

CUPE FACTS

Impact of 2014-2015 Ontario Budget on the Social Services Sector

July 2014

Overview

Overall the budget provides some much needed money for some front-line social services workers and/or programs such as child care and developmental services. At the same time, certain sectors like the Children's Aid Societies have been entirely ignored. Years of flat-lined budgets and cuts have left many segments of the sector in need of substantial investment, on which this budget fails to deliver. Furthermore, the budget does not address growing inequality that has resulted from decades of tax cuts for corporations and the wealthy and cuts to spending on social services.

The budget, which is expected to pass in early August, includes an increase in social assistance rates in 2014 by an additional one per cent for adult Ontario Works recipients and people with disabilities receiving Ontario Disability Support Program (ODSP) benefits. As in 2013, the government will provide a further top-up for single adults without children receiving Ontario Works or ODSP. This increase does not even cover the rate of inflation for 2014–2015 yet alone make up for years of frozen or cut social assistance rates. In fact, social assistance rates are only 55% of what they were before the cuts made while Mike Harris was Premier. This is unacceptable. It's time to raise the rates.

Child care

In the child care sector, while the budget does not address the need for investment to build an accessible, affordable, universal child care system, there is a plan for enhanced resources in two areas. The first is a planned wage increase for Early Childhood Educators. These workers will see an average \$1 per hour wage increase in 2015 and a further \$1 per hour increase in 2016 through an additional \$269 million in funding. This pay increase will go to child care workers in licensed child care centres, child care centres managed by First Nations and licensed private-home daycare agencies. The increase addresses the disparity between wages in child care centres where workers earn an average of \$16.34 per hour versus school boards where the average is over \$22 per hour with increases through a salary grid.

The second includes an additional \$33.6 million over the next three years for the operation and modernization of the system. This in addition to the previously announced \$346 million over four years is inadequate to preserve spaces and support licensing activity, investigation and enforcement that are foreseen in the recently reintroduced Bill 10, the *Childcare Modernization Act*. The sector is undergoing great pressure due to changes in the funding formula, which have resulted in many municipal child care centres facing budget shortfalls along with the massive gap in licensed child care spaces overall. The need for a publicly financed and delivered national child care program is more important than ever.

Developmental services

The budget allocates \$810 million toward improved supports for adults with developmental disabilities, which includes \$42.5 million of previously announced funding from the 2013 budget. This will be invested over the next three years, beginning in 2014–2015. It includes \$200 million over three years to salaries for front-line workers in the community and developmental services sector. At this point it is unclear how this money will be distributed. Given the crisis in the sector, CUPE believes this investment should be made in the first year, rather than over three years.

The remaining \$610 million will be divided between items including:

- Expanded direct funding for 21,000 more individuals and families to help eliminate the existing waitlists for Special Services at Home (SSAH) in two years and Passport in four years.
- Providing support for urgent residential needs for approximately 1,400 people. These supports could be provided in supported group living residences, intensive support residences, supported independent living or host family homes.
- Promoting community living partnerships through expanded Host Family and Supported Independent Living programs.

While CUPE supports investment in the sector, we are concerned much of it will be allocated to individualized funding through the Passport and Special Services at Home programs. This model of funding is more expensive to deliver and increases fragmentation of services, erodes working conditions and wages and does not address the chronic underfunding in the community-based system.

We are concerned the budget commits to eliminate the waitlists for direct funding yet would only have a limited impact on the massive 12,000–person waitlist for residential

supports. The budget also focuses on expanding community living partnerships with host families and supported independent living programs rather than investing in and creating additional spaces in the non-profit community agency sector. A network of high-quality, non-profit assisted community living facilities is the backbone of the support system for individuals with developmental disabilities and their families. However, agencies are in crisis due to years of inadequate funding, which has resulted in cutting staff hours, eliminating staff positions, reducing program hours of operations or shutting down programs. A significant portion of this money needs to go toward reducing wait lists for community living residential options and ensuring appropriate staffing levels, decent working conditions and quality of care.

Children’s Aid Societies (CAS)

The budget entirely ignores the crisis facing Children’s Aid Societies, which have seen years of cost containment, transformation of service delivery through agency amalgamation, and administrative efficiencies. It does nothing to address chronic underfunding of services and supports to children at risk and supports for families, which has resulted in some Children’s Aid Societies shutting down operations on particular days due to inadequate funding. The cost containment approaches have resulted in increased burdens being placed on staff resulting in high levels of stress and burn out amongst social service workers. This budget fails to address the urgent need for additional funding to Children’s Aid Societies.

Non-profit community social services

Before the election was called, the government announced an increase in the wage rates for provincially-funded home and community care Personal Support Workers (PSWs). They promised an initial \$1.50 an hour increase effective April 1, 2014, which was not dependent on the budget. This money is now expected to roll out in September with retroactivity to April 1, 2014. Further increases of \$1.50 an hour effective April 1, 2015 and

\$1.00 an hour effective April 1, 2016 are specified in the 2014–2015 budget. The increases promised are exclusive of any other negotiated increase and apply regardless of the PSW's actual current wage rate. There are several exclusions to this pay increase including PSWs who work in long-term care facilities or hospitals, government funded self-directed care, and those who provide home-making services (e.g. cleaning the house, doing dishes etc.).

Some limited additional project-based funding may be available to non-profit community social service agencies through the doubling to \$1 million of the Seniors Community Grant Program, which is intended to support seniors' learning about technology and financial literacy. This funding does little to address the chronic underfunding of the sector after nearly two decades of flat-lined budgets. Furthermore, it increases service offerings through a bidding process where agencies must compete against each other and private agencies for scarce financial resources. Short-term project-based funding does not cover administration expenses such as staff and wages. This is problematic given that wages in the sector have been falling behind inflation. These problems have ultimately resulted in difficulties recruiting and retaining qualified staff, which has a detrimental impact on services.

The budget also announced funding for poverty reduction and homelessness. The budget includes a \$50 million investment over five years to create a new poverty reduction fund. The funding would support innovations through partnerships at the local level. In terms of homelessness, the budget increased annual funding for the Community Homelessness Prevention Initiative (CHPI) by \$42 million starting in 2014–2015, to a total of \$294 million. This program combined funding from five different homelessness-related programs, including the Community Start-Up and Maintenance Benefit (CSUMB) for Ontario Works and ODSP recipients, into a single program delivered locally. The loss of the CSUMB program, inadequate funding to municipalities and confusion about the changes resulted in a housing crisis for many low-income people. An initial \$42 million in transition funding ended in March 2014. The additional \$42 million in this budget should help in ensuring low income residents have the funds needed to maintain or find housing. The Ontario government is also contributing \$80.1 million annually for five years to the affordable housing program, a joint federal-provincial program.