring 2016.

#### **Other Investments**

The government's strategic plan for the 2016 budget is built on the foundation of responsible fiscal management, transforming health care and moving towards a fair society. Four priority areas or pillars driving the strategic direction and commitments of the government include:

- An innovative dynamic business environment.
- Building tomorrow's infrastructure.
- Investing in people's talents and skills.
- Strengthening retirement security.

Other priority areas in ***Jobs for Today and Tomorrow*** include:

- Climate Change
- Low Carbon Economy
- Pension and Retirement Strategies

Following are highlights from the budget focusing on areas of interest for OMSSA members:

### ***Long Term Affordable Housing Strategy***

- The government will invest a total of \$178 million over three years to provide housing subsidies and benefits to additional households, including support for the construction of up to 1,500 new supportive housing units over the long run. This funding will help accelerate the goal to end chronic homelessness, and it will include:
  - \$45 million over three years to enhance flexible local funding for the Community Homelessness Prevention Initiative (CHPI). The budget indicates that every \$15 million invested in CHPI supports approximately 2,600 households experiencing homelessness to obtain housing, or prevents approximately 14,200 households from becoming homeless; and
  - \$2.4 million in 2016-17 to pilot a new portable housing benefit that would offer more options for those fleeing domestic violence, benefiting approximately 500 households.
- The government will also look to its federal counterpart to fund critical affordable housing infrastructure moving forward.

### ***Special Needs Strategy***

- The Province is continuing to move forward with its Special Needs Strategy investing \$17.8 million over the next three years to support:
  - Enhanced complex special needs services transition and integrated delivery of rehabilitation services by hiring 68 more service planning coordinators; and
  - Establishing up to seven more Regional Service Resolution Agencies to review and allocate funding for children with multiple and/or complex special needs.

### ***Social Assistance***

The government reaffirms its intention to move ahead on modernizing the delivery of social assistance, better integration of services, reduce unnecessary intrusion into people's lives and work with people with lived experience and delivery partners.

*"The objectives remain to reduce poverty, support people to participate in the economy and to provide human services in a way that makes sense to the people that need them. This process will look across government and the broader income security landscape to ensure all programs work together".*

#### Overview:

- The government will continue to engage with delivery partners, clients and sector advocates to chart the path to comprehensive reform that effectively reduces poverty, supports people in their efforts to participate in the economy, and provides human services in a way that makes sense to the people that need them.
- The evaluation of a Basic Income pilot:  
*"The pilot project will test a growing view...that a basic income could build on the success of minimum wage policies and increases in child benefits by providing more consistent and predictable support in the context of today's dynamic labour market. The pilot would also test whether a basic income would provide a more efficient way of delivering income support, strengthen the attachment to the labour force, and achieve savings in other areas, such as health care and housing supports. The government will work with communities, researchers and other stakeholders in 2016 to determine how best to design and implement a Basic Income pilot."*
- Ontario will continue to work with people with lived experience and delivery partners to modernize to:
  - Introduce a reloadable payment card for ODSP clients who are unable to open or maintain bank accounts and to reduce the use of paper-based practices;
  - Build on pilots launched in 2015-16 to provide more self-service options for clients;
  - Introduce improvements to the ODSP adjudication and medical review process; and
  - Remove the current requirement for persons already determined to be eligible for adult developmental services to be re-adjudicated for eligibility under ODSP.
- Other commitments include:
  - In 2016, the government will build on its previous investments in social assistance by:
    - Increasing social assistance rates by 1.5 per cent for adults receiving Ontario Works and people with disabilities relying on the Ontario Disability Support Program (ODSP); and
    - Providing a further top-up to those with the lowest social assistance rates - singles without children receiving Ontario Works - bringing their total increase to \$25 per month, which is \$100 more per month than they received in 2012.

- These rate increases will take effect in September 2016 for ODSP and in October 2016 for Ontario Works.
- Municipalities will not be required to share the cost of the Ontario Works rate increase until 2017.
- Over the next year, the government will introduce changes to social assistance rules so that families receiving social assistance who receive child support payments can benefit more from this income. Currently, families receiving child support have their social assistance benefits reduced by the full amount of child support they receive.
- Continued commitment to improve child benefit and minimum wage.

Social assistance rate restructuring continues with a focus on policy considerations which include aspects of broader income security system.

Commitments and initiatives in social assistance efforts are aligned with the government's strategy of transforming government and managing costs.

### ***Transforming Health Care***

- Building on the 2015 provincial discussion paper *"Patients First: A Proposal to Strengthen Patient Centered Health Care in Ontario"*, the government continues to look at improving primary patient-centred health care. This includes improving health equity across Ontario, more integration with social services to allow for a "health in all" policy approach.
- The government recommit to expanding the mandate of Local Health Integration Networks (LHIN).
- \$85 million over three years will be provided to assist primary care teams to recruit and retain qualified multi practitioner professional staff. This will help clinics to continue to provide services in rural, northern, and fast-growing communities.
- As of July 2016, former MPP Christine Elliot, becomes Ontario's first Patient Ombudsman, with a mandate to investigate issues, make recommendations and report publicly to the LHINs and Minister of Health.

### Mental Health and Addictions

- \$2 million to 10 indigenous organizations to engage with their communities and make recommendations on unique mental health and addiction peoples across the province.
- This is in addition to the Phase Two of the Province's 10-year Mental Health and Addictions Strategy that includes investing \$16 million over three years, commencing in 2014-15, to create 1,000 new housing spaces for people with mental health or addictions issues, including \$4 million for 248 supportive housing units in 2016-17.
- Providing \$2 million to 10 indigenous organizations to engage with their communities and make recommendations on unique mental health and addiction peoples across the province.

### Long Term Care

- The budget commits to increase its investment in resident care needs by 2 per cent per year over the next three years.

#### Autism Services

- \$330 million over 5 years to redesign and consolidate autism services to ensure children and youth get critical intervention sooner for better outcomes.

#### ***Local Poverty Reduction Fund***

- The next call for proposals for the Local Poverty Reduction Fund will be launched in spring 2016. Over the course of 2016 and 2017, a total of \$10 million will be targeted for projects related to homelessness.

#### ***Supporting the Settlement of Refugees in Ontario***

- The government is committing additional funding of \$2 million in 2016-17 to ensure the continuation of important coordination efforts that provide support to welcome and settle refugees in Ontario.
- This will bring the government's total commitment to \$12.5 million for international relief efforts, direct supports for refugees, as well as for organizations and groups that are privately sponsoring refugees.

#### ***Community Hubs***

- The Province has extended the mandate of the Special Advisor and the Advisory Group to the Premier on Community Hubs through 2016-17. New key initiatives under the community hubs include:
  - Building local capacity by investing in resources network for community partners, including an interactive and online resource centre to provide access to information, best practices and data for community organizations
  - Continuing to advance the plan's recommendations regarding school properties to support continued community use, including introducing changes that would allow greater opportunity to parties interested in acquiring or leasing surplus schools.

#### ***Provincial-Municipal Partnerships***

- The provincial government remains committed to the Provincial Municipal Fiscal and Service delivery social assistance upload by 2018 and strong engagement with its municipal partners through the AMO-MOU and other engagement efforts.

#### ***Early Years and Child Care***

The budget reiterated the government's commitment to transforming child care and early learning identifying efforts to date on legislative and regulatory changes as well as the recently introduced Ontario Early Years Child and Family Centres.

Highlights include:

- The budget recommits to, through the *Child Care and Early Years Act, 2014*, modernizing the legislative and regulatory framework of child care, including strengthening oversight of the unlicensed child care sector, increasing capacity in the licensed child care sector, and improving data and information available to parents and the public.
- The government is also taking steps to more quickly address urgent issues in support of quality, health and safety in a licensed child care environment, and is setting higher standards for the health and safety of children.
- Wage enhancement: The second wage increase will be implemented in 2016, increasing wages by up to \$2 per hour to support recruiting and retaining qualified educators and helping child care operators stabilize their labour force.

### ***Employment and Training Services***

The government will continue to modernize and transform employment and training programs and services. The budget highlighted progress to date including:

- Piloting Local Employment Planning Councils in eight communities (Durham, London-Middlesex-Oxford-Elgin, Ottawa, Peel-Halton, Peterborough, Thunder Bay, Timmins and Windsor), to bring together employers, governments, employment service providers, trainers and others to improve employment and training service planning and meet local labour needs;
- Implementing the Canada-Ontario-Job Grant, supporting more than 46,000 training opportunities for over 35,000 employees in Ontario as of January 31, 2016;
- Launching the new Ontario Centre for Workforce Innovation, to provide leadership and support research and innovation in the employment and training system.
- The government is also proceeding with implementation of the Labour Market Information Strategy to improve access to credible, high quality labour market information.
- Renewing the Ontario Youth Jobs Strategy by investing an additional \$250 million over two years to provide employment and skills development opportunities for up to 150,000 youth.
- As part of the Renewed Ontario Youth Jobs Strategy, the government launched Youth Job Connection in October 2015. The Province is investing more than \$160 million over two years to provide intensive support and training to more than 27,000 young people with multiple barriers to employment. The program will be delivered through Employment Ontario and consists of two components:
  - Pre-employment training, job opportunities and mentorship to youth aged 15 to 29 who are currently not working, in school or enrolled in a training program; and
  - Summer, part-time and after school job opportunities for high school students.
- In 2015-16, the government is investing approximately \$176 million to offer a range of programs that support apprentices, employers and training delivery agents.

- To further improve Ontario's education and skills training system, the government established the Premier's Highly Skilled Workforce Strategy Expert Panel in December 2015 to develop an integrated Highly Skilled Workforce Strategy.
- The panel will assess how well the workforce is positioned to meet the needs of Ontario's economy and will recommend an integrated approach for the government to bridge education, training and skills development with the demands of the evolving economy. A final report is due to the government in fall 2016.

### ***Financial Empowerment***

- The government will invest up to \$1 million annually over five years to partner with Prosper Canada to provide a range of financial empowerment tools and services to more communities across Ontario. The initiative will be evaluated to determine the effectiveness of the tools and services on enhancing the financial stability and empowerment of participants.

### **Improving Opportunities for all Ontarians**

- Over the next year, the government will develop a provincial employment strategy for people with disabilities that will:
  - Establish a cohesive made-in-Ontario vision with goals, priorities and desired outcomes to ensure Ontarians have access to a continuum of employment and training services;
  - Provide a better service experience through streamlined access to employment and training services that recognize the varied needs and employment goals of individual clients; and
  - Engage employers as active partners in breaking down employment barriers for people with disabilities and promoting inclusive workplaces.

### ***Infrastructure Investments***

- The Ontario Community Infrastructure Fund (OCIF) will increase to \$300 million per year by 2018-19.
- The Connecting Links program will be increased by \$5 million in 2016-17 to a total of \$20 million. It will increase to \$30 million per year by 2018-19.

### ***Ontario Municipal Partnership Fund***

- The Ontario Municipal Partnership Fund (OMPF) remains unchanged in 2017 at \$505 million.

### ***Transforming Government and Managing Costs***

#### **Program Review, Renewal and Transformation**

In the continuing public service modernization efforts, the overall objective is to improve services, eliminate services that no longer make sense, increase efficiencies and effectiveness in meeting Ontarians needs and reducing costs.

- Examining how every government dollar is spent;
- Evidence based decision making to improve outcomes;
- Looking across government and the best way to deliver services; and
- A multi-year approach to find opportunities and to transform programs and achieve savings.

Transforming government and managing costs includes:

- Concerted evidence based policy making and working with academics and other organizations to improve decision making.

### ***Benefits Transformation***

Benefits Transformation, an area of focus over successive budgets was identified as a "major transformation and efficiency initiative" from 2016-17 to 2018-19. The intention of benefits transformations remains to have easier access to income based benefits and greater administrative efficiency for programs.

Benefits under consideration include health, dental, housing and child care. The intention is to streamline access that includes online applications, multiple benefit programs and automation back-office functions. To support this and to improve the way that benefit programs are delivered, the government is purposing new legislation that would enable integrated program administration with broadened information sharing and modernized policy frameworks.

### ***Transfer Payment Administration Modernization***

The 2016 budget recommits to modernizing processes and rules for administering transfer payments through a one-window online system. This will allow transfer payment recipient organizations, including municipalities, to submit information and related documents online and easily update information.

### ***Collective Impact for At-Risk Youth***

The government will be looking at new ways to address complex social programs in youth by piloting Collective Impact (CI) approach to improve outcomes for youth, not in employment, education, and training.

### **Economic Overview**

- Ontario's unemployment rate is below the Canadian average.
  - In January 2016:
    - Ontario's Unemployment Rate = 6.7%
    - Canada's Unemployment Rate = 7.2%
- Ontario's real GDP growth is expected to outpace the national average in 2015:
  - Ontario's Real GDP Growth = 2.5%
  - Canada's Real GDP Growth = 1.2%



- Allocations to the Ontario Municipal Partnership Fund (OMPF) remain unchanged in 2017 at \$505 million.
- Ontario is managing spending and improving the effectiveness, efficiency and sustainability of its services, while continuing to review programs, including public services and internal administration. This approach will help Ontario:
  - Limit the average program spending growth to less than 2% annually until 2018-19.
  - Balance the budget in 2017-18 and 2018-19.

### Ontario's Fiscal Outlook

- The government is projecting a deficit of \$5.7 billion in 2015-16 and \$4.3 billion in 2016-17. This is an improved fiscal picture from recent projections made in the Fall Economic Statement. The government remains committed to a balanced budget in 2017-18.
- Ontario remains the province with the lowest per-capita program spending in Canada.
- Program spending has fallen to 16.4 per cent of GDP in 2014-15, lower than the 17.9 per cent of GDP in 2009-10, and it is expected to fall to 15.0 per cent by 2018-19.

### ***Expense Changes***

- Spending in children's and social services sector is projected to increase by \$153 million due to additional investments in ODSP and the cost of prescription drugs for social assistance recipients.
- Total expense between 2014-15 and 2017-18 will be on average 2.7% annually, reflecting support through investments in social assistance, developmental services and autism services.
- Other program expenses of interest to OMSSA members expected to grow on average between 3.2 per cent between 2014-15 and 2018-19, include investments in transit, transportation and community infrastructure, enhancement of GO Transit services, the Long-Term Affordable Housing Strategy and initiatives to support Ontario's Climate Change Strategy.

Entering the last half of its mandate, the government continues its commitment to improve services and find the right efficiencies while doing so.

The new investments in housing is a good news piece. Overall, the budget signals that the government remains on track with its commitment to addressing matters of social justice and better opportunities for vulnerable Ontarians.

OMSSA will continue its analysis to understand how all the pieces will come together and what this means for CMSMS and DSSABS.

[2016 Ontario Budget: Jobs for Today and Tomorrow](#)

[Click here to read OMSSA's 2016 Provincial Prebudget Submission](#)

