Ontario Budget 2004/2005
The Plan for Change
May 18, 2004
Summary Notes for CS&H

BUDGET	IMPLICATIONS FOR COMMUNITY SERVICES AND HOUSING
FAMILY AND CHILDREN'S SERVICES:	
Child Care Fee Subsidies: As part of the Federal-Provincial Framework on Early Learning and Child Care (previously announced) there will be an additional $58 million funding in 2004-05, growing to $137 million in 2007-08, to provide 4000 new subsidized child care spaces in Ontario.	The number of spaces that will be allocated to York Region and the cost sharing impact remains undetermined. Based on child population, CS&H estimates that approximately 500 new spaces could be allocated to York Region. If cost shared, this could result in a $1 million net cost to the Region. Funding for these spaces could be drawn from Reserve funds.
Early Intervention Services: The province will provide a 3% increase in funding in 2004-05 to agencies that have not received a funding increase in several years, including agencies that provide prevention and early intervention services for children and families at risk. York Region's early intervention services are among the agencies that have not had an increase.	Early Intervention Services may receive a 3% ($100,000) increase in funding. No net funding impact for York Region is anticipated.
Recreation An additional $3 million in funding to Active 2010. A program that promotes increased participation in sports and physical activity, particularly for children, youth and low income individuals.	Potential source of funding for recreation and summer camp activities for children of Community Services and Housing clients. Proposed funding could mitigate the impact of further changes to the NCBS claw back in future years resulting from the review that the province will undertake in 2004-05. Municipal savings from the claw back are currently invested in a number of programs for clients including recreation and summer camp activities.

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HOUSING AND RESIDENTIAL SERVICES:	
Rent: The government will introduce legislation that would amend the *Tenant Protection Act.* The current rent control guideline allows landlords uncontested rent increases of two per cent plus an inflation factor. Under the proposed 2005 guideline, the two per cent base amount would be suspended so that rent increases would reflect only the increases in landlords' operating costs.	Although social housing providers are technically exempt from these provisions of the *Tenant Protection Act*, in practice rents are increased within the guideline amounts. The announcement could restrict revenue increases to housing providers, including Housing York Inc.
Homelessness Prevention: Homelessness prevention programs will be streamlined and enhanced by $2 million annually.	$2M increase across province is small relative to current $12-15M provincial spending. York will receive a portion of these funds. York Region currently receives funding for homelessness initiatives through a number of provincial programs. These funding streams are administered separately but have similar reporting requirements and criteria. Streamlining these funding sources would make the administration of funding easier for York Region.
Ontario Strategic Infrastructure Financing Authority A new financing vehicle is being created to allow for low cost financing of infrastructure projects- the Ontario Strategic Infrastructure Financing Authority. (OSIFA). In 2004-05 the Authority will concentrate on financing water/sewage/ waste facilities, roads, bridges, and transit. Subsequently, long-term care facilities, schools, hospitals, and affordable housing providers will be eligible to access these funds.	Clarification required if proposed OSFIA will include only public-sector providers of these services. This would only have nominal benefit to the Region.
Property Tax on Multi-Residential Properties The Budget proposes to end a temporary 5% cap on yearly increases related to market assessment for commercial, industrial and multi residential properties, and to accelerate current value assessments. Alternatives to the 5% cap include a 10% cap on yearly increases, or a minimum increase for capped properties of up to 5% of market-level taxes.	This change in property assessment will have a significant cost impact on property taxes beginning in 2005 for Housing York Inc. and for the housing providers funded 100% by York Region. Staff are currently reviewing the cost impact of these two alternatives.

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Brownfield Sites Municipalities will be given a new financing tool for development of brownfield sites.	Potential to support affordable housing development. Municipalities will be allowed to freeze or cancel property taxes to aid in the clean-up of a site. The Province may match the treatment on their education portion of the tax bill.
Women's Emergency Shelters and Domiciliary Hostels: An additional $5 million will be available in 2004-05 to provide a three per cent increase for agencies that have not received a funding increase in several years, including women's emergency shelters and domiciliary hostels. The Minister of Community and Social Services will provide further details on this initiative. $8 million in capital also proposed to expand women's shelters.	Per diems to domiciliary hostels are cost shared 80:20 with municipalities. No impact to net costs anticipated for 2004. Increases will help stabilize community agencies that provide programs and supports to CS&H clients facing abuse or violence. Increased operating funds to domiciliary hostels could enhance supports to vulnerable clients. More clarification required on potential program and cost impact to region if shelter capacity in women's shelter expands due to new capital funding.

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SOCIAL ASSISTANCE	
<u>Ontario Works and ODSP Benefit Increase</u> Three per cent increase in 2004/05 to the basic needs and maximum shelter allowance for Ontario Works (OW) and Ontario Disability Support Program (ODSP). OW and ODSP allowances are cost-shared 80/20 with municipalities, but municipalities will not be required to pick-up the increased costs associated with this announcement until 2005.	York Region cost shares 20% of the OW allowance and, through provincial downloading, also cost shares 20% of ODSP allowances. In 2005, the combined OW and ODSP increase will increase our net cost by approximately $400,000. This will provide more income to Ontario Works participants. (For example, a sole support parent with one child under 12 could receive an increase of up to $28/month). Increases to OW allowances may also increase the number of residents eligible for OW. There is no indication if changes to shelter allowances will be reflected in the *Social Housing Reform Act* to determine the rents for tenants in social housing who are OW and ODSP participants.
<u>National Child Benefit Supplement</u> Social Assistance benefits will not be reduced by the July 2004 increase to the National Child Benefit Supplement (NCBS) for one year. Over the next year, the Provincial government has committed to reviewing the NCBS claw back.	Clarification required from the Province on how the adjustments to NCBS clawback will be administered. OW participants will retain the value of the NCBS increase as additional income. (For example, based on a preliminary calculation, a sole support parent with one child under 12 could receive an increase of approximately $4/month) Any future changes to eliminate the clawback provision could impact sustainability of programs currently funded through municipal share of NCBS reinvestments.

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Review of Administration of Benefits for Children and Low Income Families Social programs that provide cash and in-kind benefits for children will be reviewed and alternate ways to deliver benefits to low-income families and vulnerable children will be considered.	Clarification required on the scope of the review. No indication at present if this will apply to OW or ODSP. If it does this could impact the delivery and administration of OW in the event that the review includes financial assistance provided through OW to families with children.
Ontario Drug Benefit Plan An increase of $42 million to the Ontario Drug Benefit Plan in 2004-05 for utilization growth.	The Ontario Drug Benefit Plan is cost shared 80/20 through Ontario Works and ODSP. This may have a Regional funding impact based on future utilization.
Cuts to Non-Mandated Health Services: Budget proposes to discontinue payment for selected services not mandated under the *Canada Health Act* including optometry for ages 20 to 64, chiropractic services and, with the exception of seniors served through home care and long-term care facilities, physiotherapy services.	More analysis required on potential impact for OW, ODSP and lower income residents. Potential to increase costs to OW and ODSP if coverage is mandated through OW/ODSP health benefits.
OTHER INITIATIVES WITH POTENTIAL IMPACTS FOR CS&H CLIENTS	
Family Responsibility Office: Province will invest $40 million over the next four years to improve the ability of the Family Responsibility Office to track down and collect support payments that are in arrears.	Potential to assist OW participants seeking family support payments that are in arrears and therefore reduce OW costs.
Potential links to/impacts on ODA The Workplace Accessibility Tax Incentive will be expire for eligible expenditures made after December 31, 2004. The Province will be transforming services for people with developmental disabilities in order to create an accessible, fair and sustainable system of community-based supports. The Province will work with stakeholders to create a plan that will result in more self-reliant individuals and families supported by co-ordinated information, planning and services in their local communities. Includes new funding to expand housing for people with developmental disabilities.	Potential cost impact of new housing spaces needs to be clarified.

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<u>Community Mental Health</u> The Budget proposes to expand community mental health services to an additional 78,600 people by 2007-08, including increased access to case management, crisis response, and early intervention services. Funding will increase from $463 million in 2004/05 to $583 million in 2007-08.	Potential to enhance community capacity in York Region depending on how funding is allocated regionally. If implemented, could provide additional supports for CS&H clients with mental health concerns. Need for new investments in community mental health in York Region identified as key recommendation in recent Central East Mental Health Implementation Task Force report.
<u>Breakfast Programs</u> The Province will provide an additional $4 million annually to community organizations that provide school-based children's breakfast programs.	This may provide additional funding to enhance the sustainability of the York Region Food For Learning program. This program is currently in receipt of funding through the Community Development Investment Fund.
<u>Immigration and Settlement:</u> The Budget makes investments of $12.5 million annually by 2005-06 to break down barriers for new immigrants to integrate into the Ontario labour market. The province will increase the opportunities available to international medical graduates from 90 to 200 positions. Funded through the Ministry of health and Long-Term Care, the assessment program will be expanded and the number of post-graduate training positions for international medical graduates will increase at a cost of $12 million in 2004-05 growing to $25 million in 2007-08.	Potential to provide more access to employment and training for low income working residents of York Region and OW clients who are often impacted by delays in relation to credentials that in turn impact opportunities for work experiences, etc.

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Employment/Training Supports: Budget proposes to negotiate a labour market agreement with the Federal government to create a "one Stop" local planning and delivery service to address labour market needs for apprentices, immigrants, unemployed individuals and youth in transition from school to work. To help employers become more active participants in apprenticeship training, this Budget proposes to introduce a new Apprenticeship Training Tax Credit to support training in the industrial, construction, motive power and certain service trades. This tax credit would generate more training spaces for apprentices and increase the availability of skilled workers in key sectors of the economy. This Budget also supports the expansion of apprenticeship to 26,000 new entrants annually by 2007-08 through new funding of $1 million in 2004-05, rising to $11.7 million annually by 2006-07, to support apprentices' classroom training.	Potential to build better service linkages to support OW clients and enhance access to employment training programs. Potential to support OW employment program initiatives related to apprenticeship training.
Youth: The Ministry of Education and the Ministry of Training Colleges and Universities will work together on a "learning to 18" strategy to increase the number of students staying in school, completing their secondary school studies and going on to training or post-secondary education. – Support pilot projects intended to bring together community resources to help at-risk youth remain in school and graduate, through funding of $3.5 million over the next four years. – Promote college education among at-risk high school students by enhancing the School-College Work Initiative by $1 million in 2004-05, annualizing to $2 million in 2005-06. – Acquire up-to-date equipment for secondary school students pursuing technological education by providing $20 million in 2004-05. – Provide new academic upgrading and training options for high school leavers by increasing funding through the Ministry of Training, Colleges and Universities by $2 million in 2004-05, growing to $15 million in 2007-08. – Provide 1,500 $1,000 scholarships annually for high school leavers who return to complete their high school credentials and enter apprenticeships,	Potential to provide more supports to CS&H clients making transition from school to work. Potential cost avoidance due to decreased reliance on CS&H supports in future due to the link between higher levels of education and labour force attachment..

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through funding of $3 million in 2004-05, growing to $4.5 million annually by 2005-06. This initiative also includes a $2,000 signing bonus for employers to encourage them to train these young people as apprentices.	
Seniors: Lower-income seniors who own or rent their homes would be eligible for additional assistance through the Ontario property and sales tax credits, effective for the 2004 and subsequent taxation years. The underlying "basic" property tax credit amount would be increased by $125, or 25 per cent, from $500 to $625. In addition, to ensure that seniors currently receiving the maximum basic property tax credit amount would benefit fully from the proposed $125 enrichment, the maximum benefit available for the property and sales tax credits for seniors would be increased from $1,000 to $1,125. This improvement would deliver an estimated $85 million in benefits to about 685,000 senior families, including approximately 33,000 senior families who do not currently benefit from the credit	This supports a growing segment of York Region's population.
Increased Emphasis on Government Accountability One of the Budget's key principles is that financial planning and reporting should be more transparent and be held accountable to the citizens of Ontario. The Budget proposes two complementary budget–reform initiatives to increase accountability: the proposed *Fiscal Transparency and Accountability Act (FTAA)* to replace the *Balance Budget Act (BBA)* and a Budgeting for Results Framework. FTAA will include the adoption of multi-year planning and reporting. In addition, the FTAA would require a significantly higher quality of disclosure than at present including an annual "report on results" which will show progress in developing measures for the results, targets for the measures the plans for how they will be achieved. Some points to include: Goal and priorities, targets to measure progress, changes from plans, an outline of revenue and expenditure and economic projections for the upcoming year and following two years.	It is clear that this government has a results-based approach to planning and budgeting. KPI and programs continue to be measured. Activities identified as neither contributing to key results nor serving a vital public interest will be subject to review for the purpose of refocusing resources. Therefore, it will be important to continue to monitor and report on key performance indicators.