

## 2019 Ontario Budget and Legislation Update

**Date:** May 13, 2019  
**To:** City Council  
**From:** City Manager  
**Wards:** All

### SUMMARY

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The Province of Ontario tabled its 2019 Budget on April 11, 2019. The Budget outlined a number of funding and program changes that will affect the City of Toronto.

This report provides an overview of direct impacts to the City resulting from the Provincial funding changes announced to date, as well as anticipated and indirect funding changes that may have future implications for the City. This report also provides a summary of provincial legislation, in addition to the Budget, that staff are monitoring for impacts.

Based on the best available information to date, the estimated funding loss to the City of Toronto Council-approved 2019 Budget is **\$177.65 million**, broken down as follows:

- **\$24 million** from the cancellation of planned Provincial Gas Tax Funding increment
- **\$65 million** for Toronto Public Health
- **\$84.8 million** for Children's Services
- **\$3.85 million** for Toronto Paramedic Services

Staff will continue to monitor Provincial announcements and assess impacts as information becomes available, and will report back to City Council as needed.

### RECOMMENDATIONS

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The City Manager recommends that City Council:

1. Receive the report (May 13, 2019) from the City Manager for information.

## FINANCIAL IMPACT

This report identifies significant potential financial implications for the City following the 2019 Provincial Budget announcement.

Many of the funding changes initiated by the Province, including reductions to the gas tax allocations, child care, public health and ambulance services, are being made retroactive to April 1, 2019. The City's 2019 Budget was adopted by City Council on March 7, 2019 based on the provincial cost-sharing assumptions applicable at that time. Identified impacts are as follows:

### *Operating Budget*

For 2019 there will be an impact of \$154 million to the Operating budget with a corresponding reduction in service due to the loss of Provincial funding; this is projected to grow incrementally to \$224.5 million by 2022 as noted below:

### **Incremental Impacts of Funding Loss (Operating)**

<b>Program</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Incremental Total (\$M)</b>
Toronto Public Health	65.0	21.0	16.2	5.4	107.6
Children's Services	84.7	28.3	0.0	0.0	113.0
Toronto Paramedics	3.9	0.0	0.0	0.0	3.9
<b>Total</b>	<b>153.6</b>	<b>49.3</b>	<b>16.2</b>	<b>5.4</b>	<b>224.5</b>

### *Capital Budget*

For 2019 there will be an impact of \$24 million to the Capital budget due to the cancellation of the additional 2 cents per litre in gas tax funding. This will result in a loss of \$1.1 billion in funding to the City over 10 years (see table below).

### **Impact of Provincial Gas Tax Loss for City of Toronto (2019 – 2027)**

<b>Budget Year</b>	<b>Cents/Litre Shared</b>	<b>Toronto Allocation (\$M)</b>	<b>Incremental (\$M)</b>
2019	2.0	194	24
2020	2.5	236	64
2021	3.0	307	136
2022-2027 (per year)	4.0	327	157
<b>Total 2019-2027</b>			<b>1,166</b>
Note: Budgeted base PGT allocation \$171 M (2 cents/litre)			

The gas tax loss has a net present value to the City estimated at \$3.7 billion, as this is the amount of capital that could have been supported by the now lost revenue stream.

There may be additional impacts on the capital budget as a result of proposed changes to the Planning Act and Development Charges Act. The existing regime, which the Province has proposed to replace, generates approximately \$300 million in annual revenue for the City.

Staff are continuing to review budget related announcements as well as provincial legislative changes, and will report back to City Council with strategies and options as needed.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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At its meeting of May 6, 2019, the Toronto Board of Health recommended that City Council express its strong opposition to the proposed funding cuts to Toronto Public Health by the provincial government; call on the Province of Ontario to reverse the proposed funding cuts to Toronto Public Health; and directed the City Manager, in consultation with the Medical Officer of Health, to utilize City advertising locations to inform Torontonians of the health risks if the proposed funding cuts to Toronto Public Health proceed.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.HL6.1>

On April 16, 2019, City Council adopted HL5.1 Consideration of the 2019 Provincial Budget, which affirmed City Council's support for Toronto Public Health and requested that the Province maintain the current 75 percent provincial, 25 percent municipal funding formula for Toronto Public Health, and public health programs in Ontario.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.HL5.1>

## **COMMENTS**

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On April 11, 2019, the Honourable Victor Fedeli, Ontario Minister of Finance, tabled the Government of Ontario's 2019 Budget ('Budget'). The Budget indicated a number of changes to programs that will affect Toronto and Ontario municipalities, but provided limited detail. The City Manager provided a high-level overview of the Budget to the Mayor and City Councillors on April 12, 2019. The City Manager also provided information to the Mayor and Councillors on funding changes to public health (April 25, 2019), child care (May 2, 2019) and overall budget impacts to the City (May 9, 2019).

Since the Budget was delivered in the legislature, the Province has begun to provide some additional detail on funding and program changes on an individual program basis. To date, the Province has not released a comprehensive budget implementation plan. This has hindered staff's ability to do a full review and assessment of the implications.

In addition, these changes are being made after the City's budget and municipal tax levy bylaw were approved by City Council on March 7, 2019 creating significant and immediate financial challenges for the City.

This report provides an overview of funding impacts as follows:

- A. Direct funding impacts** - where the City's budget is directly impacted by the 2019 Ontario Budget.
- B. Anticipated funding impacts** - where the Province has signalled, through the Budget or legislation, future funding or program changes that may have a financial implication(s) for the City, but details are not yet known.
- C. Indirect funding impacts** - while the 2019 Ontario Budget changes noted in this section do not have direct financial implications for the City, Toronto residents and businesses have relied on and benefited from this funding.
- D. Provincial legislation** - In addition to implementing its 2019 Budget, the Province is quickly moving ahead with many legislative initiatives which may have an impact on the City. Staff are monitoring for impacts and will report to Council as needed.

## **A. Direct Funding Impacts**

This section details areas where the City's budget is directly impacted by the 2019 Ontario Budget, creating an immediate funding loss to the Council-approved 2019 Budget.

### **Provincial Gas Tax**

The 2019 Budget announced that the Province is not moving forward with the previous government's proposed changes to the municipal share of gas tax funding for public transit (i.e. an increase from 2 cents to 4 cents per litre to be fully phased-in by 2022).

The cancellation of the additional 2 cents per litre in gas tax funding will result in a loss of approximately \$24 million in 2019, and a loss of \$1.1 billion in funding to the City over 10 years. Through the City's 2019 Budget process, \$585 million of this projected funding had already been applied to the TTC conventional state of good repair capital program over ten years.

The 2019 Ontario Budget also noted the Province's intention to review the existing gas tax program parameters in consultation with municipalities. The Province has not announced further details on this matter; staff will continue to monitor for any further impacts to the City.

### **Public Health**

As part of the 2019 Budget, the Province announced it was making changes to the provincial/municipal cost-sharing formula for public health and consolidating the existing 35 local public health units and their Boards of Health into 10 Regional Public Health Entities and 10 new Regional Boards of Health.

The Province has stated that despite the changes to the provincial-municipal cost-sharing funding formula, health units are expected to maintain current service levels and accountabilities under the Ontario Public Health Standards. The Province may consider one-time funding for transition, and waivers on expectations under the Standards on a board-by-board basis.

*Changes to the Provincial/Municipal Public Health Cost-Sharing Formula*

The Budget committed to adjusting provincial–municipal cost-sharing of public health funding starting in 2019-20 as part of a vision to "improve public health program and back-office efficiency and sustainability while providing consistent, high-quality services, (and) be responsive to local circumstances and needs."

A teleconference hosted by the Province on April 18, 2019 with Boards of Health Chairs and Medical Officers of Health across the province confirmed the next steps on the Budget announcement, including adjustments to the provincial-municipal cost-sharing arrangement.

The new provincial-municipal funding formula for cost-shared programs is as follows:

<b>Provincial Fiscal Year</b>	<b>In Toronto</b>	<b>In the Rest of Ontario</b>	
<b>Current</b>	75% Provincial and 25% Municipal Cost-Shared	Mix of ratios	
<b>2019-2020 (Retroactive as of April 1, 2019)</b>	60% Provincial 40% Municipal	70% Provincial 30% Municipal	
<b>2020-2021 (effective April 1, 2020)</b>	60% Provincial 40% Municipal	70% Provincial 30% Municipal	
<b>2021-2022 (effective April 1, 2021)</b>	50% Provincial 50% Municipal	For the 6 "Health Entities" serving 1 million people or more	For the 3 "Health Entities" serving a population less than 1 million
		60% Provincial 40% Municipal	70% Provincial 30% Municipal

The financial impacts of the changes to the provincial-municipal cost-sharing formula to the Toronto Public Health (TPH) budget (using City fiscal years) is outlined below. These financial impacts assume that the City contribution to Toronto Public Health remains at \$43 million:

- 2019 - \$65 million
- 2020 - \$86 million
- 2021 - \$102.2 million
- 2022 and annually thereafter - \$107.6 million

The new provincial-municipal funding formula will also apply to programs that were previously fully funded (100%) by the Ministry of Health and Long-Term Care. The three largest affected programs are:

- Healthy Smiles Ontario (approx. \$6.8M/year)
- Infectious Diseases Control Initiative (approx. \$5.0M/year)
- Smoke Free Ontario Strategy programs (approx. \$2.6M/year)

#### *Establishment of Regional Public Health Entities*

The Province, as part of its commitment to "modernizing public health", also stated in the Budget that they will be establishing 10 Regional Public Health Entities (down from the current 35), and 10 new regional boards of health with one governance model by 2020-21.

The Province announced its intention to achieve a projected annual savings of \$200 million by 2021-2022 through regionalization and governance changes to public health units and savings related to the new provincial-municipal cost-sharing formula.

In a letter dated April 29, 2019, addressed to all Chairs of Boards for Health from around the province and to all Medical Officers of Health and Chief Executive Officers for Public Health Units, the Province re-iterated its intent to create 10 Regional Public Health Entities, and further indicated that the plan is for these Entities to be "governed by autonomous boards of health, with strong municipal and provincial representation."

Subsequently, MOHLTC officials have also informed Toronto Public Health that effective April 1, 2020, the total funding envelope for the Toronto Regional Public Health Entity would be decreased by \$20 million compared to the 2019-20 funding envelope, despite the fact that Toronto's public health entity is not being consolidated with any other. MOHLTC officials did note that the proposed \$20 million reduction was an estimate for planning purposes and therefore subject to change pending further discussions.

The financial impacts noted above for Toronto Public Health only take into consideration the new provincial-municipal cost-sharing model. Any additional financial impact related to the estimated \$20 million reduction to Toronto's public health funding envelope cannot be determined at this time.

#### **Child Care**

On April 18, 2019, the Ministry of Education sent a memo to service system managers (including the City of Toronto) advising them of a reduction in their 2019 child care and early years allocations. The memo did not include detailed breakdowns of allocations, new/updated service management and funding guidelines, indications of the transfer payment agreement terms, or other details required to fully assess financial impacts to the City.

Staff estimate the cumulative impact of the changes to be \$84.8 million in 2019 (\$28.6 million due to a reduction in allocation, and \$56.2 million due to cost-sharing changes – see Table 1 below). This represents a direct Provincial funding loss to the 2019 Children's Services Operating Budget.

**Table 1: Preliminary estimated loss of Provincial subsidies and projected financial impacts of policy changes for 2019**

<b>Preliminary Estimates Only* (\$ millions)</b>			
	<b>Change in Allocation</b>	<b>Projected Impact of Policy Change</b>	<b>Estimated Impact</b>
General Allocation	2018: \$307.1 2019: \$291.7  -\$15.4	Maximum allowable administration expense funding reduced from 10% to 5% of Total Allocation -\$13.8	-\$29.2
Expansion Plan	2018: \$63.9 2019: \$60.2  -\$3.7	Change to operating portion of Expansion Plan funding from 100% provincially-funded to 80% provincial / 20% municipal cost share -\$41.1	-\$44.8
Fee Stabilization Support	2018: \$8.3 2019: \$0  -\$8.3	One-time provincial program, 100% provincially funded - program ended March 31, 2019	-\$8.3
Wage Enhancement a) for Operators	2018: \$43.0 2019: \$42.6  -\$0.4	--	-\$0.4
b) for Administration	2018: \$2.1 2019: \$1.3  -\$0.8	Change from 100% provincially-funded to 50% provincial / 50% municipal cost share -\$1.3	-\$2.1
<b>Total:</b>	<b>-\$28.6</b>	<b>-\$56.2</b>	<b>-\$84.8</b>

\* NOTE: Staff estimates are based on preliminary provincial funding estimates and do not include federal funding received through the Province.

Child care fee subsidies are funded out of the Province's General Allocation and Expansion Plan funding. Assuming an average fee subsidy cost of \$12,000, the funding changes represent a loss of up to 6,166 child care fee subsidies.

The memo received by the City further outlined that in 2019 the Ministry of Education will be considering updates to the Child Care Funding Formula and a new child care plan. Details, including any consultation plans, are not yet available.

## **Land Ambulance**

On April 26, 2019, the Ministry of Health and Long-Term Care (MOHLTC) advised the City of its land ambulance grant funding for 2019-20. The City requested \$109,442,000 from the MOHLTC for the 2019/20 Land Ambulance Grant; MOHLTC indicated that Toronto will receive \$105,593,796, the same funding grant as in 2018-19, with no provision for a Cost of Living Allowance increase. This amounts to a \$3.85 million cost pressure to the City, equivalent to a 3.5% cut. The MOHLTC confirmed the City's funding allocation in writing on May 7, 2019.

On May 6, 2019, MOHLTC confirmed the continuation of 100% funding of the Toronto Paramedic Communications Centre. However, the City has not received information regarding other grant-funded programs receiving 100% provincial funding. These programs include:

- Dedicated Offload Nurse (DON) Program, which receives \$4,751,000 annually; and
- Land Ambulance Critical Care Transport Unit (CCTU) program which is currently funded through ORNGE at \$2,946,000 annually.

In addition, the MOHLTC advised that they will be having discussions regarding Emergency Health Services modernization at the AMO-MOU table and that they want to consult with and have the City of Toronto participate in discussions going forward. There has been no update on the consultation process.

## **B. Anticipated Funding Impacts**

This section details areas where the Province has signalled, through the Budget or legislation, future funding or program changes that may have a financial implication(s) for the City, but details are not yet known.

### **Social Assistance**

The 2019 Ontario Budget announced a number of changes to Ontario's social assistance system, including:

#### *Social Assistance Expenditures*

The Ontario Budget reiterated previous provincial commitments to reform the social assistance system (which includes Ontario Works and the Ontario Disability Support Program) by simplifying the rate structure, reducing administration, cutting rules, and providing opportunities to achieve better employment outcomes for social assistance recipients. The Province expects these changes to result in estimated annual savings of



over \$1 billion at maturity. Expenditures in the social assistance sector are forecast to decrease an average of 2.1% per year over the next three fiscal years (from \$17 billion in 2019-20 to \$16.7 billion in 2020-21, to \$16 billion in 2021-22). No increases to Ontario Works (OW) or Ontario Disability Support Program (ODSP) rates are forecast. Rates were raised by 1.5% in the fall of 2018.

Presently, the City of Toronto represents approximately 10% of Ontario's social assistance expenditures. Accordingly, while the exact timing, quantum and details are not yet known, anticipated social assistance program design changes and reform efforts will likely result in reduced funding to Toronto for Ontario Works program delivery and discretionary employment services and supports.

### *Definition and Rule Changes*

Anticipated changes to the definition of "disability" for ODSP will likely result in changes to the composition of the Ontario Works caseload served by Toronto Employment & Social Services (TESS), with a greater proportion of OW clients reporting multiple barriers to employment and requiring more intensive support.

A new earnings exemption structure for Ontario Works will come into effect on November 1, 2019. With this change, individuals receiving OW will "earn off" of the program at lower total earnings levels than before. Many of these new, likely very-low wage earners will remain socially and financially vulnerable, and will no longer be attached to a social assistance program which provides supplemental health, transportation, service planning and social supports. Accordingly, increased demand for these supports may be felt by other City divisions / agencies.

### *Transition Child Benefit*

Effective November 1, 2019, the Province proposes to eliminate the Transition Child Benefit (TCB) which provides up to \$230 per month / per eligible child (17 years of age or younger) to a parent on social assistance (OW / ODSP) who is not receiving the Ontario Child Benefit (OCB) or is receiving only a portion of the maximum OCB entitlement, to assist with the costs of basic necessities (for food, clothing, etc.) for children.

In 2018, TESS issued \$22.03 million in TCB benefits to Toronto residents on OW, or approximately \$1.84 million / month. An average of 4,351 low income Toronto residents in receipt of OW received TCB each month in 2018 (Note: the above figures only include those Toronto residents on OW who receive TCB payments from the City; not those city residents on ODSP who would receive their TCB payment from the Ministry of Children, Community and Social Service).

The elimination of TCB will primarily impact two groups: (i) parents who are not eligible for the federal Canada Child Benefit (and who are in turn ineligible for the OCB) due to their status in Canada, especially refugee claimants who have been in Canada for less than 18 months, and (ii) families not eligible for any OCB due to their previous year's income, as reported on their tax return (e.g. residents who may have recently lost a job and subsequently qualified for social assistance). Toronto's family shelter system may

experience increased demand from families who lose TCB and become unable to secure or maintain their housing.

## **Employment Services Transformation**

On February 12, 2019, the provincial government announced a plan to transform employment services for all job seekers, including the integration of social assistance employment services (Ontario Works and Ontario Disability Support Program employment services) into Employment Ontario and introducing a new, competitive process to select local Employment Service System Managers (ESSM). This commitment was reiterated in the 2019 Ontario Budget.

The selection of service system managers will be determined through a new, competitive process and will be open to any entity or organization, including those operating as not-for-profit or for-profit organizations. A new outcomes-based, local service delivery model is intended to ensure more effective and responsive employment services that achieve results for job seekers and employers. Changes will be implemented gradually, starting with prototypes in three identified communities in fall 2019.

Toronto (TESS) currently receives approximately \$58M annually from the Province to fund employment related programs and benefits for OW clients. While details are not yet available, there is potential for some or all of this funding to be shifted to the new designated employment service manager for Toronto over time.

## **Ontario Health Teams**

In spring 2019, the Province introduced changes to the health care system through Bill 74, The People's Health Care Act, 2019. This commitment was reiterated in the 2019 Ontario Budget. Bill 74 established a provincial agency, Ontario Health, which is responsible for the governance of the health system, as well as a new model for delivery, funding, and governance of health care services called Ontario Health Teams (OHTs). It is anticipated that all healthcare providers and organizations in Ontario will eventually need to apply to become a member of an Ontario Health Team. The Teams are expected to deliver a full continuum of integrated, client-centred care to a geographic area.

The Ministry has indicated that the OHTs will go through a process to become fully developed and, at maturity, will operate within a single accountability framework and integrated funding envelope.

The City has an interest in supporting a system of integrated care because many residents using City-delivered health and social services need to successfully access multiple care services in order to support positive health outcomes. City staff are currently gathering information and considering how the City might strategically interact with the new model. Going forward, staff will continue to monitor Ontario's health system transformation.

## **Changes to the Development Charges Act and the Planning Act**

On May 2, 2019, the Minister of Municipal Affairs and Housing introduced Bill 108, More Homes, More Choice Act, 2019, an omnibus bill intended to implement the Province's Ontario Housing Supply Action Plan. The Bill proposes a series of changes to the Development Charges Act and the Planning Act that would, if passed, have implications for the City's finances, including:

### *Replacing Section 37, Development Charges for soft costs, and Parkland Dedication*

Bill 108 proposes replacing Section 37 of the Planning Act, development charges for discounted services (i.e. soft services) and parkland dedication with a new community benefits charge authority under the Planning Act. A community benefits charge may be imposed in respect of development or redevelopment irrespective of whether increased height or density is being sought. The proposed changes are a comprehensive re-think of the current financial tools available to the City under the Planning Act and Development Charges Act.

In addition to the above, the City currently allocates a portion of the development charges revenues collected towards the provision of subsidized housing. The funds earmarked for subsidized housing fund initiatives such as the City's Open Door Affordable Housing Program and other affordable housing programs designed to increase the supply of affordable rental and ownership homes.

While it is not yet clear on how the proposed community benefits charge will be implemented, the proposed cap on fees and restriction on use of the funds could impact the City's ability to deliver current programs such as the Open Door Affordable Housing Program.

Further assessment of the financial impacts to the City will be required as details become available. The proposed new authority would replace key planning and benefits tools that have provided a significant amount of infrastructure to Toronto as a result of development within the City.

### *Timing of Development Charges*

For most residential land developments, the Bill proposes to freeze development charge rates at an earlier point in time and would continue to be paid at the usual time (generally building permit issuance).

In addition, the payment of development charges for rental housing, institutional, industrial, commercial and non-profit housing would be payable in six annual instalments, the first of which would be deferred until the occupancy or issuance of the occupation permit, whichever is earlier. The deferred collection is effectively a non-market loan from municipalities to developers, potentially impacting the City's finite borrowing capacity. The cost or benefit will depend on the interest rates set by regulation.

## **C. Indirect Funding Changes**

While the 2019 Ontario Budget changes noted in this section do not have direct financial implications for the City, Toronto residents and businesses have relied on and benefited from this funding.

### **Grants to Toronto Organizations / Institutions**

The following is not an exhaustive list, but are known examples of financial changes to important stakeholders and partners for the City that staff have been informed about.

#### *Tourism Toronto*

Tourism Toronto has been advised by the provincial government that the organization's Regional Tourism Organization (RTO) funding is being eliminated. This funding amounted to roughly \$9.5 million in 2018 and the same amount was budgeted for 2019.

The Province has advised that Tourism Toronto will receive transitional funding of \$3.9 million in 2019, before the amount goes to zero next year. Because the Ontario government's fiscal year is not aligned with Tourism Toronto's, the actual budget reductions by year are:

- 2019 \$4.2 million
- 2020 \$8.5 million
- 2021 \$9.5 million

The joint vision of Tourism Toronto and the City is to make the Toronto area one of the most successful urban destinations for leisure travel and business events in North America. As of April 2018, the City of Toronto has implemented a four per cent Municipal Accommodation Tax (MAT) on tourism accommodation with a Provincially-mandated amount (approx. \$29 million annually plus an annual provincial industry growth adjustment) replacing a voluntary contribution arrangement.

#### *OCAD University Capital Expansion*

The 2019 Ontario Budget cancelled future provincial funding for the OCAD University capital expansion project (Creative City Campus), which included adding 50,000 square feet of new space and renovating 95,000 square feet of existing space.

In 2016, the previous Liberal government committed \$27 million towards the total project costs of \$60 million. To date, the University has received \$7 million toward the project. The University, which has a student population of 4,700, has raised \$33 million from private donors, the federal government and institutional funds. The University has indicated it intends to seek other funding sources and complete the project.

### *Legal Aid Ontario*

The 2019 Ontario Budget indicates the Province is “streamlining the delivery of legal aid to promote long-term sustainability.” The Province's initial cut to Legal Aid Ontario represents almost 30 per cent of the organization's budget (currently \$456 million). By 2021-22, the legal aid budget will be cut by \$164 million. Legal Aid Ontario has stopped all funding for new legal services for immigration and refugee clients, except for the preparation of asylum claim forms.

### *Institute for Competitiveness and Prosperity*

While housed in the Rotman School of Management, the Institute has been separately funded by the province (\$750,000 in 2018-19). The 2019 Ontario Budget left the Institute unfunded, and the Institute has confirmed it will be closed.

### *Mowat Centre*

The Mowat Centre relied on a \$1 million/year provincial grant for about 60 percent of their total budget. On April 29, 2019, the Centre confirmed that it will close down because of the cancellation of its funding agreement with the province.

### *Gambling Research Exchange Ontario*

The 2019 Ontario Budget eliminated the Gambling Research Exchange Ontario's entire \$2.5 million annual budget. The organization provides resources to prevent problem gambling to front-line service providers, including the Ontario Lottery and Gaming Corporation and Ontario's Alcohol and Gaming Commission.

### *Review of Granting Programs*

The Province announced as part of the Budget that it will modernize and review granting programs, such as the Ontario Trillium Foundation and the Ontario Arts Council to make sure that funding is targeted and administered efficiently. Details are not known at this time, but staff will continue to monitor.

### *Toronto Finance International (formerly Toronto Financial Services Alliance)*

The Province has indicated that funding to Toronto Finance International will be cut. The full extent of the funding loss is not yet clear.

## **D. Provincial Legislation**

This section identifies legislative initiatives that the Province has either passed and/or is currently considering that have possible implications for the City:

## **Bill 66, Restoring Ontario's Competitiveness Act, 2019**

Bill 66 was an omnibus "red tape reduction" bill that amended 16 different statutes. It received Royal Assent on April 3, 2019. On January 30, 2019, City Council directed staff to report back to City Council on the impacts of Bill 66 to the City. City Council's decision also expressed opposition to the following elements of Bill 66:

- Schedule 3 – Amendments to the Child Care and Early Years Act
- Schedule 5 – Repeal of the Toxics Reduction Act
- Schedule 9 – Amendments to the Labour Relations Act
- Schedule 10 – Amendments to the Planning Act

*(Note: the proposed Planning Act amendments were withdrawn and not included in the final version of Bill 66 that received Royal Assent).*

Staff will bring a report to the June 2019 meeting of City Council that provides an overview of the impacts of Bill 66. The report will identify a decision point for City Council with regard to whether to opt out of the specific provisions of the Act which would deem the City of Toronto a "non-construction employer". If City Council chooses to opt out of this provision, the Minister of Labour must be notified of this decision in writing by July 3, 2019.

## **Bill 74, The People's Health Care Act, 2019**

As noted above, Bill 74 established a provincial agency, Ontario Health, which is responsible for the governance of the health system, as well as a new model for delivery, funding, and governance of health care services called Ontario Health Teams. Staff will continue to monitor the Province's rollout of Ontario Health Teams, with a view to how the City might strategically interact with the new model.

## **Bill 107, Getting Ontario Moving Act, 2019**

On May 2, 2019, the Ontario Government introduced the "Getting Ontario Moving Act" which is a series of amendments to legislation, notably the Metrolinx Act and the Highway Traffic Act. If passed, Bill 107 would allow the Province to make the planning, design and delivery of Toronto's future rapid transit projects the sole responsibility of Metrolinx, the Province's regional transportation agency, or subject to the authority of the Minister of Transportation. The Bill would also allow the Province to require that the City and TTC transfer to Metrolinx, with or without compensation, assets, liabilities, and other rights associated with rapid transit projects.

Staff are currently reviewing the full implications of the Bill, and have sought additional clarification from the Province as part of the ongoing Toronto-Ontario Realignment of Transit Responsibilities Review.

A further update will be provided to the June 2019 Council meeting as part of the report back on the Province's transit expansion priorities arising from EX4.1 Toronto's Transit Expansion Program - Update and Next Steps.

## **Bill 108, More Homes, More Choice Act, 2019**

On May 2, 2019, the Minister of Municipal Affairs and Housing announced the Province's Housing Supply Action Plan and introduced legislation intended to implement the Plan - Bill 108, More Homes, More Choices Act, 2019. Bill 108 is an omnibus bill that proposes to amend 13 different statutes, including a number that directly impact municipalities:

- Cannabis Control Act
- Conservation Authorities Act
- Development Charges Act
- Education Act
- Endangered Species Act
- Environmental Assessment Act
- Environmental Protection Act
- Labour Relations Act
- Local Planning Appeal Tribunal Act
- Occupational Health and Safety Act
- Ontario Heritage Act
- Planning Act
- Workplace Safety and Insurance Act

Upon tabling the legislation, the Province also posted notices on the Environmental Registry soliciting public comments on the proposed changes to the Development Charges Act, Ontario Heritage Act, and Planning Act schedules of Bill 108. The commenting period for each of these notices closes on June 1, 2019.

A staff report with proposed preliminary City comments on Bill 108 will be brought forward to the May 2019 City Council meeting in order to meet the Province's consultation deadline of June 1, 2019. The financial impact of many of the proposed amendments can only be assessed when related implementation details become available through the release of Provincial regulations. To date the Province has not issued information regarding the anticipated regulations.

## **A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019**

On May 2, 2019, as part of the Housing Supply Action Plan, the Province released A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019.

This constitutes an amendment to the 2017 Growth Plan, and will come into effect on May 16, 2019. After this date, all planning decisions are required to conform to A Place to Grow, 2019.

Key policy changes were made with regard to the following areas:

- Provincially Significant Employment Zones
- Major Transit Station Areas
- Intensification
- Transition for matters in process

Staff are reporting to the May 2019 meeting of City Council with details, including the status of requests made to the Province through PH2.4 Proposed Amendments to the Growth Plan for the Greater Golden Horseshoe, 2017 - Preliminary City Comments.

## **CONTACT**

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Heather Taylor, Chief Financial Officer & Treasurer, 416.392.8773,  
[Heather.Taylor@toronto.ca](mailto:Heather.Taylor@toronto.ca)

Giuliana Carbone, Deputy City Manager, Community & Social Services, 416.398.7205,  
[Giuliana.Carbone@toronto.ca](mailto:Giuliana.Carbone@toronto.ca)

Sandra Rodriguez, Interim Director, Corporate Intergovernmental & Agency Relations,  
416.392.3832, [Sandra.Rodriguez@toronto.ca](mailto:Sandra.Rodriguez@toronto.ca)

## **SIGNATURE**

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Chris Murray  
City Manager