



Community and Health Services
Office of the Commissioner

MEMORANDUM

TO: Community and Health Services Committee Members

FROM: Adelina Urbanski
Commissioner of Community and Health Services

DATE: April 14, 2010

RE: **Ontario and Federal 2010 Budget Highlights
from a Community & Health Services Perspective**

As you know, the federal and provincial governments presented their 2010 Budgets on March 4, 2010 and March 25, 2010 respectively. The attached table highlights budget initiatives that will have a direct impact on Community and Health Services' programs and clients. Broader benefits to low and moderate income residents and workers in York Region may also accrue.

This analysis of the implications of the budget initiatives for Community and Health Services is preliminary. A number of announcements will require more information to assess full impacts on department programs, costs, and clients.

Overview

The 2010 Federal Budget contains very few new initiatives and largely carries over a number of key 'stimulus' programs from 2009, with a focus on economic recovery first and then later, a plan for deficit reduction. Some of the new federal initiatives include improving the taxation of the Universal Child Care Benefit for Single Parents, increasing flexibility for savings plans which offer long-term financial security for individuals with disabilities, investing \$108 million over three years to assist young people gain job skills and experience, and extending work-sharing agreements to 78 weeks (an extension of 26 weeks) to allow employers to recover from the economic downturn.

Overall, the 2010 Ontario Budget contains a number of important new initiatives – particularly around stabilizing funding for child care spaces which were “at risk” due to the federal decision to end funding in this area. The Budget also includes a 1% increase to Ontario Works and Ontario Disability Support Program (ODSP) maximum shelter and basic needs allowances. Municipal cost-sharing of the Ontario Works increase will begin in January 2011. As you recall, the province has begun its phased upload of Ontario Works and ODSP benefit costs in 2010 – with full implementation of ODSP by 2011 and Ontario Works by 2018. There are also promises

to extend and in some cases expand skills training opportunities for people who require re-training to find and keep employment as a result of the recent economic downturn.

The 2010 Ontario Budget also re-confirms many of the initiatives announced previously in the 2009 Budget that are either carrying over this year as part of the time-limited "stimulus" package or beginning implementation in 2010 – such as new and enhanced sales and property tax credits as part of HST implementation.

While some of the 2010 Ontario Budget initiatives are potentially positive, there was little mention of longer-term support for affordable housing beyond already announced "stimulus" funding. However, the province has been promising a Long Term Affordable Housing Strategy for spring 2010. This should provide more clarity on the province's broader policy approach to affordable housing and the role of supporting municipal service managers in meeting local housing needs.

Despite the limited number of new spending initiatives, the 2010 Ontario Budget retains funding already committed to the province's Poverty Reduction Strategy. Given the tight fiscal position of the province's finances over the next several years, the absence of spending reductions in critical program areas is a welcome sign.

If you have questions regarding this communication please contact me at 905-830-4444 extension 2023 or Cordelia Abankwa-Harris, Managing Director, Strategic Service Integration and Policy Branch at 905-830-4444 extension 2150.



Adelina Urbanski
Commissioner of Community and Health Services

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Attachment - 1

2010 Provincial Budget Highlights
Implications for Community and Health Services Department

PROVINCIAL BUDGET SUMMARY	
Budget Announcement	Implications for C&HS Programs and Clients
Employment and Financial Supports	
<i>Minimum Wage Increase</i> The Budget raises the minimum wage to \$10.25 per hour effective March 31, 2010 as per previous commitments from the government.	Supports increased market income for low-income residents employed in minimum wage jobs, including Community and Health Services clients, and reduces reliance on social benefit payments.
<i>Nutritional Supplement Program</i> The Ontario Budget proposes the development of a new nutritional supplement program. The program will be developed and administered by the Ministry of Health and Long Term care on behalf of the Ministry of Community and Social Services. The new medically-based program will replace the Special Diet Allowance currently provided for ODSP and OW recipients.	As of January 2010, the total number of OW participants in York Region receiving special diet allowances was 1277. It is unclear at this point how the proposed new nutritional supplement program will impact on eligibility or the number of program recipients going forward. Approximately 14% of current recipients receive the maximum allowance of \$250 per month. The Special Diet Allowance has come under media attention of late due to a recent Auditor-General of Ontario report and ruling of the Ontario Human Rights Tribunal.
<i>Second Career Strategy</i> The Ontario Budget continues to deliver the Second Career Strategy by committing to provide training of an additional 30,000 unemployed workers.	Additional places for the Second Career Strategy could help reduce pressures on Ontario Works caseloads through providing more re-training opportunities for lower income workers in York Region facing unemployment – who may otherwise require support through Ontario Works in the event of financial crisis, exhausting other supports (e.g. Employment Insurance), or having few other resources available. Second Career Strategy provides up to \$28,000 to support tuition, travel, books, and other training-related costs. Additional funds may be available for people with disabilities, and for people who need help to pay for academic upgrading, the costs of living away from home, or child care.

2010 Provincial Budget Highlights
Implications for Community and Health Services Department

PROVINCIAL BUDGET SUMMARY	
Budget Announcement	Implications for C&HS Programs and Clients
<i>Social Assistance Rate Increase</i> The Ontario Budget proposes a 1 percent increase for basic needs allowances and maximum shelter allowances for recipients of Ontario Disability Support Program (ODSP) and Ontario Works (OW). This increase will come into effect in the Fall of 2010. Municipalities will not be required to contribute to the proposed rate increase until January 2011.	The income of OW recipients will increase. Higher benefit levels may increase the number of residents eligible for OW. The increases to the OW allowance will also increase municipal costs beginning in January 2011. As agreed through the Provincial Municipal Fiscal and Service Delivery Review, the upload of OW benefits costs to the Province will begin in 2010 at 3% of our 20% cost-share. Full OW benefits costs will be uploaded in 2018. NOTE: 1. ODSP benefit costs will be fully uploaded by the province by 2011. 2. The Ontario Budget re-confirmed the province's commitment to increase the maximum annual Ontario Child Benefit (OCB) from \$1,100 to \$1,300 per year/child by 2013 as announced in the Ontario Poverty Reduction Strategy. The OCB is an income-tested program for lower income families – including Ontario Works participants.
<i>Summer Jobs Program</i> The Budget will see an additional \$39 million in 2010-11 for its Summer Jobs program that includes resources for youth in high-needs neighbourhoods, resulting in nearly 110,000 jobs and services for students this summer.	More details are required with regards to which communities are deemed high-need in order to assess possible benefits of this initiative for York Region residents.
<i>Targeted Initiative for Older Workers</i> The Ontario Budget is implementing the federal-provincial Targeted Initiative for Older Works agreement which supports skills training projects in hard-hit communities. The program assists workers aged 55-64 living in communities of fewer than 250,000 people that have high unemployment or rely on a single industry that has been hard by the recession, develop the skills required to find employment.	It is not clear what this will entail or if it will be available to residents of York Region. Details of this initiative will be provided in the future.

2010 Provincial Budget Highlights
Implications for Community and Health Services Department

PROVINCIAL BUDGET SUMMARY	
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<i>Training and Employment Supports</i> The Ontario Budget will provide improved training and employment supports for groups that have been traditionally underrepresented in post-secondary education, training and the workforce.	The Ontario 2010 Budget calls for the federal government to extend time-limited funding enhancements through the Labour Market Agreement and Labour Market Development Agreement (LMDA) as part of federal-provincial stimulus funding for training and skills development beyond 2010-11.
<i>Transformation of Benefits System</i> The government has proposed to transform Ontario's benefits system to increase support for those who need it and to simplify access, including: 1. creating a new web portal to help to centralize access to program information while improving client service; 2. implementing an automated income verification process for those benefit programs whose eligibility criteria include income; and 3. consulting with key service delivery partners on new and innovative ways to further simplify client access to benefit programs while improving program fairness and integrity.	The budget does not provide any funding commitments related to these proposals. However, they are consistent with broader goals of improving service integration and modernizing/simplifying income support programs in Ontario articulated in the Provincial Municipal Fiscal and Service Delivery Review. The Ontario 2010 Budget also re-confirms the province's review of social assistance, first announced in the Ontario Poverty Reduction Strategy, as an "integral part of the government's longer-term vision for a transformation of social assistance that would increase people's opportunities for work and guarantee security for those who cannot work. The government would also make social assistance programs easier to understand, more transparent, and sustainable in the long term, so that the system can continue to support the most vulnerable Ontarians."
Family and Children's Services	
<i>Full-Day Learning</i> The Ontario Budget has committed to full-day learning for four and five year olds starting in September 2010. The program will see 600 schools offer full day learning to up to 35,000 children. The Budget also committed approximately \$245 million in capital grants to assist with implementation of early learning.	39 schools across York Region ls are currently confirmed to participate in the Phase One roll-out of the full-day learning program starting in September 2010. More information will be required from the province as to what capital costs these grants will cover or how they will be distributed.

2010 Provincial Budget Highlights
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PROVINCIAL BUDGET SUMMARY	
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<i>Child Care</i> With previous federal funding that was estimated to be supporting up to 8,500 child care spaces ending March 31st, the Ontario Budget has committed to permanently fill the funding gap with an annual investment of \$63.5 million. This will help ensure that access to quality child care spaces continues to be accessible for low-income working parents.	We are awaiting information on how the investment of \$63.5 million will be distributed. There remains concern around current overall child care funding levels to York Region to meet community need for services as well as address potential implications of the Province's full-day learning program on the stability of existing child care operators.
Health Services (Emergency Medical Services, Long Term Care and Seniors, and Public Health)	
<i>Affordable Health Care</i> The Budget proposes introducing changes to the statutes governing Ontario's drug system that would allow for lower generic drug pricing. This would also require increased supports for pharmacies in rural and underserved areas, and support the expansion of clinical services provided by pharmacists.	This initiative has been aimed at Seniors however will have a significant impact on the broader population. Lower generic drug pricing could result in significant cost savings for ODSP and OW programs.
<i>Health System Performance</i> The government remains focused on reducing emergency room (ER) wait times and has committed to \$100 million budget in 2010-11 for the ER Wait Times Strategy. As part of its overall health system reform strategy, the government is also proposing to increase the efficiency and effectiveness of the health care system by introducing legislation that will make health care providers and executives more accountable for improving patient care.	The government has not provided details regarding how the \$100 million for the ER Wait Times Strategy will be used for 2010-11. It is unclear what role EMS will have in this initiative. It is unclear who is included as a health care provider or executive. Details as to who the legislation will affect will be released at a later date.

2010 Provincial Budget Highlights
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PROVINCIAL BUDGET SUMMARY	
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<i>Community Health Care</i> The Budget also calls for a review of the Public Hospitals Act to create a hospital system that forces collaboration with community partners and health professionals.	Details of what this review will entail will be communicated at a later date. It is not clear who they consider to be a community partner or who will be consulted/included in the discussions.
<i>Chronic Disease Prevention and Management</i> As part of the Ontario Diabetes Strategy, the Budget is investing \$8.5 million in 2010-11 to create up to 14 Regional Coordination Centres which will help organize and manage local diabetes programs. It also includes expanding chronic kidney condition services and diabetes care and prevention resources as well as tracking progress against public targets to ensure that the strategy is producing results for Ontarians.	It is not clear what this means for Public Health Units across the Province with regards to their role in prevention and healthy lifestyles. Details regarding this initiative are expected to be released at a later date.
Housing Services	
There are no references to the Long-term Affordable Housing Strategy	The budget does not change the government's commitment for the second year of the social housing and infrastructure programs. Projects will continue as planned.
Other Initiatives Related to Community and Health Services Programs and Clients	
<i>Employment Standards Officers</i> The Budget will invest an additional \$6 million over two years to increase the number of employment standards officers, to help with reducing the backlog of employment standards claims.	Initiatives to improve employment standards enforcement have the potential to increase income for lower income workers with unpaid claims.

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<i>Immigration Agreements</i> The current Immigration Agreements with the federal government will soon expire. The Budget identifies the need to begin negotiating with the federal government to develop a new immigration agreement that would include devolving settlement and language training, and full funding of such programs to the Province.	The Ontario 2010 Budget indicates that the Canada Ontario Immigration Agreement (COIA) funding has been under spent. Through the Local Immigration Partnership (LIP), C&HS will investigate the extent to which immigrant settlement and integration service levels have increased in York Region. Under current COIA, municipalities have played a key role in policy development. More information will be required to assess how devolution would impact municipal roles going forward.
<i>Post-Secondary Education</i> Budget 2010 will invest \$310 million for the addition of 20,000 new spaces at colleges and universities in 2010-11. The government will also provide additional resources to support students with navigating through Ontario's post-secondary system and implement a credit transfer system. Finally, the Budget will create a new Ontario Online Institute, allowing individuals to pursue higher learning from home.	It is not clear what this will entail or if it will be available to residents of York Region. Details of this initiative will be provided in the future.
<i>Property Tax Credits</i> The Budget proposes converting the Ontario Property Tax Credit to the Ontario Energy and Property Tax Credit. This will be paid quarterly in order to best meet the needs of people receiving the credits starting in the summer of 2011.	This reflects 2009 budget announcements related to improving Ontario's tax policy for low to middle income families and individuals beginning in 2010 – particularly around enhancing Ontario's refundable sales and property tax credits to offset the impact of implementing the new Harmonized Sales Tax (HST). The proposed Ontario Energy and Property Tax Credit will be paid quarterly beginning in 2011 – similar to new Ontario Sales Tax Credit beginning in 2010. The budget proposes to “consult with social policy groups regarding the timing of the payments to best meet the needs of people receiving the credits.”

2010 Provincial Budget Highlights
Implications for Community and Health Services Department

2010 FEDERAL BUDGET

Specific Initiatives Announced in the 2010 Federal Budget Related to Community & Health Services Programs and Clients

Budget Announcement	Implications for C&HS Programs and Clients
<i>Employment Insurance (EI)</i> The Federal Budget improves access to EI parental and sickness benefits for military families by extending the period they are eligible for an additional 52 weeks. The Budget will also provide families who have lost a family member as result of a crime with access to the victims EI sickness benefits. Work-sharing agreements will be extended to allow workers who would otherwise be laid off, work part-time and access EI benefits. Existing or recently terminated work-sharing agreements will be extended by an additional 26 weeks to maximum of 78 weeks.	Improving access to EI will help residents facing the situations outlined in the Federal Budget – but do not address broader issues of EI coverage raised by advocacy groups for workers who face challenges qualifying for EI benefits. Unemployed workers who do not qualify for EI or exhaust their benefits could increase pressures on Ontario Works caseloads if they have no other resources available.
<i>Youth Employment Supports</i> The Federal Budget commits \$30 million for the Career Focus component of the Youth Employment Strategy to offer career-related work experience. It also provides the Canadian Youth Business Foundation with \$10 million to support young entrepreneurs. Skills Link will receive \$30 million to provide more opportunities for young Canadians to join the labour market and the Budget will also provide Pathways to Education Canada with \$20 million to work with disadvantaged youth.	These supports provide additional opportunities for youth to gain the skills and experience required to be competitive in today's job market. They also increase support for employers who are willing to provide opportunities to post-secondary graduates to gain valuable work experience. Funding of the Canadian Youth Business Foundation will provide increased opportunities for youth to become successful entrepreneurs. Skills Link and Pathways to education will provide further opportunities for at-risk and disadvantaged youth to seek out employment and education opportunities.
<i>Health</i> The Budget confirms that current health transfers will be maintained but adds no new funding.	Although no decreases to CHT were announced, there were no new initiatives that would expand services within our current health care system.

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<i>Housing</i> The Budget confirms housing promises made in 2009 but adds no new funding.	The budget did not address future allocations of federal program extensions for Affordable Housing Initiative (AHI), Residential Rehabilitation Assistance Program (RRAP) and Homelessness Partnering Strategy (HPS).
<i>Infrastructure Stimulus Funding</i> Increased funding to expand eligibility for infrastructure program to include mid-size projects allowing communities to undertake larger retro fit projects or foster partnerships for new facilities.	More information to be provided over the coming months on how this funding can be accessed.
<i>People with Disabilities</i> In recognition that families of children with disabilities may not be able to contribute regularly to their Registered Disability Savings Plan (RDSP), the Budget proposes to allow a 10-year carry-forward of CDSG and CDSB entitlements. To provide parents more flexibility in ensuring that their savings may be used to support a disabled child, when they are no longer able to support the child, the Budget changes to the retirement income programs will now allow a deceased individual's RRSP or RRIF proceeds to be transferred, on a tax-free basis, to the RDSP of a financially dependent infirm child or grandchild. An additional \$45 million over three years for the Enabling Accessibility Fund to remove barriers for Canadians with disabilities.	People who cannot afford to contribute to a RDSP in one year will be allowed to carry forward unused entitlements to Canada Disability Savings Grants and/or Bonds for up to 10 years. A deceased persons' RRSP or RRIF can now be transferred tax-free to the RDSP of a financially dependent child or grandchild. Under the current eligibility criteria for social assistance, RDSPs are not treated as an asset. The budget expands eligibility for the program to include mid-sized projects, allowing for communities to undertake larger retrofit projects or foster partnerships for new facilities. Details will be announced by the Minister of Human Resources and Skills Development over the coming months.

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Budget Announcement	Implications for C&HS Programs and Clients
<i>Retirement Income</i> The federal government has committed to undertake consultations with the public on the government-supported retirement income system, including the main issues in saving for retirement and approaches to ensuring the ongoing strength of the system. The Budget commits financial resources to facilitate these consultations.	More information to be provided over the coming months on how the consultations will be conducted and how the results will be used.
<i>Seniors</i> The Budget has committed \$10 million over two years to increase funding for the New Horizons for Seniors Program. The Federal Budget will provide up to \$967 in tax relief for eligible seniors through the Age Credit.	This program was originally announced in 2006. The enhanced funding will support projects that focus on volunteering among seniors and raising awareness of financial abuse of seniors. It will provide opportunities for seniors to mentor next generation of volunteers.
<i>Skills and Training</i> The Budget calls for new post-doctoral fellowship programs to attract and retain PhD graduates to Canada, with improved recognition of foreign PhD credentials. For those individuals who are enrolled in a primarily research-based post-secondary program, the New Scholarship Exemption and Education Tax Credit has been implemented.	More details regarding this program will be released in the future.
<i>Tax Credits</i> The Budget also proposes to improve the allocation of child benefits between parents who share custody of a child in regards to the Canada Child Tax Benefit and Universal Child Care Benefit (UCCB) and the GST/HST credits.	This measure comes into effect July 2011. More details to be provided in the future.

2010 Provincial Budget Highlights
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2010 FEDERAL BUDGET

Specific Initiatives Announced in the 2010 Federal Budget Related to Community & Health Services Programs and Clients

Budget Announcement	Implications for C&HS Programs and Clients
The Budget also to improves the taxation of the UCCB for single-parent families by allowing single parents to choose to include UCCB payments in their own income, or in the income of the dependant for whom an Eligible Dependant Credit is claimed, thereby providing treatment comparable to single-earner two-parent families. In most cases, the dependant would not be subject to tax.	This change will provide single parents up to \$168 in tax relief for single-parent families with one child under six in 2010.

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