MYAP Watch List – March 6, 2018

1. Opioids
2. Mental Health and Addictions
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5. Fair Hydro Plan
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7. NAFTA and Related Trade Issues
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Opioids

- MOHLTC are preparing to launch the provincial Overdose Prevention Site (OPS) model in early January (release date to be confirmed with MOHLTC and PO).
  - To support the launch, MOHLTC has developed tools to support the OPS launch (e.g. OPS User Guide, application process and reporting tool). Tools reflect feedback from consultations with key stakeholders (e.g., municipalities, public health units).
  - MOHLTC targeting initiating application process the week of January 8, once direction with PO finalized (e.g. confirm PO comfortable with a MOHLTC considering any potential municipal concerns with OPS requests on a case by case basis).
  - The federal exemption granting Ontario the ability to open and operate sites is set to expire on March 31, 2018. In anticipation of this date, MOHLTC is planning to apply for a renewed exemption.
- MOHLTC will be hosting an Opioid Emergency Task Force meeting on January 11, 2018.
  - The focus of the discussion will be on Naloxone administration and training, consultation on resuscitation guidelines, included in Naloxone kits, and expanded access to Naloxone in emergency departments.
- MOHLTC will be exploring options to initiate the provision of hydromorphone, or prescription heroin to clients who use drugs. This could serve as a replacement for illicit drugs with prescribed opioid alternatives to transition individuals from illicit drugs, for those who choose, that would reduce risks associated with opioid overdose, withdrawal, and relapse.
  - In order to move forward with any options, an exemption would be required from the federal government under section 56 of the *Controlled Drugs and Substances Act.*

Mental Health & Addictions

Recent Developments

- Tracking to the MT:MW on January 24 and Cabinet February 7.
- Ministries working to better articulate the "human" outcomes rather than service outcomes in their proposal (i.e., articulating what will tangibly change for individuals and families' experience with mental health and addictions). PO also directed MOHLTC, in collaboration with MCYS, to identify the problem that the ministries are trying to address through the proposed governance approach.
    - The proposed governance approach has not been landed, including whether the ministries would recommend a new provincial agency established through legislation, or whether MOHLTC would leverage existing assets such as the Provincial System Support Program with CAMH. PO direction is needed on the governance approach, in advance of the ministries finalizing their proposal.
    - Through conversations with MCYS, MCYS has stated that they received direction from PO to increase their investment ask for children and youth mental health services (e.g., from $360M to $733M). CO is continuing to work with PO to confirm that MCYS' increased investments are consistent with PO direction.
    - CO is also working to confirm direction with PO on the extent to which EDU would be included in the submission, and whether there is direction to support EDU's proposal.
        - A multi-corners was held with EDU, MOHLTC and MCYS on December 21 to discuss EDU's proposal (approximately $390 annually) to include mental health workers in schools and provide ongoing support for School Mental Health ASSIST.

Next Steps

- FPC – Week of January 15th
- The ministries are tracking to MT:MW on January 24, Cabinet on February 7.

Income Security Reform

Recent Developments

- An ISR Steering Committee was struck in late November with representatives from CO, PO, MCSS, MOF and TBS. 3 meetings were held in November and December, with the next meeting scheduled January 9.
    - Meetings have been focused on decisions related to the major components of the proposed implementation (e.g. transformation of the rate structure, treatment of income & assets).
    - MCSS has identified certain elements that will not be contemplated in early years (e.g. Ontario Market Basket Measure, Housing supports).
- The impact of the proposed elements of the implementation plan on both the system clients and frontline staff (e.g., simplified rate structure and rules) would tangibly impact individuals, and are a focal point of the steering committee meetings.

Next Steps

- CO continues to work with MCSS and partner ministries (MOF, MOHLTC, MCYS, MIRR) on landing the proposed 4 year implementation plan of the Roadmap.
- It will be critical for CO to continue to work with MCSS, TBS, MoF and PO to align policy and financial approvals.
- CO will be scheduling an additional working group meeting the week of January 8 to discuss components not yet addressed, including FN relationships and outcomes for children and youth living with non-parental caregivers.
- The ministry is tracking to MT:PRSI on January 23, Cabinet on February 7.

Cap and Trade / GreenON

GreenON

- Market transformation challenge program approved by Cabinet – Feb 28 Call for proposals released March 5. Funding agreements would be in place for 2018/19.
- Solar incentives program – GreenON board approved on Jan 17. Ongoing discussion on potential issues related to consumer protection.
- Further GreenON program announcements planned for April (e.g. Heritage, SME support, Solar TBC)

Cap and Trade

- First joint auction occurred Feb 21, 2018. A total of 98,215,920 current (2016 and 2018 vintage) allowances were sold at $18.44 CAD, and a total of 8,576,000 future (2021 vintage) allowances were sold at a $18.34 CAD (floor price). The auction generated proceeds to Ontario of $477 million. The results and financial estimate were announced Feb 28 and confirmed March 20.
- Proposed amendments to CCMLCA required to enable 17/18 expense of GIF funds approved by Cabinet Feb 28 for inclusion in the spring bill.
- 2018/19 GHGIP approved by Cabinet March 21.
- An update on the Minister's Annual CCAP progress report was provided to MTCC on Feb 22. Publicly released March 14 in joint statement with the Premier.
- Environmental Commissioner's Report released January 30, 2018. The report notes that progress has been made but argues that government needs a better plan for spending cap and trade funds and a number of proposed policies may not lower emissions.
- Continued heightened stakeholder interest, including from the AG and the FAO, in how government invests cap and trade proceeds.

Fair Hydro Plan

- OPG began purchasing the asset from IESO on Dec 21
- OPG successfully undertook its first issuance of long-term debt in February 2018:
  - $500M financed at senior debt pricing of 3.357%.
  - Remainder of the debt is split between $382 million of "subordinated" debt at an interest rate of 3.637% and $98 million of "junior subordinated" debt at 3.957%.
  - The effective interest rate of 3.526% is the weighted average of these three series of debt (i.e., senior, subordinated and junior subordinated).
- A subsequent debt issuance is anticipated in the second half of April.
- Risks: AG report on Fair Hydro Plan may place additional scrutiny on the Fair Hydro Plan.

Cannabis

- On March 22, 2018 the federal government's cannabis legislation, Bill C-45, passed second reading in the Senate on a 44-29 vote. The Bill has now been referred to five Senate committees, with a final vote expected by June 7, 2018.
  - The federal government has publicly indicated that in order to provide provinces and territories with sufficient time to prepare for legalization, there would be a period of 8 to 12 weeks between when the federal legislation receives Royal Assent and when it comes into force. As such, the federal legalization date would likely be sometime in late summer 2018.
- On March 20, 2018 an internal OPS memo was sent out to announce that Nancy Kennedy has accepted the position of President and Chief Operating Officer with the Ontario Cannabis Retail Corporation, effective April 16, 2018.
  - To date, this has not been announced publicly.
- On March 19, 2018 the federal government released the results of its public consultation on its cannabis regulations.
  - The proposed regulations address matters such as licences, permits and authorizations, rules for micro-cultivators and micro-processors, and requirements for packaging and labelling.
  - The online portal generated more than 3,200 responses, and Health Canada received 450 written submissions. Consultations also included seven in-person roundtables, webinars, bilateral and multi-lateral meetings with provinces and territories, and engagement with Indigenous communities.
  - Overall, feedback received on the proposals was supportive.
- MAG is tracking to LRC on April 16, 2018 with:
  - An OIC to proclaim the provincial Cannabis Act into force (TBC);
  - Regulations related to places of use, the exclusion of industrial hemp and prescription drugs containing cannabis in Ontario's definition of cannabis, and short-form wordings under the Provincial Offences Act.
- MTO and MOHLTC are also tracking to LRC on April 16, 2018 with proposed instruments to implement the legislative changes that were

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approved as part of Bill 174 (e.g., drug-impaired driving, medical cannabis).

- MOF is tracking to LRC on April 16, 2018 with an OIC to authorize the Minister of Finance to enter into a coordinated cannabis taxation agreement with the federal government, pursuant to the revenue sharing agreement the federal government announced in December 2017. Discussions on this agreement are ongoing.

NAFTA and Related Trade Issues

- NAFTA/Economic Competitiveness
  - Cabinet approved the MIA-led "Economic Competitiveness" submission on Jan. 24. Ongoing work includes:
    - MOF is exploring options to respond to U.S. tax changes (monitoring impact, working with the federal government, and developing options through the Budget process to improve tax competitiveness); and
    - MIT and Ontario's Representative in Washington continue to monitor Buy American measures and seek Ontario exemptions as necessary.
    - MIA, MIT, MOF and MEDG are working with affected ministries to complete analysis of the sectoral impacts of a potential U.S. withdrawal from NAFTA. Analysis is underway..
    - MIA and MIT are pursuing economic cooperation partnerships with U.S. states.
  - Round 7 of the NAFTA negotiations took place from February 25 to March 5 in Mexico City. Round 8 is likely to cross over into April.
- US Steel Tariffs
  - On March 8, 2018 the United States enacted a 25% tariff on steel from all countries except Canada and Mexico under Section 232 of the US Trade and Expansion Act. There is a risk of diversion to Canada of non-NAFTA steel products destined for the U.S. market in response to these tariffs, which in turn could erode prices and margins for Ontario steel producers.
  - Although Section 232 tariffs do not currently apply to Canada, there is the possibility they could be applied in the future.
  - The federal government may need to be ready to apply prompt retaliatory measures against US imports under Section 53 of the Customs Tariff Act
  - Potential to impact other steel sector participants, e.g. Tenaris Algoma Tubes (Sault Ste. Marie) and Gerdau (Whitby, Cambridge)

- CPTPP
  - On February 22, 2018, the Premier gave a speech at the Toronto Region Board of Trade where she called on the federal government to provide transitional assistance to help Ontario's automotive and agri-food sectors adjust to the new realities created by the CPTPP before ratifying the deal. The province is requesting at least $1.26 billion over 10 years in assistance for the auto sector and at least $1.4 billion over 10 years for the agri-food sector in Ontario.
  - MEDG and OMAFRA are continuing analysis to refine Ontario's requests, which will need to be negotiated with Innovation, Science and Economic Development Canada and Agriculture and Agri-food Canada.
  - The CPTPP was signed on March 8. The CPTPP Parties will take the necessary domestic steps to ratify the Agreement (i.e. complete domestic legal procedures). Canada's timelines for ratification are still unknown.
- Fairness in Procurement
  - On February 20, 2018, the government introduced the *Fairness in Procurement Act, 2018* which if passed would allow Ontario to take responsive and proportional action to government procurement practices by US subnational jurisdictions.
  - On December 15, 2017, New York State signed into law the *New York Buy American Act* (NYBAA). The Act takes effect April 1, 2018.
  - TBS has developed a regulation to respond to the NYBAA to be considered at LRC on March 26th. .
    - The scope of Ontario's responsive regulation is focused on all government ministries and agencies (not BPS) that procure:
      - NY state steel or iron from a NY state resident business for construction of roads or bridges over $1M USD; and/or
    - TBS posted the regulatory proposal for consultation starting March 5th for 1 week until March 9th. Three responses were received Canadian Manufacturers and Exporters (CME) and Whirlpool were neutral/supportive of the proposal. Ontario Power Generation (OPG) expressed concerns being in scope of the proposed regulation and have requested an exemption/exclusion.

- TBS is targeting April 1 for implementation of the *Fairness in Procurement Act* and regulations.
- Representatives from the MIA Washington Office continue to work with representatives from Texas to secure an exemption from that jurisdiction's Buy American legislation.

Changing Workplaces Review / Fair Workplaces, Better Jobs Act Implementation

- The Fair Workplaces, Better Jobs Act (FWBJA) was passed on November 22, 2017 and received Royal Assent on November 27, 2017. The LRA and most ESA changes came into force on January 1, 2018, except equal pay (April 1, 2018), scheduling (January 1, 2019) and certain exclusions (January 1, 2019).
- The general minimum wage increased to $14 per hour on January 1, 2018 and will increase to $15 per hour on January 1, 2019. Special minimum wage rates will increase by the same proportion.
- On December 11, 2017 LRC/Cabinet approved a package of transitional, consequential and substantive regulations that came into force January 1, 2018, including:
    - Amendments that create a special rule for construction and auto sector employees regarding the new entitlement to be paid for two days of Personal Emergency Leave (PEL) in certain circumstances as well as increase the percentage of earnings that must be paid to construction employees who have five years' employment took effect January 1, 2018.
    - Amendments that create an exemption for the film and television sector, firefighters and students under 18 years from the new equal pay for equal work provisions (employment status) will take effect on April 1, 2018.
    - Amendments that create an exemption for the auto and film and television sectors from certain new scheduling entitlements will take effect on January 1, 2019.
- MOL launched a review of existing exemptions on October 18, 2017. Phase 1 of the review includes eight occupations under the ESA and the exclusion for domestic workers under the LRA. The consultation deadline passed in January 2018 and the ministry is reviewing internally. MOL plans to seek Cabinet approval on recommendations stemming from the exemptions review and additional regulations related to Bill 148 implementation in 2018 (timing TBC):

    - Regulation to extend successor rights to the retendering of contracts in the home and community services industry.
    - Regulation in response to Phase 1 of the exemptions review.
    - Scheduling exemptions / special rules.
- MOL plans to launch a second phase of the exemptions review following completion of Phase 1. Direction on scope has not been confirmed.
- On March 5, 2018 LRC/Cabinet approved an exemption from provisions with respect to maximum daily and weekly hours of work, rest periods and exceptional circumstances for temporary 'field' employees hired by Elections Ontario during provincial elections and by-elections.

Impact Mitigation Efforts:

- On October 18, 2017 EDU received approval for $12.7 million in funding to address 2017-18 minimum wage impacts in the child care sector.
- On December 19, 2017 MAG, MCSS, MCYS, MGCS, MOHLTC and MTCS received approval for $19.8M in 2017-18 to provide transitional support for implementation to key sectors.
- On January 24 TBS provided an update to Cabinet on the work to identify and, where needed, address impacts.
- On February 8 MAESD received TB/MBC/Cabinet approval to announce 2018-2019 transitional funding support for the college sector to help mitigate increased costs associated with FWBJA implementation. Communication to the sector took place on February 9. MAESD will continue discussions with colleges and universities regarding costs and potential approach to addressing impacts.
- MOHLTC, working with TBS and MOL, is considering an approach to mitigate the impacts of FWBJA changes in the health sector.
- MCI continues to work with the Ontario Non-Profit Network (ONN) on FWBJA implementation.
    - ONN plans to deliver three webinars between January and March 2018 to assist the sector in understanding implications of the FWBJA.
    - ONN is developing an online costing tool to assist organizations in costing the impacts of FWBJA.
    - ONN has noted that the women's shelter sector would benefit from additional funding to address the impact of minimum wage and that there is ongoing confusion within the sector around FWBJA requirements (beyond minimum wage) and its timing

(though webinars and the costing tool above are hoped to help mitigate this).

Corrections/SSO/Police Oversight

Corrections

- In 2017, the Independent Advisor on Corrections Reform (Howard Sapers) provided 125 recommendations on segregation and long-term corrections reform, including healthcare.
- On September 26, the OHRC filed an application with the Ontario Human Rights Tribunal, alleging that the Ontario government breached the *Jahn* settlement.
  - On November 28, MCSCS received TB/MBC and Cabinet approvals for *Jahn.* Funding and FTEs in out-years were approved in principle as part of MCSCS' 2018-19 PRRT submission.
  - MCSCS and OHRC finalized the minutes of settlement on December 21. The OHRC issued a public statement regarding the settlement on January 18.
- The new corrections legislation and the remaining known costs for implementing the *Jahn* remedies received LRC and TB/MBC approvals on February 6, and Cabinet approval on February 8. The legislation was initially introduced on February 20, and was reintroduced on March 20. MCSCS met with Indigenous communities and organizations leading up to introduction. MCSCS is preparing motions (some instructions with Leg Counsel).
- 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 on October 20.
- MCSCS and MOHLTC will report back on a healthcare transformation strategy in April 2018.
- MCSCS continues to work with MOHLTC and MAG to provide advice on further justice reform investments, including corrections transformation.

Strategy for a Safer Ontario/Reform

- On October 18, 2017, MCSCS and MAG received Cabinet approval on a policing omnibus bill, including 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* received Royal Assent on March 8.

- On February 14, Grand Chief Fiddler and Mike Metatawabin, Chair of the Nishnawbe-Aski Police Service, wrote to the Premier to express concerns regarding MCSCS engagement on Bill 175, including requests for a response to NAN’s proposed Terms of Reference for a tripartite policing table and the formal involvement of MIRR senior officials at policing tables, going forward.