

## 2018 Ontario Budget Response

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Friday March 29, 2018

Toronto – Budget 2018 makes important strides to fill gaps in services and affordability faced by low income children and families, according to Ontario Campaign 2000. The proposed budget will support low income families today and in the long term with game-changing investments in child care and expanded access to loans and grants for post-secondary education. The coalition is disappointed that the incomes of people in receipt of social assistance are only modestly improved with a 3% increase in rates annually over three years and that the Poverty Reduction Strategy received no new funding.

“For families struggling to secure affordable, quality, licensed child care, the provision of free child care for children from 2.5 to 4 years old starting in 2020 will be transformational,” says Anita Khanna, Campaign 2000’s national coordinator. “Low income families will finally enjoy barrier-free childcare, they will be able to enjoy the benefits of early learning for children while parents are enabled to return to work or upgrade their education.” With a plan to expand availability and access to spaces, eliminate fees and improve the workforce for educators, Ontario has made a precedent-setting investment in lifting families out of poverty. “We look forward to more details about implementation of this free child care program and expect Ontario will continue the practice of expanding child care through public, not-for-profit providers.”

Addressing the affordability gap is a theme of Budget 2018 “A Plan for Care and Opportunity.” Students in middle income families applying for OSAP as of Fall 2018 may also qualify for more grants and loans. Costs faced by seniors are also addressed, as OHIP+ has been expanded to include prescription drug coverage for those 65 and over.

In terms of housing, Budget 2018 aligns with the National Housing Strategy and invests in creating co-operative housing in Ontario. Budget 2018 commits to cost-matching the Federal Provincial/Territorial Housing Partnership and the Canada Housing Benefit. The \$3 million allocation to the Cooperative Housing Development Fund is welcome.

The budget references the changes passed through the Fair Workplaces, Better Jobs Act, 2017, including increasing the minimum wage to \$15/hour on January 1, 2019. The budget introduces the new Ontario Drug and Dental Program for those without workplace health benefits or who are not covered by OHIP+ or other government programs. There is great need for a program to address the lack of benefits for Ontarians without drug coverage and engaged in precarious work. However, as outlined, the new Ontario Drug and Dental Program falls far short of meeting families’ needs in covering prescriptions and dental care. The program offers 80% reimbursement of eligible prescription drug and dental expenses up to a maximum of \$400/single person, \$600/couple and \$700/family of four with two children. To move toward

universal Pharmacare, the government's stated vision for Ontario, the maximums must be increased to better assist families with the real cost of uninsured medical services.

Responding to the "Income Security: A Roadmap for Change" report, Budget 2018 pledges to address punitive rules and regulations negatively affecting social assistance recipients. The budget contains positive changes.

Significantly for families, the definition of spouse for social assistance recipients will now align with the Family Law Act, changing from three months to three years of living together. Importantly, recipients who work will be able to keep employment income of up to \$400/month as of fall 2018, up from the current \$200/month. The limits on cash and other liquid assets to determine eligibility for assistance will be changed to \$15,000 for singles and \$20,000 for couples. The limits on cash and liquid assets for ODSP recipients will be eliminated by 2019-20. Further, boarders and lodgers will no longer receive different benefit rates from recipients who rent or own their homes and a new flat rate structure will take effect in 2020-21 to replace the complex rate structure that divides basic needs and shelter rates. Importantly, the benefits available to Ontarians in emergency shelters will double.

Disappointingly, the budget does not invest in significant improvements to social assistance rates which now leave families well-below any measure of poverty in Canada. "We are disappointed that social assistance recipients will receive only a 3% increase in their incomes through Budget 2018," Khanna says. "We recognize the province is investing an additional \$2.3 billion in the next three years to support a better social assistance system, but we need urgent action on rates so that social assistance recipients can leave poverty in the dust."

"The programs outlined in Budget 2018 begin to address many families' needs in a time of change," says Khanna. "We look to all parties to support a strong program of poverty eradication so no Ontario child or family lives in poverty."

- 30 -

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