MYAP Watch List –November 21, 2017

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Autism

General Update

- School-based pilots: EDU announced the implementation of the pilots on October 25th.

- Major Projects/Fiscal Prep Committee: PO has requested that the OAP come to MP/FPC on November 22. The discussion will be on the TB/MBC submission described below.

- TB/MBC Submission:
    - MCYS is bringing forward a TB/MBC submission on November 28, 2017 (and has requested TB sit as Cabinet) describing a new Direct Funding Option (DFO) for the OAP. MCYS was directed by Cabinet in May to develop and implement this by Fall 2017.
        - The new DFO will provide families with up to $55/hr to purchase private autism therapy services, in contrast with the current $39/hr rate. It will begin in January 2018.
    - The submission also describes the transition plan to the OAP for existing $8k/$10k clients. The submission recommends transitioning all of the families currently receiving these payments by April 1, 2017. This is a few months longer than originally anticipated by TBS, and would require $27 million in funding.
        - PO has also requested that MCYS work up another option: transitioning families by September 2018. This option would cost up to an additional $35 million. This option will be discussed at MP/FPC on November 22.
    - The submission also contains a program enhancement. To support DFO accountability, the ministry will engage stakeholders to identify the qualifications and experience required for the delivery and supervision of ABA intervention, and to provide a list of providers online that meet these qualifications

Income Security Reform

- In Summer 2016, the government announced the appointment of George Thomson to lead an external Income Security Reform (ISR) Working Group (WG) – the ISR WG was directed to provide Ontario with recommendations for an income security system that is based on fairness, adequacy and simplicity. To ensure consideration for First Nations and Urban Indigenous perspective, MCSS also created separate Working Groups with these partners.

Working Groups' Report and Implementation Plan

- The ISR Working Groups' final report, "Income Security: A Roadmap for Change" was publicly released on Nov 2, 2017, providing recommendations to improve Ontario's income security system. In response, the government committed to reviewing the report and will use "it as a guide as it considers changes to the income security system in 2018".

- MCSS is tracking to report back to the Minister's Table on Poverty Reduction and Social Inclusion (MT: PRSI) in January 2018 with a multi-year implementation plan that draws on the Roadmap recommendations, with a particular focus on the first four years.

- MCSS intends to develop a phased implementation plan, outlining the short-, medium-, and long-term phases of reform, and report back for approval in Winter 2017-18.
    - Short-term phase to focus on modest investments that could be taken within the first three years that will have an impact on clients (expected to include cost estimates over the long-term)
        - MCSS has shared an initial phased approach, costed at \$210M, \$880M and \$1.39B over next three years (in comparison to ISR Roadmap recommendations of \$810M, \$2.4B, \$3.2B over first three years).

Recent Updates

- To support the analysis of the Roadmap and development of a multi-year implementation plan, CO is convening a Steering Committee to monitor progress on the analysis and the development of policy options for income security reform, including potential phasing of implementation, and ultimately a recommended approach for Cabinet consideration. This will be done via regular (bi-weekly) meetings with CO, PO, MCSS, TBS, MOF and other affected ministries as required (e.g., MHO, MOHLTC). The first meeting is anticipated for the week of November 27th.

Basic Income

General Update

- At our last BI steering committee meeting, PRSD shared their forward looking plan. Based on this plan, PRSD is targeting full enrollment (paid and control group) in the main pilot (Hamilton, Thunder Bay, Lindsay) by April 2018.
    - They are currently anticipating 1,002 participants in the December 15th pay run;
    - They will begin enrolling participants in the control groups for Hamilton/Thunder Bay in January 2018)
- They have an upcoming TB/MBC submission in December. Through this submission, PRSD will provide an update on progress to date and note any potential changes required (e.g. extending the length of the pilot and evaluation based on slower than expected take-up).

Lindsay

- Enrolment is underway and the site will officially "launch" this month with 94 recipients on the Nov 24th pay run. An additional 49 participants are already signed up for the December pay, for a total of 143.
- They are targeting 2,000 participants by April 2018

First Nations

- Brokering underway on the FN BI, PRSD remains confident they will implement by February. PRSD will ramp up engagement efforts in Nov/Dec (including co-design) and bring forward the final proposed approach (reflecting co-design) in January for Cabinet approval. This will also include a general update on status.

Cap and Trade / GreenON

GreenON

- Programs:
  - Thermostat program - rollout to general public starting November 6.
  - Target GHG+ program – Transfer Payment Agreement and program design close to final. Preparation for program launch mid-November.
  - Low-carbon tech incentives – launch/announcement early December.
  - Market transformation – TB/MBC December 12 for program design.

Cap and Trade

- Linking agreement with Quebec and California signed at Joint Cabinet meeting in late September 2017. MOECC received approval for related regulatory amendments on November 20; markets would be linked as of January 1, 2018 with first joint auction planned for February 2018.
- MOECC's Cap and Trade administrative monetary penalties and offset credits regulations are tracking to LRC for December 11, 2017.
- Financial Approvals/Implementation
  - First Cap and Trade Auction (March 2017) raised $472 million.
  - Second Cap and Trade Auction (June 2017) raised $504 million.
  - Third Auction occurred September 6 and raised $526 million – release from holdback tracking to TB/MBC December 12.
  - Fourth Auction planned for November 29, 2017.
- Continued heightened stakeholder interest, including from the Auditor General and the FAO, in how government invests cap and trade proceeds. ECO report release expected in the coming weeks.

LTEP Release

- LTEP and implementation directives released publicly October 26. Media coverage relatively neutral and primarily focused on the rate outlooks.
- IESO and OEB Implementation Plans due to Minister of Energy January 31, 2018 for approval.
- Risks: AG report on Fair Hydro Plan (October 2017) may place additional scrutiny on the LTEP and outlooks. Need for continual alignment between LTEP and CCAP work.

Fair Hydro Plan

- OIC authorizing the Ministers of Energy and Finance to issue the provincial guarantee under the plan was approved by Cabinet on September 27. Guarantee agreement expected to be finalized soon.
- October 30 - ENERGY received LRC/Cabinet approval of additional regulatory amendments related to implementation of the Fair Hydro plan (i.e. FSM fees structure/OEB oversight, and addressing accounting of carrying costs).
- OPG planning to be in market by early December 2017. Week long marketing exercise would be followed by 3 day closing period. Energy assessing need for possible technical briefing after completion of this tranche.
- Hydro One pilot on Fair Hydro Plan bill presentment expected to start in November.
- ENERGY tracking to LRC/Cabinet November 20 with a regulatory amendment related to fair hydro implementation, required to support OPG going to market in December.
- ENERGY is tracking to LRC/Cabinet December 11 with a regulatory amendment on Fair Hydro Plan bill presentment for non-Hydro One customers, and further regulatory amendments to address implementation issues.

- Ongoing work with agencies, LDCs and partners (including TBS/MOF/CO) on implementation requirements continues (biweekly meetings).
- Auditor General released a special report on the Fair Hydro Plan on October 17. ENERGY provided a response to the AG and all remaining outstanding materials October 26.
- Risks: AG report on Fair Hydro Plan may place additional scrutiny on the Fair Hydro Plan generally.

Corrections and Strategy for Safer Ontario / Police Oversight Reform

Sapers Report/Corrections

- The Independent Advisor on Corrections Reform (Howard Sapers) released his final report on October 3. This report builds on Sapers' interim report from spring 2017. Collectively, the two reports provide 125 recommendations to address the use of segregation and long-term corrections reform, including next steps on healthcare transformation.
- On September 26, the OHRC filed an expedited contravention application with the Ontario Human Rights Tribunal, alleging that the Ontario government breached the *Jahn* settlement. MCSCS responded to the OHRC's application on October 24, and draft minutes of settlement are in the final stages of approvals at MCSCS. MCSCS has committed to seeking government approval by December 15 to comply with the OHRC's remedies.
- MCSCS has agreed to report back to the Ombudsman every six months on its progress in addressing the *Out of Side, Out of Mind* report recommendations. MCSCS submitted its first report back on October 20.
- The corrections reform framework and proposed legislation went to HESP October 17 and CAB October 25, and is now tracking to TB/MBC November 28 and LRC December 11.
- MCSCS is targeting the introduction of new corrections legislation in December 2017. MOHLTC will report back on a long-term healthcare transformation strategy in spring 2018.
- PO, CO, MCSCS, TBS, and Leg Counsel meet weekly, and monthly with MOHLTC, to discuss the proposed corrections reform framework, financial approvals and legislation.

Strategy for a Safer Ontario/Reform

- On October 18, MCSCS and MAG received Cabinet approval on a policing omnibus bill, which includes new legislation to address Strategy for a Safer Ontario (SSO), police oversight, missing persons, and forensics oversight, as well as legislative amendments to the *Coroners Act.*

- Bill 175, *Safer Ontario Act, 2017*, was introduced on November 2. The bill is expected to be referred to committee after second reading. Committee deliberations are expected to take place through December and January.
- MCSCS continues to engage the IPC Office regarding data collection provisions in the bill.

NAFTA

Recent Developments

- Round Five of NAFTA modernization talks began in Mexico City on November 17, 2017.
    - Rules of origin are expected to be discussed amongst other issues during the week of scheduled talks.
    - Following the recently completed Asia-Pacific summit, all three lead ministers for Canada, the US, and Mexico are not scheduled to attend this round of discussions.

Next Steps

- Additional negotiating rounds will be scheduled in 2018.
- Cabinet report back in January (tbd) with update, and any adjustments to the negotiating mandate (as required).

Key Risks

- On November 10, 2017 Canada reached an agreement in principle with eleven other countries in the Trans Pacific Partnership Agreement (TPP11). The agreement, now called the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP) came forward without the US during the 2017 Asia Pacific Economic Co-Operation (APEC) summit held in Vietnam.
    - As NAFTA discussions are ongoing, Ontario remains concerned about the intersection of these two agreements. For example, the potential cumulative impact of further supply management concessions, Rules of Origin provisions which do not reflect Ontario's auto supply chains, as well limiting flexibilities to provide cultural supports across all agreements could impact Ontario's businesses from fully benefiting from both agreements
- NAFTA renegotiation involves existing trade rules within North America, creating a higher level of risk compounded by the greater level of uncertainty that surrounds these negotiations.

Transit and Transportation

RER procurement

- Procurement for enabling works ongoing until early 2018 (13 AFP procurements and several traditional procurements).
- On June 14, 2017, Metrolinx issued the Notice of Commencement for the GO Electrification Environmental Assessment Transit Project Assessment Process.
- The second RER procurement package will include the design and construction of 12 new stations (6 RER and 6 SmartTrack), along with major renovations to several existing GO stations. The work will be procured using an AFP procurement approach. Pending TB/MBC approval, the RFQs would be released in spring 2018.
- On July 21, 2017 Metrolinx issued an RFQ for RER operation and maintenance services. On September 15, 2017, Metrolinx issued a notice that outlines possible changes to the RER Operations and Maintenance Request for Qualifications process, as Metrolinx is now recommending a design/build/ finance/operate/maintain (“DBFOM”) project delivery model.
- MTO intends to seek Treasury Board approval of this procurement approach in December 2017. Upon approval, Metrolinx intends to issue an RFQ in spring 2018; an RFP in late 2018; and to achieve financial close in late 2019 or early 2020.

Hydrogen

- MTO/Metrolinx updating RER procurement strategy and explore viability of alternative propulsion technologies (TB/MBC Fall 2017).
- On September 15, 2017, Metrolinx released a Request for Proposals (RFP) for concept design work to show how a hydrogen fuel cell system could be integrated into a Bi-level Electric Multiple Unit train. The Hydrail Feasibility Study is anticipated to be complete by the end of 2017.
- MTO and Metrolinx held a Hydrogen Symposium on November 16, 2017, which gathered industry leaders together to discuss the

potential application of hydrogen fuel cell technology to electrify the GO rail network.

Rail Rationalization

- Negotiations between Metrolinx and CN for Master Agreement on rail rationalization starting in Fall 2017 (TBC).
- EA for rail rationalization to begin in June 2018 (TBC).
- Discussions to be held between MOF and MTO on emerging tax issues related to CN

Regional Transportation Plan

- On September 14, 2017, the Metrolinx Board of Directors adopted and published a draft 2041 updated Regional Transportation Plan. MTO is coordinating inter-ministerial feedback in the draft RTP.
- At its Board meeting on December 7, 2016, Metrolinx plans to provide an update on feedback received on the draft and proposed next steps. An updated draft plan would be presented to the Board in February 2018 (TBC).

High Speed Rail

- On October 17/18, 2017, MTO received TB/MBC and Cabinet approval to:
    - Proceed with Stage 1 (Planning) for High Speed Rail (HSR) with an estimated cost of $147M to $212M over six years, proposed to be offset from unallocated funding for the Outside Greater Toronto and Hamilton Area (OGTHA) component of the Moving Ontario Forward plan; and
    - Establish a short-term (up to three years) HSR Planning Advisory Board to provide strategic advice, engage with the private sector, build partnerships and raise the profile of HSR in Ontario and around the world.
- The HSR Planning Advisory Board will consist of 9-member board (including a Chair and Vice Chair).

- The HSR Planning Advisory Board would be established in late 2017 with the Chair being appointed first and the members shortly after.
- On October 23, 2017, the Premier spoke at the Kitchener-Waterloo Chamber of Commerce and announced the establishment of the HSR Planning Advisory Board to provide strategic support to HSR.
    - The news release also announced the launch of a website with details of what high speed rail will mean for people in Southwestern Ontario and across the province, and how people can provide feedback and input. Consultation dates and other input opportunities would be posted on this website as they are scheduled.

GTA West

- On May 29, 2017, the GTA West Advisory Panel provided its final report to the Minister of Transportation.
    - The Advisory Panel recommended not proceeding with the existing EA for a new highway corridor in the Northwest GTA.
- In response to the panel's recommendations, MTO, partnering with MMA and MOECC, is recommending an interim approach to corridor protection, together with a commitment to develop and propose a longer-term approach.
    - A 9-12 month joint corridor study (led by MTO and the Independent Electricity System Operator) for protection of a multipurpose infrastructure corridor. The study would identify lands that should be protected to allow for future infrastructure planning and EAs.
    - Upon conclusion of this study, the ministries would bring forward a proposed corridor and longer term protection approach.
- Cabinet approved the ministry's proposed approach on November 15, 2017. The Minister will publicly announce this approach in late November/early December 2017 (TBC).

Fair Workplaces, Better Jobs

Bill 148-*Fair Workplaces, Better Jobs Act, 2017* (FWBJA)

- Amended Bill passed Second Reading on October 18, 2017 and was referred back to Standing Committee. Motions to further amend the bill were submitted November 8, 2017. Clause by clause concluded and the bill was ordered to third reading on November 16, 2017.
- Passage is expected November 22, 2017 with Royal Assent shortly after. LRA and most ESA changes would come into force as of January 1, 2018 except minimum wage (see section below), equal pay (April 1, 2018), Scheduling (January 1, 2019) and exclusions (January 1, 2018 / January 1, 2019).
- MOL is proposing a package of transitional, consequential and substantive regulations for LRC approval on December 11, 2017, with a proposed coming into force date of January 1, 2018. MOL also plans to seek approval for additional regulations in early 2018 with proposed coming into force dates of April 1, 2018 and January 1, 2019.
- The exemptions review was launched on October 18th by way of news release and postings to the Regulatory Registry. Phase 1 of the review includes eight occupations under the ESA. Phase 1 consultations will continue until December 1, 2017 and analysis will be conducted from December 2017 to February 2018. MOL is planning to launch a second phase of the review in January 2018.

Minimum Wage

- October 1, 2017 the general minimum wage increased to $11.60 per hour following the Consumer Price Index (CPI) model.
- Pending passage of Bill 148, the general minimum wage will increase to $14 per hour on January 1, 2018 and $15 per hour on January 1, 2019. Special minimum wage rates would increase by the same proportion.
- Ministries, TBS and CO are working on assessing the impact of the minimum wage increase on the OPS and BPS, as well potential venues for resolution of any implementation issues. Most ministries had started compiling this information for their PRRT submissions.

- EDU received TB/MBC October 17 / Cabinet October 18 approval for $12.7 million in funding to address 2017-18 minimum wage impacts in the child care sector.

Key Risks

- Potential for unforeseen or unintended impacts given the scope of measures, timing of the implementation and lack of full stakeholder input on some aspects of the proposal (such as, minimum wage).