

MEMORANDUM

TO: Community Services and Housing Committee Members
Health and Emergency Medical Services Committee Members

FROM: Joann Simmons, Commissioner of Community and Health Services

DATE: March 11, 2009

RE: **2009 Federal Budget Highlights for Community and Health Services**

The federal government presented its 2009 Budget on January 27, 2009. The attached table summarizes the highlights and potential implications to York Region from a Community and Health Services perspective.

Overall there is potentially good news on several fronts, particularly funding for housing, income supports, and training. Consistent with the “stimulus” theme of the budget, some of the new money is time-limited (e.g. Employment Insurance changes and other training supports), and others are permanent (e.g. income tax cuts, enhancements to the Working Income Tax Credit). As well, the Province should benefit through increased federal transfers (e.g. through Equalization, training dollars, the Canada Health Transfer). The proposed changes to the Working Income Tax Credit and new dollars for housing and training also support some components of the Province’s Poverty Reduction Strategy.

There are also areas of concern in the Federal Budget. Proposed changes to Employment Insurance appear to fall short of what the Province and many advocates have called for to improve access to benefits for newly unemployed workers in Ontario. This could result in more pressure on Ontario Works to fill the gap for workers are unable to qualify for Employment Insurance under existing rules. Some will also be disappointed that the budget did not go further to target low income Canadians with support. Also missing is any specific funding for child care.

However, as with all federal budgets, we will need to see the exact details to know what the proposals really mean for Community and Health Services programs and clients. One caveat is how the Province will respond -- matching dollars will be needed for the housing commitments and Employment Ontario will have to drive the employment and training related commitments.

The upcoming Ontario Budget should provide more information on this, as well as the Province's own plan to address recent economic events and implement their poverty reduction strategy.

Overall, given the range of input that was provided to the federal government on the right policy mix to address the current economic downturn in Canada, the 2009 Budget appears to have taken a balanced approach and included tax cuts and increased spending on infrastructure and housing, training and adjustment programs, and efforts to support the flow of credit.

If you have any questions regarding this communication please contact Cordelia Abankwa-Harris, Managing Director, Strategic Services and Integration Branch at 905-830-4444 (extension 2150).

TF/YC/kn

Attachment (2009 Federal Budget Highlights Analysis)

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