

LEGAL AID ONTARIO

2025-26

2027-28

BUSINESS PLAN

LEGAL AID ONTARIO
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Legal Aid Ontario receives financial assistance from the Government of Ontario, the Law Foundation of Ontario, and the Government of Canada.

Part 1: Executive summary

Legal Aid Ontario's (LAO) 2025-26 to 2027-28 Business Plan (business plan) is submitted pursuant to the Agencies and Appointments Directive (AAD).

As required by the AAD, the business plan demonstrates how LAO's goals, objectives and strategic direction align with government priorities and direction as set out in the Attorney General's [letter of direction](#).

This business plan is the first that coincides with LAO's five-year [strategic plan](#) for 2025-2030. The new strategic plan sets a clear direction for LAO to achieve its mandate to provide high-quality legal aid services in a client-focused and accountable manner and it aligns directly with government priorities and expectations.

Key 2025-26 business plan initiatives that address government priorities and meet strategic plan objectives are:

- Prioritizing support to the court recovery process and collaborating closely with the Ministry of the Attorney General (MAG) as it plans and executes strategies to reduce the backlog within the courts
- Implementing approved increases to the Financial Eligibility Threshold (FET) to enable more low-income Ontarians to access legal aid services
- Exploring strategies to support the recruitment and retention of talent, while managing workforce size and optimizing LAO's capacity by directing resources to priority areas, including court-based frontline services
- Advancing work in IT upgrades, including exploring opportunities to improve LAO's existing Customer Relationship Management (CRM) system, which will improve client service and expand digital service offerings
- Enhancing our services and support for Indigenous clients in a culturally sensitive and comprehensive manner

Part 2: LAO mandate

Legal Aid Services Act, 2020 (LASA 2020)

The purpose of LASA 2020 is to facilitate the establishment of a flexible and sustainable legal aid system that provides effective, high-quality legal aid services throughout Ontario in a client-focused and accountable manner while ensuring value for money.

LAO's objects and principles are outlined in s.17 of LASA 2020 as follows:

Objects

The objects of the Corporation are to,

- a. Establish and administer a flexible and sustainable system for providing legal aid services to individuals in Ontario
- b. Establish policies and priorities for the provision of legal aid services based on its financial resources
- c. Facilitate coordination among the different legal aid services that are provided and the manner in which they are provided, including through different service providers
- d. Monitor and supervise the provision of legal aid services in Ontario
- e. Advise the Minister on all aspects of legal aid services in Ontario, including any features of the justice system that affect or may affect the demand for or quality of legal aid services.

Principles

The Corporation shall carry out its objects in accordance with the following principles:

1. The legal aid service should,
 - i. Promote access to justice
 - ii. Be efficient, effective, and ensure services are of high quality
 - iii. Ensure services are provided in a client-focused, innovative, transparent and accountable manner
 - iv. Be responsive to the needs of low-income individuals and disadvantaged

communities in Ontario

- v. Promote early resolution, where appropriate
 - vi. Be coordinated with other aspects of the justice system and with community services
2. That continual efforts should be made by [LAO] the Corporation to maintain and improve the effectiveness and quality of legal aid services while ensuring value for money.

Strategic plan

Over the past year, LAO has developed a new, five-year strategic plan that serves as a roadmap and outlines our long-term vision, goals, and the actions needed to achieve them. The elements of the plan are aligned with LASA 2020 and reflect the priorities set out in the 2025-26 letter of direction received from the Attorney General.

The strategic plan will guide decisions and actions at LAO, setting a direction to fulfill our mandate of delivering high-quality legal aid services.

Vision

LAO's vision describes the long-term, aspirational future we aim to achieve. This statement serves as a guiding star for decision-making and goal setting:

Low- income Ontarians are empowered to navigate the justice system with dignity and fairness.

Mission

The strategic plan's mission acts as a touchstone, ensuring that all activities and initiatives are consistent with LAO's overarching purpose. Our mission statement aligns closely with the organizational mandate as described in LASA 2020 and the priorities set out in the 2025-26 letter of direction. The statement describes how we are going to achieve our future vision:

Promoting access to justice through high- quality, efficient and sustainable legal aid services.

Part 3: 2025-26 Business Plan initiatives

The business plan initiatives listed below align with the expectations set out in the Attorney General's 2025-26 letter of direction and demonstrate how LAO will fulfill the expectations and government priorities listed therein.

Planned initiatives fulfilling government-wide expectations and priorities for agencies

Through its 2025-26 letter of direction, the Ontario government has set the expectation that agencies will be:

Innovative

LAO is committed to innovation and to fulfilling the government's expectations of simplifying client interactions, expanding digital service offerings, and enhancing client satisfaction. Through the following targeted initiatives, and many operational activities, we are actively working to streamline processes to ensure easier, more efficient client experiences. This work is closely aligned with LAO's mandate to provide effective, high-quality legal aid services, in a client-focused and accountable manner, while ensuring value for money. Many of the initiatives outlined below support all three government priorities under the theme of innovation.

1. Simplify client/customer interactions

Contact Centre replacement: Implement a new, robust Contact Centre solution that has the ability to handle LAO's significantly increased client call volumes, while offering detailed reporting and analytics, call monitoring and workforce management capabilities. This solution will allow LAO to enhance the experience of its employees and better serve our clients.

Wi-Fi in the courts: To improve client services, we will explore solutions to address low Wi-Fi availability for LAO staff in courthouses throughout the province. LAO will collaborate directly with these locations to investigate methods to improve connectivity, fostering a technologically advanced environment for more effective legal aid services for our clients.

Service Finder: LAO will continue advancing the Service Finder (SF) tool for release on LAO's external website. Once launched, this digital self-service offering is expected to reduce the demand for call centre support inquiries related to location and service information, while providing the public with consistent and flexible access to the information they need.

Bail specialists: LAO will address the anticipated impact of Bill C-48 on bail and complex bail issues in several courthouses throughout the province by assigning staff to focus on supporting bail proceedings. This initiative will ensure timely access to bail reviews and habeas corpus applications for duty counsel (DC) clients.

Special Bail Enhancer: LAO is working with MAG to explore incentive strategies to encourage more roster lawyers to assist with special bail hearings and reduce delays in scheduling and conducting these hearings.

2. Expand and optimize digital service offerings

Client portal expansion: Access to digital services will be improved by expanding the types of applications clients can submit through the client portal, introducing new features and functionalities, and continuously improving existing functionalities.

3. Improve client/customer satisfaction

Customer/Client Relationship Management (CRM) replacement:¹ We have initiated the multi-year project to replace LAO's CRM system. This critical new system is expected to achieve many key benefits, including an improvement in client satisfaction by streamlining processes, enhancing communication and providing more personalized, responsive services. The future state will allow us to provide clients with faster, more customized responses.

Indigenous Legal Services:² A new Indigenous Services Department was created in 2024 to enhance legal aid service delivery to First Nation, Métis and Inuit clients. As part of LAO's continued commitment to strengthening relationships with Indigenous peoples, communities and governments, work will take place in 2025-26 that seeks to renew service agreements with Nishnawbe Aski (NAN) Legal Services Corporation and Aboriginal Legal Services to enhance relationships and create positive outcomes for Indigenous clients.

1 See Finance section for costing of this initiative.

2 See Finance section for costing of this initiative.

4. Share data with Supply Ontario, when requested, regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making

LAO will continue to share data with Supply Ontario, when applicable, regarding procurement spending and planning, contract arrangements and vendor relations.

Sustainable

LAO supports financial and operating sustainability by practicing conservative financial management, strong controllership and robust reporting functions to ensure that expenditures stay within the organization's financial allocation, and the ongoing sustainability of new initiatives considers future revenue projections. The concept of sustainability is integrated into our 2025-2030 strategic plan by emphasizing sustainable legal services as a key element of our mission statement: 'Promoting access to justice through high-quality, efficient, and *sustainable* legal aid services.'

In 2025-26, we have several planned initiatives that will further enhance operational efficiencies, optimize capacity, foster continuous improvement, and focus resources on priority areas—specifically direct client services.

5. Strengthen public service delivery by optimizing organizational capacity and directing existing resources to priority areas

Client service enhancement strategy: As part of our 2025-2030 strategic plan, a new initiative has been identified that will focus on realigning LAO resources to provide more direct client services and create internal efficiencies. One of the key outcomes will be increased frontline services with DC and legal aid workers (LAWs) in courts. This cross-divisional project has been launched and in the coming year we will look to develop a strategy and identify objectives, as we examine our resources to prioritize critical areas.

CRM replacement:³ As identified above, we have initiated a project to replace our CRM system, which will not only improve client satisfaction, but will also enhance operational efficiency, ensuring that LAO can adapt quickly to evolving business needs while maximizing our capacity and focusing resources on priority areas.

3 See Finance section for costing of this initiative.

Effective allocation of funding for poverty law services: Work will continue to determine the relative needs for poverty law services in communities across Ontario and on developing funding guidelines to deploy clinic law resources effectively, ensuring clients have equitable access to services. Considerations may include low-income population data, social assistance data, housing and homelessness levels, the cost of delivering services in clinic catchment areas, and significant special considerations.

6. Use public resources efficiently and

a. Operate within the agency's financial allocations

LAO's funding structures and financial allocations are unique, with funding from the Government of Ontario, contributions from the federal government's cost-sharing agreements for refugee and criminal law matters, and the Law Foundation of Ontario (LFO). Annual revenue from LFO fluctuates with changes to interest rates and mixed trust balances. LAO navigates this financial complexity and ensures it operates within financial allocations through:

- Conservative financial management that ensures we will have the financial resources necessary to sustain our programs and initiatives throughout their lifespan.
- Collaborating with MAG to ensure consistency in financial reporting and forecasting methodology.
- Maintaining an internal audit function that conducts annual assessments to ensure that internal controls including findings, recommendations and approved management actions, are appropriately implemented.
- Committing to a strategic priority to improve efficiency and modernize client service delivery, leveraging technological advances to reduce costs and create efficiencies.

b. Prudently and responsibly manage workforce size⁴

LAO is anticipating a continued increase in demand for services across all channels and will consider staffing increases where necessary to continue to provide high-quality services. In addition, as we support the reduction of the court backlog, we are planning targeted increases in full-time equivalents (FTEs)

⁴ See [Appendix G](#) in the document for further workforce growth discussion.

to be deployed specifically to court recovery initiatives related to the increase in the FET. We will ensure any increases are designed to address critical operational demands and support sustainable growth. By adding personnel in key areas, we will respond to changes in our environment and ensure that LAO can continue to deliver on our mandate and provide high-quality, efficient legal aid services.

Accountable

Having identified accountability as a key value in our 2025-2030 strategic plan, LAO is committed to being transparent, responsible and fulfilling our mandate with integrity. As we enhance our performance measurement capabilities, we will make evidence-informed decisions to protect our data, develop effective risk mitigation strategies, and align our policies with those of the Ontario Public Service (OPS). We will also continue to embrace diversity and promote equitable access to justice.

7. Develop and report on outcome-focused performance measures to effectively monitor and measure performance

Performance measurement framework: As part of the 2025-2030 strategic plan, a performance measurement framework was established, including key performance indicators (KPIs) and key risk indicators (KRIs). In 2025-26, LAO will begin to leverage these indicators by identifying baselines for new measures and continuing to report on existing ones. Monitoring and reporting performance against these metrics will integrate evidence-based decisions into strategic and business planning.

8. Protect individual, business or organization data by actively managing data and cybersecurity and reporting Artificial Intelligence uses

Information and data (I&D) governance: LAO will continue work on an I&D governance strategy and framework that will align I&D considerations with strategic and business planning; develop processes to build I&D capability and maturity; ensure that effective controls are in place to manage data assets; and integrate by-design approaches into projects and procurements. The framework will also prioritize data security while ensuring robust record keeping, access to information, and privacy protection. Additionally, efforts are underway to strengthen

organizational capacity for data analytics, enabling informed decision-making and a deeper understanding of clients and their needs. All of these functions rely on the security, availability and integrity of data. This work is aligned with the applicable government directives such as the Governance and Management of Information and Data Assets Directive.

9. Report all high risks including effective mitigation plans

LAO continuously improves its Enterprise Risk Management (ERM) program based on best practices from the AAD and the OPS Enterprise Risk Management Directive. This program includes a framework and processes to identify, assess, mitigate, monitor and report risks that could jeopardize LAO's mandated and strategic objectives.

All high risks and related risk mitigation plans are submitted by LAO's Chief Risk Officer (CRO) to MAG as part of our quarterly agency risk reporting requirement.

10. Identify and assess office optimization opportunities to reduce office realty footprint and find cost reductions

LAO has established a Hybrid Work Policy after consultation with our three unions. The policy formalizes long-standing working arrangements, many of which existed for years prior to the COVID pandemic, and balances our office space footprint with client service and operational needs. These needs include the requirement for court-based employees to be available to support the justice system, employee engagement and collaboration, alignment with justice partners, and our ability to deliver on the important work to fulfill our mandate.

In 2023, LAO substantially reduced its Provincial Office (PO) footprint in Toronto, in alignment with the MBC Realty Directive and OPS Modern Space (OMOS) Standards. This reduction generated estimated savings of approximately \$6.5 million over the remaining lease term. LAO has optimized office space and hybrid work policies, for employees who are not designated in direct client facing roles, to align with our current real estate footprint. LAO would need to invest in additional office space to match OPS hybrid work directives.

11. Develop and encourage equity, diversity, inclusion and belonging (EDIB) initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace

Inclusion, Diversity, Equity and Anti-Racism: LAO will continue to measure the diversity demographics of staff at all levels of the organization, as well as ensure feelings of trust and safety at LAO.

EDIB in recruitment and talent management: LAO will continue to embed EDIB practices into recruitment and talent management processes, including using targeted recruitment techniques to attract more equity deserving candidates, with the goal of increasing diversity at all levels of the organization.

Updating policies and providing resources: LAO is developing a resource toolkit for all client-facing and non-client facing offices that will promote diversity and safe spaces. LAO will also provide education to staff on inclusive communication and best practices, and internal policies will be created or amended to ensure the diverse cultures and religious identities of employees are acknowledged and respected.

Priority specific to revenue-generating agencies: Increase non-government, non-fare, non-fee revenue

In previous years, LAO's budget included limited revenue generating opportunities, through partnership, sponsorship and other non-tax resources, beyond funding received from the LFO and from the provincial and federal governments. Though LAO's mandate does not relate to direct generation of revenue, LAO's extensive ongoing work with the courts and MAG to support backlog reduction, efficiency and innovation, are anticipated to create faster, more streamlined and effective justice system proceedings, thereby contributing to system savings, reducing costs and optimizing resources across the justice system. LAO will continue to explore new opportunities to increase and generate revenue.

Planned initiatives fulfilling LAO specific government priorities

1. Continue to prioritize supporting the court and tribunal recovery process, working collaboratively with the Ministry as it plans and executes strategies to reduce the backlog in the courts

FET increase:⁵ The key driver of LAO's contributions to backlog reduction is the increase in the FET for criminal and family DC and for criminal certificates for the next three years. To serve the anticipated 167,000 new criminal clients and 11,000 new family clients, we are deploying more lawyers and LAWs, retained on a contract basis, as well as deploying more roster members to work as per diem DC. This investment will reduce the number of self-represented attendances in criminal and family court. Through this initiative, LAO is:

- Supporting Ontario Court of Justice (OCJ) modernization initiatives by providing advice to unrepresented clients throughout the court process, including the self-represented judicial pre-trial (JPT) stream
- Resolving more cases through the Crown pre-trial (CPT) process so more clients will receive substantive legal advice, enabling them to make informed decisions
- Facilitating the timely provision and review of Crown disclosure with the assistance of counsel

Supporting justice sector recovery: LAO will continue our work to support the court and tribunal recovery process through ongoing collaboration with MAG and other justice sector participants, aiming to serve more people and resolve cases more efficiently, which will benefit both clients and the broader justice sector. As an example, in cooperation with the Crown, LAO is participating in the proposed OCJ Toronto 18-month pilot project to create a Self-Represented Court (SRC) to address the challenges and delays that self-represented individuals are facing in Toronto.

Court service delivery modernization: In 2025-26, we will engage with the judiciary and MAG to explore opportunities to enhance and improve LAO's court-based service delivery in response to the changing needs of our clients. This includes optimizing LAO resources through innovative, efficient court processes and supporting opportunities for early resolution.

5 See Finance section for costing of this initiative.

2. Continue to work with MAG on options to raise the financial threshold for legal aid eligibility that will enable more people to access services

FET increase:⁶ As set out above, increasing FET is a critical strategy that supports court recovery. In 2025-26, we will implement the increases to allow LAO to serve more low-income Ontarians who cannot afford to pay for a lawyer and might otherwise appear in court unrepresented.

3. Continue to advance work in IT upgrades, ensuring LAO is well positioned to adapt to and combat cyber risks, and ensure the security and integrity of LAO's critical systems

LAO continues to upgrade our IT systems through leveraging new tools and technologies to better serve our clients. We continue to employ advanced tools to prioritize the security, availability and integrity of data.

4. Continue to prioritize addressing the 2022-23 mandate review recommendations, including specific recommendations regarding the following:

a. Independently proposing or implementing new initiatives in overseeing the provision of legal services

Increase access to legal aid services: LAO continues to improve client services and efficiency to reach more clients faster and expand legal aid services to eligible clients. These improvements will include expanding and enhancing digital access points and tools, facilitating infrastructure and system changes to support better client service, and implementing FET expansion.

Optimize LAO resources through innovative, efficient court processes:

LAO will prioritize frontline services, increase in-court appearances and pursue internal efficiencies to better support evolving court processes.

A critical piece of reducing delay is management of the time and events involved in the movement of a case through the court system from initiation to disposition. LAO is working collaboratively with other justice sector participants through the OCJ's Criminal Justice Modernization Committee to develop and implement

⁶ See Finance section for costing of this initiative.

initiatives aimed at improving efficiency and supporting early resolution. Additionally, LAO has put forward several potential proposals to MAG as part of a backlog reduction strategy to support ongoing collaborative efforts.

Support opportunities for early resolution for legally aided accused: LAO will continue to work with justice sector participants to determine processes that will allow early access to Crown positions and negotiations that enable legally aided accused to understand their resolution options and facilitate faster decision making, reducing the supply of cases contributing to the backlog. LAO will optimize frontline services so that DC are available for resolution discussions with Crowns, and for court appearances to present negotiated resolutions to the judge.

Addressing needs in family and child protection courts: LAO is exploring strategic solutions to address the evolving needs in family and child protection courts, including early resolution services such as Alternative Dispute Resolution (ADR). These efforts will enhance access to legal aid services for vulnerable individuals who are navigating family law and child protection matters.

b. Continue working to improve oversight of legal clinics

Oversight of legal clinics: LAO will continue to enhance the oversight of legal aid services delivery by clinics and student legal services organizations (SLSOs) through defined objectives, functions, eligibility criteria and obligations for transfer payments to clinics. These efforts will focus on:

- Results achieved for funds provided
- Increased transparency through improved reporting requirements
- Improved, proportionate oversight of clinics by LAO
- Promotion of continuous improvement and transparency through performance measures
- A risk-based approach to transfer payment accountability, including identification of risks and development of plans to manage risks
- Updated, clear and transparent operational standards for clinics through an updated policy framework

c. Develop and enhance additional goals/strategies related to its mandate

Developing and implementing Strategic Plan: LAO's 2025-2030 strategic plan provides a blueprint for LAO to achieve its mandate and is directly aligned with government priorities. It establishes strategic goals with specific strategies to achieve success. The plan includes KPIs and KRIs to demonstrate value for money, improve accountability and reporting, and measure success.

d. Increasing innovative capacity and exploring innovative service delivery models

Client-centred service approaches: As part of LAO's new strategic plan, client-centred services were identified as a key goal. To achieve this priority, LAO will be exploring innovative service delivery models while ensuring culturally competent, anti-racist and trauma-informed programs. The scope of this work will be determined in 2025-26.

Client service channels: In addition to a focus on innovative service approaches, the strategic plan also includes a commitment to strengthen multi-channel client services, including digital channels, to support inclusive, self-service and timely access. Our focus in 2025-26 will be to plan and initiate this work.

e. Making improvements to performance tracking

See section *Planned initiatives fulfilling government-wide expectations and priorities for agencies*, expectation: 7 Develop and report on outcome-focused performance measures to effectively monitor and measure performance.

f. Continuing to work with MAG to improve financial sustainability

See section *Planned initiatives fulfilling government-wide expectations and priorities for agencies*, expectation: 6a) Use public resources efficiently and operate within agency's financial allocations.

LAO continues its work with MAG to ensure consistency and transparency in financial information reporting, including participation in regular meetings to discuss operational priorities and funding challenges.

With the support and agreement of MAG, LAO puts funds into the Contingency Reserve Fund (CRF) for contingency planning purposes. This allocation does not affect the provision of legal aid services, and LAO will use the CRF to support continued stability of operations and continuity of client services when necessary.

g. Further explore how to better attract and retain talent

Talent development strategy for LAO staff: LAO is developing an organization-wide strategy to attract, develop and retain diverse, high quality talent.

Strengthening the roster: LAO continues to deploy initiatives to enhance support of roster members and attract new members, including improvements to administrative processes for roster applications and onboarding; the organization has now fully implemented tariff reform to increase payments made to roster members. LAO is also expanding training and mentoring programs to support high quality client service, improve roster satisfaction and improve retention.

Supporting clinics: LAO will work with clinics to set goals and expectations for the recruitment and retention of diverse, high-quality talent that meets the needs of their clients.

5. Continue to work with MAG to address audit review recommendations

LAO has implemented all the 2022 Ontario Internal Audit Division (OIAD) audit recommendations for our financial management and forecasting processes. OIAD has validated evidence demonstrating this implementation and closed the audit file in 2023.

Key Performance Indicators

Innovative

Indicator	2023/2024 performance	2025/2026 target
Percentage of clients satisfied with experience with their lawyer	Certificates: 82% DC: 69%	Certificates: >80% DC: >70%
Percentage of certificate applications issued in the same day	84%	79% - 84%
Average (median) days from issuance to acknowledgement	4 days	3 to 4 days
Percentage of DC clients reporting it was easy to get services from DC	63%	>60%
Number and percentage of staff trained on delivering culturally appropriate services to Indigenous clients	84%	90%
Number of active (unique) users engaged across the LAO website	1,390,665 active users	No target

Sustainable

Indicator	2023/2024 performance	2025/2026 target
Percent of budget allocated to direct client services	90.6%	91.3%
Net working capital	Target met	Three months of LAO's financial obligations or expenses

Accountable

Indicator	2023/2024 performance	2025/2026 target
Number of clinics in the high-risk category	June 2023: 3	No more than 5 ⁷
Percentage of roster members currently being monitored	Monitoring across all areas as at Jan 2024: 3.7%	Less than 4%
Percentage of LAO employees adhering to hybrid policy	New KPI for 2025-26	90%

7 The target reflects a balance between a prudent risk-based approach—which may result in more clinics being categorized as high-risk due to rigorous oversight—and the objective of reducing high-risk classifications through appropriate remedies and supports.

Part 4: Three-year financial outlook and projections

LAO continues to be in a strong financial position with a projected accumulated surplus of almost \$432.7 million by March 2025. After making significant strategic investments including the tariff increase, tariff reform, and enhancing the FET, LAO projects a declining surplus in 2025-26 and modest operating deficits in 2026-27 and 2027-28, which are to be fully funded from the accumulated surplus.

The historically high LFO revenue from the last three years will subside as the Bank of Canada (BoC) continues to reduce interest rates in response to cooling inflation and a softer job market.

Meanwhile, strategic investments will begin to increase our expenditures over the next three years. These expenses will update our tariffs in order to respond to inflationary pressures and enhance FET and the DC program to help address court backlogs.

(\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Total revenue	761.7	720.9	663.1	675.6	671.7
Total expenses	532.1	595.2	659.5	690.7	698.3
Net operating surplus (Deficit)	229.6	125.7	3.6	(15.1)	(26.6)
Accumulated surplus	307.1	432.8	436.4	421.3	394.7
Contingency reserve fund	20.0	20.0	20.0	20.0	20.0

Due to rounding issues, some of the numbers may not add up to the exact dollar amount.

LAO is projecting a net surplus of \$3.6 million in 2025-26, with a modest operating deficit of (\$15.1) million and (\$26.6) million in 2026-27 and 2027-28 respectively.

Revenue projections

Assumptions:

- Provincial funding is anticipated to remain stable
- Federal funding will increase relative to the growth in Immigration and Refugee (I&R) costs, as per the agreement and the additional federal criminal legal aid funding allocations growing to \$30.4 million in 2025-26 and 2026-27
- I&R legal aid is fully funded by the federal government
- LFO revenue is projected to decline due to expected further BoC interest rate cuts, which will be partially offset by an increase in mixed trust balances

The table below shows revenue projections for the next three fiscal years:

Revenue (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Provincial funding	270.6	269.8	267.4	266.9	266.7
Federal criminal funding	70.7	76.8	79.7	79.0	79.0
Federal I&R funding	61.7	71.2	83.2	82.4	81.1
LFO	330.8	267.0	195.0	200.0	200.0
Other revenue	27.9	36.1	37.8	47.3	44.9
Total revenue	761.7	720.9	663.1	675.6	671.7

LAO is projecting lower interest rates based on economic indicators. This will strengthen the housing market and increase average mixed trust balances, partially offsetting the reduced interest rates. The rate and mixed trust balance assumptions are outlined below:

Year	LFO Revenue	Year-end Overnight Rate	Avg, Trust Account Balance
2024-25	\$267.0M	2.75%	\$8.0B
2025-26	\$195.0M	2.25%	\$9.1B

Year	LFO Revenue	Year-end Overnight Rate	Avg, Trust Account Balance
2026-27	\$200.0M	2.25%	\$10.1B
2027-28	\$200.0M	2.25%	\$10.0B

Expenditure forecast

Overall expenditures are increasing by 5.5 per cent per year on average over the next three years. Compared to the amounts approved in the 2024-25 Business Plan for the 2025-26 and 2026-27 fiscal years, expenditures are increasing by \$5.9 million in 2025-26 and by \$31.2 million in 2026-27. This increase is due to the additional investment in the expansion of the FET and DC program, which includes hiring additional DC and LAWs (refer to [Appendix G](#) for further information about workforce growth). It also includes the impact of OPSEU and non-unionized compensation increases resulting from the reversal of Bill 124, which were not yet known when the 2024-25 Business Plan was prepared.

The details of the expenditure plans are outlined below:

Certificate program

Certificates

Overall certificate costs are growing by 4.8 per cent or \$12.6 million per year on average over the next three years. Certificate costs will continue to grow due to tariff increases, tariff reform, and the expansion of FET as more certificates are billed with the increased hourly rates and the impact of the reforms. In 2025-26, new certificates will be billed with the full impact of the three-year tariff increase and reforms, as the third and final 5 per cent hourly tariff increase takes effect. The first year of the FET increase will be implemented in the 2025-26 fiscal year which will increase our projected certificate issuance.

Estimated costs for the approved FET is shown below:

- **A 3-year increase to FET to \$45,440 for family sizes of 1, 2, 3, and 4 persons for criminal and family DC and criminal only certificates**

(\$M)	2025-26	2026-27	2027-28
Additional DC clients served	178,000	180,000	182,000
DC (\$M)	\$12.3	\$12.7	\$13.1
Additional certificates issued	2,086	4,225	4,316
Certificates	\$1.4	\$4.3	\$6.3
Total investment (\$M)	\$13.6	\$17.0	\$19.4

- **Cost (\$M) of increasing FET asset threshold for criminal certificate services:**

	2025-26	2026-27	2027-28
Certificates (\$M)	\$0.2	\$0.6	\$0.9
Total investment (\$M)	\$0.2	\$0.6	\$0.9

The total anticipated financial impact of increasing LAO's FET for DC and certificates is \$13.8 million 2025-26, \$17.6 million in 2026-27, and \$20.3 million in 2027-28.

On March 3, 2025, LAO's income threshold to qualify for family and criminal DC services increased to \$45,440 for families of up to four people. The asset threshold for DC services also increased to \$15,000, regardless of family size. Financial eligibility for family sizes five and more remains the same.

On March 31, 2025, LAO raised the income threshold for criminal certificate services to \$45,440 for families of up to four people. The LAO asset threshold for criminal certificate services also increased to \$15,000, regardless of family size. Financial eligibility for family sizes five and more remains the same.

Family size	Current criminal certificate / duty counsel income thresholds	Expanded income thresholds for duty counsel / criminal certificates	Expanded asset thresholds for duty counsel / criminal certificates
Single boarders	\$12,330	\$45,440	\$15,000
1	\$18,795 / \$22,720	\$45,440	\$15,000
2	\$32,131 / \$32,131	\$45,440	\$15,000
3	\$39,352 / \$39,352	\$45,440	\$15,000
4	\$45,289 / \$45,440	\$45,440	\$15,000
5+	\$50,803 / \$50,803	\$50,803	\$15,000

- **Certificate Cost by Major Aid – Criminal and I&R costs will rise with increased issuance**

Program (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Criminal - Big Case Management (BCM)	23.3	23.0	25.0	26.0	26.0
Criminal - Non-BCM	82.0	95.0	108.0	126.0	128.0
Family	52.0	52.0	54.0	56.0	57.0
I&R	47.1	61.0	57.5	56.0	54.0
Civil	10.3	12.0	13.0	13.0	13.0
Sub-total	214.8	243.0	257.5	277.0	278.0
Protocol Cases Unit	9.3	9.6	11.5	12.5	12.5
Total certificates	224.1	252.6	269.0	289.5	290.5

Operations

- Additional staff are needed to meet the increased demand through the call centre, maintain service standards and reduce wait times. Particularly, the client service centre is experiencing substantial and compounding year-over-year increases in call volumes.
- Additional investments are also being sought for strategic initiatives, including roster management, centralized services and the introduction of new roles designed to strengthen LAO's active offer of French language services and to enhance multi-language services available to clients.
- The board-approved CRM replacement project will deliver a modern technology alternative to the current platform. Post- implementation, LAO anticipates realizing significant operational efficiencies and service improvements.

DC and staff services program

Further significant investments are being planned for client services. In addition to expanding senior counsel services in the criminal and family areas and in summary legal advice, LAO has introduced tariff reforms and increases for per diem DC; expanded the articling student program, made investments to help address the court backlog; introduced a client service enhancement strategy and a DC service planning function; and will increase the FET for DC services.

- The introduction of a higher FET will significantly increase the number of DC services provided.
- LAO's focus on service delivery and court support has increased the per diem DC hours and tariff costs more than originally planned.
- A client service enhancement strategy will realign resources to provide more direct court-based client services.

Clinic services

Direct investment in community legal clinics will increase by \$4.1 million. This investment will be based on objective data obtained from the review of the relative needs for poverty law services. In 2025-26, LAO is investing in Clinic Information Technology including

upgrading the clinics to Microsoft 365.

Indigenous Services

The new Indigenous Services Department began operations by consolidating all Indigenous services across LAO, including ILSOs delivering legal aid services. The department's focus will be on identifying gaps, promoting equity, and building awareness around issues that impact Indigenous peoples in Ontario.

General administration

To support significant investments in IT infrastructure and service enhancement projects, administration/staffing expenses are growing slightly. This increase is mainly due to additional staffing in IT, HR and General Counsel & Compliance, including those related to FET implementation. LAO has also addressed compensation pressures due to collective bargaining agreements and non-bargaining compensation in the aftermath of Bill 124. In general, administration as a percentage of total LAO expenditures has been declining from 8.8 per cent in 2023-24 to a projected 7.7 per cent in 2027-28.

Details of expenditures with strategic initiatives

Expenses (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Certificates					
Base (Business Plan)			316.0	325.0	331.7
Changes in the 2025-26 budget					
FET			1.6	4.9	7.2
Issuance and reform impacts			(48.6)	(40.4)	(48.4)
Certificates total	224.1	252.6	269.0	289.5	290.5
Operations					
Adjusted Base (Business Plan)			34.9	33.6	34.2
Changes in the 2025-26 budget					
Client Services Centre			7.5	7.5	7.5
FET impact of Client Services Centre			0.4	0.7	0.7
FET impact of Centralized Services			0.1	0.1	0.1
New CRM			0.6	6.8	8.4
Certificate management program annualized amount			0.4	0.4	0.4

Expenses (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Roster management			0.7	0.7	0.7
Language services / case management and litigation group / LAO LAW			1.0	1.0	1.0
Total changes			10.7	17.2	18.8
Operations total	33.5	40.9	45.6	50.8	53.0
Regional services					
Adjusted Base (Business Plan)			121.9	123.1	124.5
Changes in the 2025-26 Budget					
Increases to per diem (hours and higher tariff)			10.0	10.0	10.0
Summary Legal Advice - Annualized amount			0.8	0.8	0.8
Family Senior Counsel - Annualized amount			1.8	1.8	1.8
Court backlog			1.1	1.1	1.1
Client service enhancement strategy (formerly Workforce planning)			5.1	5.1	5.1

Expenses (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
FET DC			12.3	12.7	13.1
Articling students			1.1	1.1	1.1
Benefit cost increases			2.0	2.0	2.0
Collective bargaining			3.4	3.4	3.4
Total changes			37.6	38.0	38.4
Regional services total	110.1	127.1	159.5	161.1	162.9
Client services					
Base (Business Plan)			120.0	122.1	124.1
Changes in the 2025-26 budget					
Software moved to admin			(1.6)	(1.6)	(1.6)
Clinic services total	106.6	112.8	118.4	120.5	122.5
Indigenous services					
Adjusted Base (Business Plan)			6.0	6.0	6.0
Changes in the 2025-26 budget					
Northern flights			4.0	4.0	4.0
Gladue funding transfer to MAG			(1.4)	(1.4)	(1.4)
New Indigenous Services Department (ISD)			0.4	0.5	0.5

Expenses (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Total changes			3.1	3.1	3.1
Indigenous Services total	8.3	8.9	9.0	9.1	9.1
Administration					
Adjusted Base (Business Plan)			51.9	52.5	53.1
Changes in the 2025-26 budget					
General counsel			1.0	1.0	1.0
Software expenses			1.6	1.6	1.6
FET impact in HR			0.5	0.3	0.3
FET impact on IT			0.5	0.3	0.3
Total changes			3.6	3.2	3.2
Administration total	46.6	49.6	55.5	55.7	56.3
Other expenses					
Base (Business Plan)			5.5	5.5	5.5
Changes in the 2025-26 budget					
Lower depreciation due to lower capital assets			(3.0)	(1.5)	(1.5)
Other expenses total	3.3	3.3	2.5	4.0	4.0
Total expenses	532.1	595.2	659.5	690.7	698.3

Due to rounding issues, some of the numbers may not add up to the exact dollar amount

Summary of revenues and expenditures for 2023-24 actual, 2024-25 forecast, 2025-26 budget and out-years outlook

Revenues and expenses (\$M)	2023-24 Actual	2024-25 Forecast	2025-26 Budget	2026-27 Outlook	2027-28 Outlook
Revenues					
Total government funding	403.0	417.9	430.4	428.4	426.9
LFO revenue	330.8	267.0	195.0	200.0	200.0
Other revenue	18.6	26.4	26.2	34.7	32.3
Protocol cases unit recoveries	9.3	9.6	11.5	12.5	12.5
Total revenue	761.7	720.9	663.1	675.6	671.7
Expenses					
Total certificate program	257.3	293.5	314.6	340.3	343.5
DC and staff services program (RSD)	110.1	127.1	159.5	161.1	162.9
Clinic services	106.6	112.8	118.4	120.5	122.5
Indigenous services	8.3	8.9	9.0	9.1	9.1
Administration	46.6	49.6	55.5	55.7	56.3
Other expenditures	3.3	3.3	2.5	4.0	4.0
Total expenses	532.1	595.2	659.5	690.7	698.3
Net operating surplus / (deficit)	229.6	125.7	3.6	(15.1)	(26.6)

Due to rounding issues, some of the numbers may not add up to the exact dollar amount.

Part 5: Environmental scan 2025-26

The LAO environmental scan outlines key internal and external factors affecting clients, service delivery, and the organization.

Increase in demand for services

Demand for LAO services has steadily grown since 2020-21, exceeding pre-pandemic levels. Comparing services during the first and second quarters of 2024-25 with the same period in 2021-22, we note that DC services have increased by 52 per cent, certificates issued by 41 per cent and client service centre calls by 33 per cent.

Financial Eligibility Thresholds

In November 2024, LAO received approval to increase the FET to \$45,440 for family sizes 1-4 for criminal and family duty counsel and for criminal legal aid certificates, for a period of three years. This significantly increases the number of low-income Ontarians eligible for these services.

Legal landscape

Recent changes to laws including Bill C-48 may impact LAO services, potentially leading to longer and more contested hearings and extended periods of pre-trial custody.

In 2023, the Ontario government also committed funding to establish teams of prosecutors and subject matter experts to handle complex bail hearings, which is expected to contribute to significantly longer bail hearings and more LAO clients seeking support for stay applications.

Certificate acknowledgement

The acknowledgement rate — the percentage of certificates issued to clients that are accepted by a lawyer⁸ — has declined in the last 10 years from 93.5 per cent in 2013-14 to 87.0 per cent in 2023-24. The greatest decline has been in family law and child protection matters.

⁸ Here acknowledgement rate refers to the certificates acknowledged within 180 days of being issued to the client.

Financial outlook

LAO funding from the LFO is variable, based on interest rates and mixed trust accounts. Recent BoC interest rate cuts have reduced rates, leading to projected declines in LFO revenue [See [Enterprise Risk Management section](#)].

Federal budget 2024

The federal budget allocates \$273.7 million over five years for refugee legal aid across Canada, including \$71.6 million for 2024-25 and 2025-26, and then \$43.5 million in the three subsequent years. Ontario's allocation of this federal funding in 2024-25 is \$55.95 million.

Base funding for criminal legal aid across Canada is \$142.4 million annually. Budget 2024 proposes an additional \$80 million in 2024-25 (bringing the total annual funding to \$222.4 million). The federal Department of Justice has advised that Ontario will receive \$27,006,093 of this additional criminal legal aid funding in 2024-25.

Continued high demand for immigration and refugee certificates

In 2023-24, LAO issued 135,279 total certificates, marking a 27 per cent increase driven primarily by criminal and I&R matters. Forecasts for 2024-25 estimate over 40,000 I&R certificates. This level of demand for I&R services in 2024-25 has created pressures on the funding available.

Attraction and retention: LAO roster and staff

Roster lawyer satisfaction with LAO increased from a historic low of 39 per cent in 2023 to its highest level at 57 per cent in 2024, likely due to the first phase of tariff increases introduced in fall 2023. Additionally, 69 per cent of lawyers indicated they plan to do the same amount or more work for LAO in 2024, compared to 59 per cent in 2023.

The age distribution of roster members has remained stable since 2018-19, with over 20 per cent of the roster comprised of lawyers who have less than five years of practice.

LAO continues to experience challenges in attracting and retaining lawyers in some areas of the province, in particular in smaller and northern communities. Factors include compensation rates, and low numbers of newer licensees in certain communities.

Part 6: Overview of programs and activities

LAO services are life-changing for low-income individuals who face criminal charges, family breakdown, deportation, eviction or other legal challenges. These services are also crucial to the functioning of trial courts and tribunals, such as the Ontario Review Board, the Consent and Capacity Board, the Immigration and Refugee Board, and the Landlord and Tenant Board. Legal aid staff, DC and LAO- funded clinics help individuals determine whether they qualify for legal aid, and these groups also provide information, advice and representation. Certificates funded by LAO allow eligible individuals to hire a private bar lawyer on our roster who can advise and represent them to the conclusion of their matter, which often includes a trial and/or other court proceedings.

LAO provides approximately one million legal services annually through staff, certificate and clinic service providers. LAO's PO and six district offices are located across Ontario, based on the Ontario judicial districts:

- **North District** (Kenora, Rainy River, Thunder Bay, Cochrane, Algoma, Timiskaming, Sudbury and Parry Sound)
- **East District** (Hastings, Lennox and Addington, Frontenac, Leeds and Grenville, Lanark, Renfrew, Ottawa, Carleton, Prescott and Russell, Stormont, Dundas and Glengarry)
- **Central East District** (Haliburton, Bracebridge, Peterborough, Cobourg, Durham, Kawartha Lakes, Orillia, Newmarket and Barrie)
- **Central West District** (Norfolk, Haldimand, Brant, Hamilton, Niagara, Halton, Peel and Dufferin)
- **West District** (Essex, Lambton, Chatham-Kent, Bruce, Grey, Huron, Perth, Oxford, Elgin, Middlesex, Guelph/Wellington and the Region of Waterloo)
- **Toronto District** (East York, Etobicoke, North York, Scarborough and Old Toronto).

LAO programs and activities include the following:

1. Client intake and application

- LAO's call centre: available toll-free from anywhere in Canada, delivering services in over 300 languages, including 18 Indigenous languages and dialects

- LAO online client portal: clients can apply for services or check the status of applications
- In-person application services: available at district offices and courthouses throughout the province
- Assisted application forms: available to roster lawyers and partnering agencies to assist with initiating applications

2. Legal services in specified areas of law

LAO provides services in criminal, family, immigration/refugee, and poverty law matters through:

- Certificates: private practice lawyers provide full representation for eligible clients
- Court-based DC services: in-court assistance is provided by both staff and private lawyers, in person and remotely, in every court jurisdiction in Ontario
- Staff services: clients receive certain services in family and immigration matters from staff lawyers in locations across Ontario, and from Senior Counsel, who represent clients who are difficult to serve through normal channels (often due to multiple vulnerabilities)
- LAO-funded community legal clinics: poverty law services are available to clients at 71 independent legal clinics
- Student legal services organizations (SLSOs): clients are served through student clinics at each of Ontario's eight law schools
- Indigenous legal services organizations: LAO has service agreements with Nishnawbe-Aski Legal Services Corporation (NAN Legal) and Aboriginal Legal Services (ALS) to deliver legal aid services.

3. French Language Services (FLS)

LAO provides its services in English and French in areas across the province that are designated pursuant to the French Language Services Act (FLSA), and in all its centralized services and communications. To meet its obligations under the FLSA, French language services are integrated into all LAO initiatives.

4. Multi-language accessibility

Information and services in multiple languages for those who do not speak English or French are important supports for access to LAO services and for access to justice among clients. LAO provides interpretation services in over 300 languages across all its services, by way of a third-party vendor.

5. Legal research services

LAO LAW provides high-quality research services to lawyers acting for legally aided clients. These services are available to roster lawyers acting on certificates, LAO DC and staff lawyers, Indigenous legal services organizations, SLSOs, and clinic lawyers. Primary areas of expertise include criminal, family and immigration law.

LAO's Clinic Resource Office provides legal and other support services primarily to clinics and SLSOs. Services include assistance with individual client files, publication of legal reference materials, training for clinic staff, facilitating communication/knowledge management among clinic practitioners, and court litigation support services, such as co-counselling and/or other ongoing support — on appeals, judicial reviews and systemic cases at tribunals.

6. Lawyer Services and Payments (LSP)

LSP is responsible for ensuring that roster lawyers are paid efficiently and accurately for certificate services they provide to LAO's clients. LSP also processes requests for experts and other special disbursements, conducts reviews of disputed payments, manages the annual billing limits (hard cap) for lawyers, and assists in the collection of costs orders and recoveries made according to sections 12 and 13 of LASA 2020, the governing legislation. The Lawyer Service Centre is a call centre responsible for answering incoming inquiries from lawyers with questions related to the online billing system, billing and tariff rules, account payment status, certificate coverage and technical support.

Within LSP, the Provincial Case Management Office (PCMO) consists of the Big Case Management (BCM) program and the Protocol Case Unit (PCU). The BCM program works with the private bar and sets budgets for complex cases where the total fees and disbursements are anticipated to exceed \$20,000, or \$50,000 where there are multiple co-accused persons. The PCU manages the payment of cases on behalf of MAG and the Department of Justice (DOJ) when the court orders the appointment of

counsel as well as payment by the province of Ontario or the government of Canada for such counsel. The PCU pays counsel in these matters, and LAO is reimbursed for these services by MAG and the DOJ.

Part 7: Initiatives involving third parties

Clinics and SLSOs

LAO funds 71 independent community legal clinics to deliver legal aid services to low-income people with issues related to housing and shelter, income maintenance, social assistance, employment law, immigration and refugee law, workers' rights, human rights law, Indigenous law and many other areas. LAO also funds eight university operated SLSOs. These provide advice and representation through experiential learning by volunteer law students supervised by practising lawyers on minor criminal law matters, housing and shelter, family law and other areas. LAO also provides funding for a student family program through Pro Bono Students Canada.

There are two key aspects of LAO's relationship with clinics:

- LAO is accountable to deliver poverty services across Ontario
- LAO has oversight of individual clinics and SLSOs – the transfer payment relationship between LAO as funder and the clinic or the SLSO as funding recipient

LAO's Legal Aid Services Rules, established under LASA 2020, set out a results-focused, risk-based framework for LAO's oversight of the delivery of legal aid services by entity service providers⁹. These rules include LAO's obligations under Ontario's Transfer Payment Accountability Directive. Agreements between LAO and clinics/SLSOs outline community-responsive services to be delivered with funding and establish regular reporting on those services.

As a result of LASA 2020 coming into force, LAO will seek input from clinics and SLSOs to:

- Continue to design and implement performance measures that allow for entity service providers and LAO to monitor risks to services and to the entity; and
- Develop a funding formula that can allocate resources effectively, ensuring equitable, stable services across the province, in consultation with entity service providers and other stakeholders.

⁹ Entity service provider means a community legal clinic, an Indigenous legal services organization, a student legal services organization or any other entity that has entered into a service agreement with the Corporation.

LAO will:

- Continue to clearly identify service level expectations and accountabilities where LAO provides supports to clinics (e.g., integrating clinics into LAO's IT strategy)
- Develop and implement a new clinic board portal to improve communication between LAO and clinic boards; and
- Continue to identify, prioritize and implement design and functionality enhancements to clinic information systems.

In 2025-26, LAO will continue to enhance the oversight of legal aid service delivery by clinics and SLSOs through the following initiatives:

- Defined objectives, functions, eligibility criteria and obligations for transfer payments
- A focus on results achieved for funds provided
- Increased transparency through improved reporting requirements
- Improved, proportionate oversight by LAO to monitor quality of services
- Promotion of continuous improvement and transparency through performance measures
- A risk-based approach to transfer payment accountability, including identification of risks and development of plans to manage them
- Updated, clear and transparent operational standards through an updated policy framework

These initiatives align with several of the government-wide expectations and priorities for all agencies set out in the 2025-26 letter of direction, including:

- Sustainable: Strengthen public service delivery by optimizing organizational capacity and directing resources to priority areas
- Accountable: Develop and report on outcome-focused performance measures to effectively monitor and measure performance

The initiatives also align with the following government expectations specific to LAO:

- Independently proposing or implementing new initiatives in overseeing the provision of legal services
- Continuing to work to improve oversight of legal clinics

Community Legal Education Ontario (CLEO)

Access to justice includes being able to obtain public legal information about individual rights, the legal system, and legal services available to Ontarians. CLEO has been a reliable source of this vital information since 1974. LAO will continue to fund CLEO's important mission to deliver public legal education and information and will work with CLEO to ensure that low-income Ontarians continue to receive these resources.

Indigenous legal services organizations

LAO continues its commitment to strengthen relationships with Indigenous peoples, communities and governments. LAO has created an Indigenous Services Department to enhance legal aid service delivery to First Nation, Métis and Inuit clients and to build relationships based on collaboration, respect and transparency.

LAO is committed to working with Indigenous Legal Service Organizations to ensure high quality legal aid services is available to Indigenous clients.

Appendices

Appendix A: Agency letter of direction

Attorney General

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Our Reference Number: M-2024-8933

October 18, 2024

Stephen Pengelly
Chair, Board of Directors
Legal Aid Ontario
pengellys@lao.on.ca

Janet Budgell
President and CEO
Legal Aid Ontario
Budgellj@lao.on.ca

Dear Steve Pengelly and Janet Budgell:

I am pleased to share our government's 2025-26 priorities for Legal Aid Ontario (LAO).

Agencies are a part of government and are expected to act in the best interests of the people of Ontario and ensure that they provide value for money to taxpayers. Agencies are also required to adhere to government policies and directives.

Per the requirements of the Agencies and Appointments Directive, agencies are required to align goals, objectives and strategic direction with our government's priorities and direction. As Chair, you must ensure that LAO's business plan demonstrates the agency's plans in fulfilling the expectations and government priorities below and that progress and achievements are reported through your annual report. Compliance with these requirements is reported to Treasury Board/ Management Board of Cabinet annually.

This letter sets out my expectations for 2025-26 that LAO is innovative, sustainable and accountable through the following direction:

Innovative

- a. Simplify client/customer interactions.
- b. Expand and optimize digital service offerings.
- c. Improve client/customer satisfaction.
- d. Share data with Supply Ontario, when requested, regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

Sustainable

- e. Strengthen public service delivery by optimizing organizational capacity and directing existing resources to priority areas.
- f. Use Public Resources efficiently and
 - i. Operate within agency's financial allocations.
 - ii. Prudently and responsibly manage workforce size. Where an agency requires a material increase in workforce size, the agency must provide the Minister with an HR plan for approval that provides the rationale based on government priorities and/or agency mandate.

Accountable

- g. Develop and report on outcome-focused performance measures to effectively monitor and measure performance.
- h. Protect individual, business or organization data by actively managing data and cybersecurity and reporting Artificial Intelligence uses.
- i. Report all high risks including effective mitigation plans.
- j. Align hybrid work policies with the OPS and identify and assess office optimization opportunities to reduce office realty footprint and find cost reductions.
 - i. Collaborate with MOI to identify office space opportunities.

- ii. Align with the MBC Realty Directive and the OPS Modern Office Space (OMOS) Standards.
- k. Develop and encourage diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

I am also sharing several priorities specific to LAO:

1. LAO is expected to continue to prioritize supporting the court and tribunal recovery process, working collaboratively with the Ministry as it plans and executes strategies to reduce the backlog in the courts.
2. LAO is expected to continue to work together with MAG on options to raise the financial threshold for legal aid eligibility that will enable more people to access duty counsel services at court and enable more individuals facing criminal charges to be able to hire a lawyer funded by legal aid.
3. LAO is expected to continue to advance work in IT upgrades, ensuring LAO is well position to adapt to and combat cyber risks, and ensure the security and integrity of LAO's critical systems.
4. LAO is expected to continue to prioritize addressing the 2022-23 mandate review recommendations, including specific recommendations regarding the following:
 - independently proposing or implementing new initiatives in overseeing the provision of legal services
 - continue working to improve oversight of legal clinics
 - increasing innovative capacity and exploring innovative service delivery models
 - making improvements to performance tracking
 - continuing to work with MAG to improve financial sustainability and
 - further explore how to better attract and retain talent.
5. LAO is also expected to continue to work together with the Ministry of the Attorney General to address audit review recommendations.

At our next meeting, I would be pleased to discuss these priorities, and I look forward to hearing how they will be reflected in the agency's upcoming business plan and in ongoing

agency operations.

Thank you and your fellow board members for your continued commitment to LAO. Your work and ongoing support is invaluable to our government and the people of Ontario.

Should you have any questions, please feel free to contact Jane Mallen, Assistant Deputy Attorney General, Policy Division, at jane.n.mallen@ontario.ca.

Sincerely,

A handwritten signature in black ink that reads "Doug Downey". The signature is fluid and cursive, with the first name "Doug" and last name "Downey" clearly distinguishable.

Doug Downey
Attorney General

Enclosure

c: Jane Mallen, Assistant Deputy Attorney General, Policy Division

Appendix B: Governance and corporate structure

LAO's board governance structure includes three committees: Audit & Finance, Human Resources, and Nominating & Governance. These committees review matters brought forward by management and make recommendations to the Board of Directors in their respective areas of responsibility. Each committee observes a charter setting out its mandate, with the committee chair responsible for reporting to the full Board of Directors.

Current board appointees and terms of office

Name	Title	Nominator/ appointment	Term of office	Lawyer	Effective date	End date
Steve Pengelly	Chair	Attorney General	3 years	Yes	Apr. 14/22	Apr. 13/25
Erin Betts	Board member	Law Society	1 year — 3 years ¹	Yes	Jul. 27/23 — Jul. 27/24	Jul. 26/24 — Jul. 26/27
Melanie Debassige	Board member	Attorney General	2 years	No	Jan. 19/23	Jan. 18/25
Brook Dyson	Board member	Attorney General	2 years	No	Aug. 29/24	Aug. 28/26
Jennifer Gold	Board member	Law Society	3 years — 3 years ²	Yes	Dec. 10/20 — Dec. 10/22	Dec. 9/22 — Dec. 9/25
Bryn Gray	Board member	Law Society	2 years — 3 years ³	Yes	Jan. 14/21 — Jan. 14/23	Jan. 13/23 — Jan. 13/26

1 Renewed Term

2 Renewed Term

3 Renewed Term

Name	Title	Nominaton/ appointment	Term of office	Lawyer	Effective date	End date
Louise Harris	Board member	Attorney General	2 year — 3 years ⁴	No	Sept. 8/22 — Sept. 8/24	Sept. 7/24 — Sept. 7/27
Peter Johnson	Board member	Attorney General	2 years — 3 years ⁵	Yes	Jan. 7/21 — Jan. 7/23	Jan. 6/23 — Jan. 6/26
Deborah Moriah	Board member	Law Society	2 year — 3 years ⁶	No	Jan. 7/21 — Jan. 7/23	Jan. 6/23 — Jan. 6/26
Christine Simundson	Board member	Attorney General	1 year	No	Aug. 15/24	Aug. 14/25
Sara Wisking	Board member	Law Society	2 years	Yes	Jan. 11/24	Jan. 9/26
Aileen Page	President and CEO, Ex-Officio Board Member	LAO Board of Directors	N/A	Yes	Feb. 24/25	N/A

4 Renewed Term

5 Renewed Term

6 Renewed Term

Current committee membership

Audit and finance	Human resources	Nominating and corporate governance
<p><u>Chair</u> Jennifer Gold</p> <p><u>Membership</u></p> <ul style="list-style-type: none"> • Melanie Debassige • Bryn Gray • Peter Johnson • Sara Wisking • Brook Dyson • Steve Pengelly, non-voting member • Aileen Page, ex-officio non-voting member 	<p><u>Chair</u> Peter Johnson</p> <p><u>Membership</u></p> <ul style="list-style-type: none"> • Deborah Moriah • Louise Harris • Erin Betts • Christine Simundson • Steve Pengelly, non-voting member • Aileen Page, ex-officio non-voting member 	<p><u>Chair</u> Steve Pengelly</p> <p><u>Membership</u></p> <p>Full Board of Directors</p>

Appendix C: Enterprise Risk Management (ERM)

LAO maintains an ERM program based on best practices of the AAD and the OPS Enterprise Risk Management Directive. This program includes a framework and processes to identify, assess, mitigate, monitor and report risks.

LAO shares risk information with the Agency and Tribunals Relations Branch (ATRB) quarterly as part of our agency risk reporting requirements under the AAD and the Enterprise Risk Management Directive.

Key risk exposures that may affect this Business Plan over the planning cycle include:

Funding/financial

LAO faces financial risks due to variable LFO revenues and increasing service demand. Mitigation includes financial investments, monitoring interest rates, and collaborating with funding partners to stabilize funding.

Information technology

LAO will align with government directives to ensure the use of AI is transparent, responsible and accountable through risk based evaluation and consultation with industry experts. LAO will continue to prioritize the security, availability and integrity of data.

Artificial intelligence

LAO is exploring the potential to leverage AI technologies to improve service and operational efficiency while managing associated risks. LAO will align with public sector guidelines, including the Responsible Use of AI Directive, and consult on its suitability for future use.

Workforce

LAO faces workforce risks due to increased demand and service expansion. LAO will adjust recruitment, retention, and financial strategies to align with labor market trends and support operational needs.

Operations and service delivery

LAO's service delivery faces risks from increasing demand for legal aid, particularly in I&R services and FET expansion. LAO will collaborate with MAG and justice system participants on plans to support any increased service demands.

Appendix D: Implementation approach

Using project management tools and techniques, LAO assesses the resource effort required to complete each prioritized project initiative, as well as available corporate resource capacity. This analysis helps identify potential gaps and resource conflicts that could hinder the successful implementation of enterprise projects.

A key component of LAO's implementation planning approach is a change management perspective, ensuring that project transitions are smooth and that stakeholders are prepared for upcoming changes.

This implementation analysis framework follows a structured three-step process:

1. Defining what is changing

- Clear identification of the changes that each project initiative will introduce.

2. Defining how it is changing

- Detailed examination of the methods and pathways through which changes will occur, addressing both technical and organizational shifts.

3. Developing implementation and change management plans

- Comprehensive delivery plans are created to align project objectives with change readiness. Key components include:
 - Defining the desired outcomes and goals for each deliverable.
 - Identifying required resources, such as funding, staffing, and support for administrative, operational, and systems adjustments.
 - Crafting roll-out plans that incorporate change management strategies to minimize disruption and facilitate adoption across teams.

This approach allows LAO to address the technical requirements of implementation while also emphasizing the human and organizational aspects essential for sustained success.

Appendix E: IT service delivery plan

LAO continues to improve IT systems and infrastructure to ensure that services to clients and LAO service providers (such as roster lawyers and clinics) are sustained and that LAO keeps pace with upgrades and advances in technology. LAO is continuing its Business Process Review, which will help inform the implementation of future solutions.

Leveraging our access to IT research services, we continue to consult with industry experts to validate our approaches, technology selection and change management on our digital transformation journey. These resources provide important feedback and connection to peer organizations that are undergoing similar changes.

LAO's Technology Strategy continues to concentrate on the following key areas:

1. Upgrading or migrating to newer, modern systems with a focus on the advantages of cloud-based solutions
2. Expanding access and availability of services to Ontarians by employing (where appropriate) mobile-ready and modern technology solutions

These initiatives to modernize our technology and infrastructure will be a considerable draw on human and financial resources across the organization over the coming years.

Appendix F: Communications plan

LAO engages in public consultation to support client-focused, innovative, transparent and accountable legal aid services. LAO follows a consultation process when changes to Rules or Policies are being considered. These statutory rule consultations must meet specific requirements that are set out in LAO's Public Consultation Policy.

Notices of consultations about proposed changes to Rules and Policies, as well as other types of LAO consultations, will be posted at legalaids.on.ca. Individuals and organizations can now also subscribe to the [LAO Consultation Registry](#) to receive email alerts about upcoming consultations. The registry, which supports inclusive and diverse participation, enables any individual or group to register and receive information about upcoming consultations.

Consultations about rule and policy changes make up only a portion of LAO's overall consultation and engagement with its clients, service providers, justice system collaborators and the public. LAO regularly speaks with and welcomes feedback from service providers, justice sector participants and, most importantly, clients.

Appendix G: Human capital

LAO fosters a culture that:

- Values all employees and embraces equity, diversity, inclusion and belonging
- Is inclusive and respectful, with a diverse talent pool, ensuring that HR services, policies and systems align with LAO's values, strategy and mission as well as OPS policies and directives
- Supports a psychologically safe workplace by recognizing ongoing exposure to secondary trauma and investing in mental health and wellness for staff and management.

LAO manages our workforce prudently by optimizing resources to make sure they are directed to priority areas, namely frontline, client-facing roles. As client demand increases, we are ensuring that our back-office administration is sufficient to support growing services, and efficient in its use of resources. Over 91 per cent of our budget is allocated to frontline services, demonstrating our commitment to ensure that we are optimally structured to deliver on our mandate.

Sum of FTE	Employment type								Grand total
	Full-time			Part-time					
	Contract	Permanent	Temporary	Full-time total	Contract	Permanent	Temporary	Part-time total	
Employee groups									
OPSEU									
Staff	105	485	2	592	0.55	8.05	0	8.6	600.6
Society of United Professionals									
Lawyer	28	328	0	356		7.2	0	7.2	363.2
Articling students	28	0	0	28	0	0	0	0	28
Total	56	328	0	384	0	7.2	0	7.2	391.2

Sum of FTE		Employment type							
		Full-time			Part-time				
Employee groups	Contract	Permanent	Temporary	Full-time total	Contract	Permanent	Temporary	Part-time total	Grand total
Non-union									
Executive	0	7	0	7	0	0	0	0	7
Lawyer	0	13	0	13	0	0	0	0	13
Management	0	151	0	151	0.55	1.3	0	1.85	152.85
Staff	8	97	5	110	0	0.55	0.6	1.15	111.15
Total	8	268	5	281	0.55	1.85	0.6	3	284
Grand total	174	1081	7	1257	1.1	17.1	0.6	18.8	1275.8

Data as at September 30, 2024

Workforce growth

The LAO workforce is forecasted to increase by an estimated 11 per cent in 2025–26, primarily driven by the FET increase, which will enable LAO to deliver more direct client services to a greater number of eligible Ontarians. This growth includes additional DC, LAWs and contact centre staff and responds to increased service demand and supports efforts to reduce backlogs in both criminal and family courts, expand DC services, and manage anticipated increases in call volumes.

Succession and talent development plans

LAO is developing a formal succession planning and talent development program that will ensure potential successors for key roles are identified and will build organizational leadership capacity. LAO's recent participation in the Public Service Pension Plan (PSPP) is expected to continue to contribute to the retirement decisions of LAO employees. Consequently, investment in professional development is required to ensure that LAO cultivates a robust group of employees with the skills and expertise to move into senior

leadership roles.

In addition, from our most recent employee engagement survey, we learned that our staff would like more career development support. With this objective in mind, we have established formal mentorship programs and expanded access to both in-person and online continuing professional development opportunities for all levels of staff.

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