

REDUCING POVERTY AND PROMOTING COMMUNITY INVOLVEMENT

REDUCING POVERTY AND PROMOTING COMMUNITY INVOLVEMENT

INTRODUCTION	81
POVERTY REDUCTION STRATEGY	83
HIGHLIGHTS OF PRIORITY AREAS AND GOVERNMENT ACTIONS	83
Investing in Manitoba’s Future Prosperity Through Supports to Children and Youth	83
Addictions Treatment and Justice Modernization	84
Supporting Community-Based Organizations	85
Advancing Reconciliation.....	85
Leveraging Social Innovation	86
Elevating Manitoba’s Standard of Living	86
Promoting Economic Growth and Employment.....	88
PROGRESS INDICATORS	89

INTRODUCTION

Budget 2019 supports Manitoba's progress on being the most improved province in Canada by stimulating job growth, supporting children and youth for future prosperity, and mitigating the cycle of poverty through targeted and innovative supports.

Manitoba is making real progress in reducing poverty. In 2016, Manitoba saw the greatest improvement in poverty reduction among Canadian provinces, with Manitoba's low-income rate falling from 12 per cent in 2015 to 9.4 per cent in 2016.

Manitoba also experienced the greatest improvement in child poverty. The number of children living in low income decreased substantially from 16.4 per cent in 2015 to 11.9 per cent in 2016. This was the largest decrease in child poverty rates across the country, as Manitoba went from tenth place (or worst province) in 2015 to fifth place in 2016.

Budget 2019 supports Manitoba's poverty reduction vision statement articulated in *Pathways to a Better Future: Manitoba's Poverty Reduction Strategy*, that "all Manitobans have resources, opportunities and access to achieve a better quality of life." This budget iterates the key priorities of the new poverty reduction strategy and illustrates tangible actions to promote better outcomes.

The Manitoba government remains committed to making measurable progress in reducing poverty, promoting economic development, and forging a sustainable path forward. Budget 2019 puts forward a plan to build on positive momentum and aligns with an accountability framework of 13 indicators to measure progress annually.

Low Income in Manitoba, 2008, 2015-2016, Statistics Canada Market Basket Measure¹

		<u>2008</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
		(Per Cent Change)			
All Manitobans	Rate(%)	9.9	12	9.4	-21.7
	Rank ²	3	4	4	
	Number (000)	111	146	115	
Persons in Lone-Parent Families	Rate(%)	24.2	41.3	36.9	-10.7
	Rank ²	2	7	8	
	Number (000)	*	22	22	
Persons in Youth-Led Families	Rate(%)	34.5	30.6	35.9	17.3
	Rank ²	3	1	6	
	Number (000)	16	17	18	
Single Individuals (Non Elderly)	Rate(%)	31.1	29.8	30.1	1.0
	Rank ²	3	3	4	
	Number (000)	35	38	36	
Indigenous Persons (Off-Reserve)	Rate(%)	14	21.6	23.2	7.4
	Rank ²	3	4	8	
	Number (000)	13	24	23	
Persons with Disabilities	Rate(%)	10	16.7	13.2	-21.0
	Rank ²	2	3	3	
	Number (000)	27	42	35	
Children	Rate(%)	12.5	16.4	11.9	-27.4
	Rank ²	3	10	5	
	Number (000)	32	43	32	
Seniors	Rate(%)	*	4.8	2.5	-47.9
	Rank ²	*	3	1	
	Number (000)	*	9	5	

* Indicates that the data are too unreliable to be published.

¹ All data are from Statistics Canada, Market Basket Measure of Low Income.

² Rank: 1 is best; 10 is worst.

POVERTY REDUCTION STRATEGY

The 2019/20 fiscal year marks the first year of implementing *Pathways to a Better Future: Manitoba's Poverty Reduction Strategy*. The strategy centers around six priority areas for reducing and preventing poverty, and promoting social inclusion. The strategy includes current and future actions that government is undertaking as well as targets and indicators for measuring progress. The six priority areas are:

1. Investing in Manitoba's future prosperity through supports to children and youth
2. Working together to improve health outcomes and standard of living
3. Promoting economic inclusion through employment, education and training
4. Facilitating partnerships and supporting community-based organizations
5. Strengthening client-centered service delivery
6. Making positive change through social innovation

The key target of this strategy is to reduce the number of children living in low-income households by 25 per cent by the year 2025, compared to the baseline year of 2015. This will be measured using Canada's Official Poverty Line, also known as Statistic Canada's Market Basket Measure. Enhancing supports for Manitoba children will increase the standard of living for the most vulnerable citizens. This will help address the intergenerational cycle of poverty and reduce the incidence of persistent or chronic poverty.

The Manitoba government is committed to working with the federal government and other partners to support Canada's goals of reducing the national poverty rate by 20 percent by 2020 and by 50 per cent by 2030. Budget 2019 supports goals integral to Manitoba's poverty reduction strategy and aligns with broader efforts across Canada.

Our commitment to reduce poverty does not end in 2025, but continues as a long-term goal until poverty is eradicated in Manitoba. We hope to achieve our vision of a province where everyone has resources, opportunities and access to achieve a better quality of life.

HIGHLIGHTS OF PRIORITY AREAS AND GOVERNMENT ACTIONS

Investing in Manitoba's Future Prosperity Through Supports to Children and Youth

Expanding Early Learning and Child Care

The Manitoba government is continuing to invest in early learning and child care to provide quality, accessible and affordable child care options for parents. Investments in early learning and child care help to reduce poverty by supporting parents to enter or stay in the workforce, while promoting positive educational and child development outcomes for Manitoba children.

In 2019/20, Manitoba will invest an additional \$1.4 million to provide operating grants for five school-based child care projects, representing 496 new spaces.

Operating grants for home-based providers will increase by \$581,000.

Reducing the Number of Children in Care

The Manitoba government is working in partnership with Manitobans to fundamentally transform the child and family services (CFS) system to deliver better outcomes for children and youth.

The proposed transformation is focussed on four pillars: community-based prevention; lifelong connections through reunification and permanence; funding for results; and legislative reform. The plan will support healthy communities, strong families, and keeping children and youth safely within their family network and home communities when possible.

Legislative changes to The Child and Family Services Act will be introduced, to ensure better child and youth outcomes. Providing block funding to CFS Authorities will create flexibility to redirect money to prevention and reunification services. This will further empower CFS agencies to develop and provide services that meet the unique needs of children and support family preservation. In developing these reforms, the Manitoba government continues to work collaboratively with communities, organizations, CFS Authorities and agencies, families, and Indigenous leaders who know best about the care, health and safety of their children and youth.

Addictions Treatment and Justice Modernization

Expanding Addictions Support

The Manitoba government is dedicating \$569,000 for opiate replacement therapy (ORT), delivering ORT training sessions to prescribers, allied health providers, and social service providers who work with people who use opiates, and co-ordinating and evaluating the various Substance Use and Addictions Program projects.

In May 2018, the Manitoba government announced the development of five Rapid Access to Addictions Medicine (RAAM) clinics across Manitoba. The first RAAM clinic opened at Winnipeg's Crisis Response Centre in August 2018, and the second opened at the Addiction Foundation of Manitoba's River Point Centre in September 2018. The other clinics are in Thompson, Brandon and Selkirk.

Funding of \$372,000 is being allocated for a screening, intervention and referral tool to assist practitioners to screen alcohol, substance use or addiction, and mental health issues, and to make appropriate referrals.

The Manitoba government is increasing funding by \$1 million in 2019/20 to expand withdrawal management services treatment beds for people who use methamphetamines (meth) in Winnipeg and Brandon.

Modernizing the Criminal Justice System

Manitoba Justice will invest \$2.4 million in 2019/20 to fund additional resources needed to target drug-related criminal activity including meth and gang-related crime prevention initiatives.

Manitoba is continuing to implement its Criminal Justice Modernization Strategy, which includes a focus on restorative justice, reintegration initiatives and prevention.

Supporting Community-Based Organizations

Preventing Family Violence

The Manitoba Status of Women Secretariat continues to support vulnerable and at-risk women, their children and men who are experiencing family violence by providing funding, and program and administrative support to 33 community-based agencies delivering family violence prevention and intervention programs and services across Manitoba.

In 2019/20, the newly established Gender-Based Violence Cabinet Committee will continue to integrate services and take a government-wide approach to co-ordinate policies, legislation and initiatives on pervasive issues, such as domestic and sexual violence, and harassment. The committee will meet a minimum of three times per year to better collaborate across departments to meet the needs of Manitobans in critical situations.

Supporting Community Organizations Through Grant Funding

Manitoba is working toward building on its single window grant intake to support thriving, sustainable communities by:

- being client-focussed, streamlined and reducing the administrative burden
- recognizing the diversity of Manitoba communities and encouraging partnerships and collaboration
- broadening the reach of grant programming to communities and organizations that have not previously been funded, and improving alignment of grant funding with provincial, regional and municipal priorities and plans

Advancing Reconciliation

Following the release of the Truth and Reconciliation Commission's final report, the Manitoba government unanimously ratified The Path to Reconciliation Act, which came into force on March 15, 2016. The act was the first reconciliation legislation in Canada.

Guiding government's efforts toward reconciliation are the principles of respect, engagement, understanding and action. Manitoba's commitment to reconciliation has a particular focus on addressing the persistent and long-standing negative impacts of residential schools and reconciling relationships between Indigenous and non-Indigenous peoples of Manitoba.

Each year, the government reports on its progress toward reconciliation through The Path to Reconciliation Act Annual Progress Report.

Manitoba is investing in training for Kindergarten to Grade 12 teachers to increase their knowledge, awareness and understanding of Treaties and Treaty relationships and to pass this knowledge on to Manitoba students. A five-year plan has been developed to fund \$250,000 per year to accelerate the number of teachers trained in Treaty Education and to ensure Treaty Education kits are available to all schools.

A curriculum committee, comprised of Manitoba government representatives, the Treaty Relations Commission of Manitoba, Manitoba First Nations Education Resource Centre, and elders, is working toward strengthening Manitoba's Kindergarten to Grade 10 social studies curricula and revising the Grade 11 social studies curriculum.

Leveraging Social Innovation

Manitoba is utilizing social innovation tools such as social finance and social impact bonds (SIB) to produce positive outcomes. In 2019/20, Manitoba is delivering its first landmark SIB, an innovative tool that encourages partners in the private and non-profit sectors to work collaboratively with government to deliver community-driven, evidence-based prevention programming, where government provides a financial return based on improved outcomes.

Manitoba's first SIB aims to improve outcomes of children and families through a collaborative effort between government, service provider and other community stakeholders. The Southern First Nations Network of Care has partnered with Wiji'idewag Ikwewag to connect expectant mothers to an Indigenous doula to avoid a newborn apprehension or, if a child must be placed in care, to reduce the number of days in care.

In 2019/20, \$1.5 million in new funding is available to support projects using social innovation tools in the Department of Health, Seniors and Active Living, and the Department of Justice.

Elevating Manitoba's Standard of Living

Increasing Family Income – Basic Personal Amount, Personal Income Tax Brackets, and Provincial Sales Tax

The Basic Personal Amount (BPA) is a non-refundable tax credit that every Manitoba resident is entitled to claim on their income tax return. Manitoba legislated the indexing of the basic personal amount and personal income tax brackets to the rate of inflation beginning in 2017. The basic personal amount will increase from \$9,382 in the 2018 tax year to \$9,626 in 2019. Since 2016, the basic personal amount has increased by \$492.

In 2018, indexing removed an estimated 1,740 Manitobans from the tax rolls and saved all residents more than \$17.5 million annually. In 2019, indexing will remove an additional 3,810 Manitobans from the tax rolls for an additional annual savings for all residents of \$38 million. These savings will continue growing at the rate of the growth in the consumer price index, meaning that taxable Manitobans are able to keep more of their income.

Basic Personal Amount and Manitobans Removed from Tax Roles, 2018–2020

Tax Year	Basic Personal Amount	Manitobans Removed from Tax Rolls (Year-Over-Year)	Manitobans Removed from Tax Rolls (Cumulative)
2018	\$9,382	1,740	3,910
2019	\$9,626	3,810	7,720
2020	\$9,809 ^f	2,850	10,570

f – Forecast and subject to change.

Source: Manitoba Finance

In addition, the retail sales tax rate will decrease from eight per cent to seven per cent effective July 1, 2019. The tax cut will directly benefit low income Manitobans, saving a family of four approximately \$239 in 2019 and an average of approximately \$500 per year going forward. In addition, businesses will pass some of their savings onto Manitoba households through lower prices, benefiting the same family of four by an estimated additional \$170 per year. Over the next five years, Manitoba individuals and families will save almost \$1 billion in direct sales tax costs, or about \$1.36 billion in direct and in direct sales tax costs from July 1, 2019 to 2024.

Increasing Wages

The Manitoba government remains committed to indexing Manitoba's minimum wage with the rate of inflation in a predictable and sustainable way.

Amendments were made to the Employment Standards Code in 2017 to index minimum wage with the rate of inflation through a fully transparent formula. This improves wages for working Manitobans and provides predictability for businesses that create jobs and generate growth in our economy. Growth in average weekly earnings has improved by 2.5 per cent in 2017 to 3.0 per cent (year-to-date) in 2018.

A Stable Housing Sector

The Manitoba government has entered into the multilateral Housing Partnership Framework with the Canada Mortgage and Housing Corporation, which sets the course to make the social and affordable housing sector viable over the long term. This framework facilitates predictable federal funding, a collaborative partnership, greater co-ordination and a shared commitment to a sustainable housing sector. This renewed partnership emphasizes that those who live in social housing have affordable, suitable and adequate accommodation, and those with housing barriers have access to services that support transitions to greater independence.

The Manitoba government is negotiating a bilateral agreement with the federal government that works for low-income households, helps private and non-profit providers of affordable housing, and aligns with programming that has proven outcomes. While the Manitoba government retains primary responsibility for the design and delivery of housing programs in Manitoba, a long-term, durable partnership with the federal government is a key first step in an era of housing sector transition.

Making Housing Affordable – Rent Assist

The Manitoba government recognizes that safe and affordable housing helps to improve the lives and health of low-income Manitobans. Rent Assist is a portable shelter benefit for low-income Manitobans who are receiving Employment and Income Assistance (EIA) and have shelter costs, or who are renting in the private market and not receiving EIA benefits. Rent Assist is designed to ensure that households renting in the private market do not pay more than 30 per cent of their income for a reasonable rent and utilities. Reasonable rent and utilities is defined as 75 per cent of median market rent as established through rental market surveys conducted by the Canada Mortgage and Housing Corporation.

In July 2017 and 2018, Rent Assist rates were increased to maintain indexation to 75 per cent of median market rent. Changes to the non-EIA client contribution percentage were made to ensure that the program remains financially sustainable and available to low-income Manitobans with the greatest shelter-related needs.

Budget 2019 includes an increase of \$10.1 million for Rent Assist. This is to fund benefits and annual indexing to 75 per cent of median market rent. Rent Assist supports approximately 26,000 households that reside in the private market and are receiving EIA (an approximate increase of 4,000 households since March 2016). Rent Assist also supports approximately 7,500 households not receiving EIA (an approximate increase of 2,750 households since March 2016) that are renting in the private market.

Supporting New Homeownership

Manitoba Housing is investing \$2 million in 2019/20 to enhance access to homeownership by removing the current cost barriers that exist for first-time homebuyers looking to purchase a home and for low-income homeowners looking to renovate or repair a home.

The new homeownership program assists low- and moderate-income families in gaining access to homeownership and building equity, and to help foster innovative community and private sector homeownership opportunities.

Promoting Economic Growth and Employment

Growing the Economy

The Manitoba government is taking steps to implement the Economic Growth Action Plan in 2019/20, including investing \$10 million in the Partnerships for Economic Growth program to support regional and strategy partners. This represents a 30 per cent funding increase over the previous year for this program.

The Manitoba government is helping Manitobans on social assistance move into the workforce and find jobs. New funding through the labour market transfer agreements, designed in partnership with the federal government, and the provinces and territories, will strengthen employment and training programs, tools and approaches.

Under Manitoba's Economic Growth Action Plan, Manitoba Education and Training is leading the development of a Skills, Knowledge and Talent Strategy that will support the post-secondary education system, and develop partnerships to improve job creation and retention, and align student outcomes to Manitoba's evolving labour market.

A new Economic Growth Committee of Cabinet (EGCC) will oversee a whole-of-government approach to growing the provincial economy. The EGCC will ensure that government's approach to economic development is comprehensive; aligned across provincial departments and agencies, based on sound evidence, research and analysis; and designed to deliver on key outcomes.

Supporting Employment

The Manitoba government is working closely with participants of the EIA program, along with community partners, to create timely and holistic employment plans for program participants who are ready to move toward employment.

EIA participants are supported in plans that are tailored to their personal circumstances. They consider each person's strengths, how they align with available job opportunities, and what steps are needed to prepare them for success in the labour market.

Once employment plans are developed, clients are referred to and supported in responsive programming designed to assist them to prepare for and move into employment. Manitoba Education and Training delivers a wide range of employment and training options for EIA clients, including career/employment counselling, employment services, skills development, wage subsidy and self-employment supports.

Jobs on Market is a rapid re-employment service model in Winnipeg. A number of services are being provided on site, including job leads and resume development. Since the launch of Jobs on Market in February 2017, 3,900 people have been served and over 1,150 of these people are no longer dependent on EIA for financial assistance.

In 2019/20, the Manitoba government is investing an additional \$13.6 million or 2.0 per cent compared to the previous year for Community Living disABILITY Services (CLDS). The Manitoba government is working to enhance employment-focussed services and improve labour market participation rates among CLDS participants. CLDS is in the process of developing an Employment First framework where community employment is the primary expected goal for working age adults with an intellectual disability, and will work toward supporting and realizing this goal by integrating more employment-focussed services and supports into current programming.

Improving Literacy and Numeracy Outcomes

The government announced that it will undertake a comprehensive review of the Kindergarten to Grade 12 education system scheduled to begin in early 2019. The review will focus on a variety of topics such as improving student outcomes and accountability related to student learning; education governance; and sustainability, management and accountability for financial resources. The Manitoba government has committed up to \$750,000 over two fiscal years (2018/19 and 2019/20) in support of the review commission's work.

PROGRESS INDICATORS

The Poverty Reduction Strategy Act requires that the Government of Manitoba set indicators to measure progress in reducing poverty and increasing social inclusion. Twenty-one indicators have been in place since 2012 and are identified in regulation. Manitoba's new poverty reduction strategy features a new set of indicators to ensure accountability to Manitobans and provide an evidence-based structure for measuring the outcomes of our poverty reduction initiatives. These indicators will be reported on an annual basis.