

March 24, 2021

AMO Policy Update – Provincial Budget Highlights + Bill 257 Referred to Committee

Ontario 2021 Budget – Continued Actions to Manage Pandemic Impacts and Prepare for Recovery

The Minister of Finance and President of Treasury Board, the Honourable Peter Bethlenfalvy, presented his first Budget at Queen’s Park. The [2021 Ontario Budget](#) builds on previous important investments in operations, transit, and social services to stabilize municipal finances and helps to lay a foundation for economic recovery.

Budget 2021 also highlights the substantial assistance available to small businesses in affected sectors and increases to that assistance to help them continue to operate during the pandemic. The Budget reaffirms the plan to extend vaccines to all willing Ontarians before Fall 2021 and notes the Government is planning for GDP growth of 4 per cent annually next year as economic activity rebounds with a return to pre-pandemic levels of workforce participation by early 2022.

Highlights of interest to municipal governments include:

- An additional \$2.8 billion in funding for broadband to connect all Ontarians to high-speed internet services by 2025. This brings provincial funding for broadband to nearly \$4 billion and delivers on a key advocacy goal of AMO and municipal governments across Ontario.
- Postponing property assessments for another year to ensure stability in municipal finances. New properties will continue to be added. The province will consult on reassessment in 2021 to consider COVID-19 impacts. This consultation will include municipal governments.
- The Ontario Community Infrastructure Fund (OCIF) will remain stable at \$200 million per year, delivering on AMO’s request for stability in this fund until financial circumstances allow expansion.
- Investing over four years an additional \$933 million to build 30,000 new Long-Term Care beds and \$246 million to improve facilities such as installing air

conditioning.

- Extends the wage enhancement for Long-Term Care Personal Support Workers (PSWs) until June 30, 2021.
- The province is investing \$4.9 billion over four years to increase the average direct daily care to four hours a day in long - term care and hiring more than 27,000 new positions, including personal support workers (PSWs) and nurses.
- Providing \$160 million over three years to support community paramedicine for those on LTC wait lists, which is 100 per cent funded by the province.
- Temporarily increasing the Ontario Child Care Access and Relief from Expenses Tax Credit by \$75 million/20 per cent in 2021 to support working parents and help increase workforce participation.
- Targeted hospitality and tourism industry support of \$100 million in grants to support tourism and hospitality sector small businesses, a \$100 million Tourism Recovery Program and \$200 million to support strategic infrastructure and sports projects in communities.
- Providing \$5 million to examine the re-establishment of rail services in Northern Ontario to improve transportation linkages for Northern residents and communities.
- Investing an additional \$61 million in the Regional Opportunities Incentive Tax Credit to support economic activities in Northern and rural areas, bringing total support to \$155 million by 2022-23.
- Providing an additional \$175 million for mental health and addictions including four mobile mental health clinics for rural and underserved areas.
- Automatically doubling provincial small business grants for all applicants to support local small businesses through the pandemic.
- \$28.5 billion for transit projects in the GTHA is also noted including subway expansions and other higher order transit.

Budget 2021 initiatives and investments build on important investments made in stabilizing municipal governments earlier in the year. These critical municipal investments include:

- \$500 million in additional municipal financial assistance funds for municipal operations;
- \$150 million in additional transit system pandemic assistance;

- \$255 million in additional Social Services Relief Fund investments for shelters and homeless supports;
- \$50 million in new funding to support municipal modernization and efficiency;
- \$5 million to support municipal fire service COVID-19 impacts.

Bill 257 referred to Standing Committee on General Government

Yesterday, [Bill 257](#) *Supporting Broadband and Infrastructure Expansion Act, 2021* was referred to the Standing Committee on General Government. Public hearings are scheduled for Friday March 26, 2021 and written comments due same day by 7:00 pm. To send a written submission, you can use this link: ola.org/en/apply-committees.

The first two schedules of the legislation provide provincial tools to support the expansion of telecommunications and broadband internet connectivity in unserved and underserved communities. If used as a backstop where necessary such as for provincially funded projects where a Municipal Access Agreement does not provide certainty for permitting to access Rights of Way, these tools can help to ensure public investments in connectivity are more efficient and services can be expanded faster. This will be particularly important in light of the funding and goals for broadband expansion put forward in Budget 2021.

AMO will submit written comments on all schedules of the Bill subject to AMO Board approval on Friday.

AMO' s [COVID-19 Resources](#) page is being updated continually so you can find critical information in one place. Please send any of your municipally related pandemic questions to covid19@amo.on.ca.

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