

LEGAL AID ONTARIO

2026-27 -

2028-29

BUSINESS PLAN



LEGAL AID ONTARIO
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Table of contents

3		Part 1: Executive summary
5		Part 2: LAO mandate
7		Part 3: 2026–27 to 2028–29 business plan initiatives
21		Part 4: Three-year financial outlook for projections
34		Part 5: Environmental scan 2026–27
37		Part 6: Overview of programs and activities
40		Part 7: Initiatives involving third parties

Appendices

44		Appendix A: Agency letter of direction
48		Appendix B: Enterprise risk management
50		Appendix C: Implementation approach
51		Appendix D: IT service delivery plan
52		Appendix E: Communications plan
53		Appendix F: Human capital

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Part 1: Executive summary

Legal Aid Ontario's (**LAO**) 2026–27 to 2028–29 Business Plan is submitted pursuant to the Agencies and Appointments Directive (**AAD**). This business plan outlines how LAO's goals, objectives and strategic direction align with the government priorities in the Attorney General's 2026–27 letter of direction.

Our business plan continues to advance LAO's 2025–2030 Strategic Plan, which sets a clear path for delivering high-quality legal aid services in a client-focused, accountable and efficient manner. The initiatives outlined for 2026–27 reflect LAO's commitment to improving access to justice, enhancing operational excellence, and supporting justice sector initiatives focused on improving efficiency, and reducing delays and backlogs.

Key 2026–27 business plan initiatives that address government priorities and meet strategic plan objectives include:

- Enhancing client-centred services through expanded family law supports and increased access to legal aid via multi-channel strategies, including client portal and in-person service enhancements.
- Advancing reconciliation by implementing the Indigenous Services Action Plan, strengthening partnerships with Indigenous communities, and expanding culturally appropriate legal supports.
- Modernizing infrastructure and systems with major IT upgrades, including the replacement of LAO's customer relationship management (**CRM**) and contact centre platforms, and exploring future plans to implement a new enterprise resource planning (**ERP**) system to improve efficiency and data-driven decision-making.
- Supporting justice sector recovery by working with the Ministry of the Attorney General (**MAG**), the Ontario Court of Justice (**OCJ**) and other justice sector participants on collaborative initiatives to streamline case management, address delays and reduce court backlogs.
- Expanding court-based services (duty counsel and legal aid workers) to support additional courts, including bail courts, established through the appointment of new judges and justices of the peace.
- Continuing to address challenges with bail and remand through specialized resources to assist clients, including with bail reviews and Myers reviews.
- Updating the mental health tariff and addressing gaps in mental health service provision to support the retention of experienced counsel, improve access for vulnerable populations, and mitigate systemic delay and inefficiencies.

- Supporting talent development through leadership programs, regional office improvements to working space, and organization-wide training focused on de-escalation and cross-cultural competency, alongside initiatives to improve employee experience and roster engagement.

Together, these initiatives demonstrate LAO's commitment to delivering responsive, inclusive and high-impact legal aid services that align with government expectations and meet the evolving needs of Ontarians.

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 the Corporation to maintain and improve the effectiveness and quality of legal aid services while ensuring value for money.

Strategic plan

LAO's 2025-2030 Strategic Plan serves as a roadmap for our long-term vision, goals, and the actions needed to achieve them. The plan is aligned with LASA 2020 and reflects the priorities set out in the 2026-27 letter of direction received from the Attorney General.

The strategic plan guides the decisions and actions of 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 strive 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 2026-27 letter of direction. This 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: 2026-27 business plan initiatives



ALIGNED WITH
LETTER OF DIRECTION

The activities listed below detail the initiatives scheduled for 2026-27 to support the progress on the 2025-2030 Strategic Plan. These initiatives align with the expectations set out in the Attorney General's 2026-27 letter of direction and demonstrate how LAO will fulfill those priorities. Specifically, this work advances the goals and priorities set out in the strategic plan and represents LAO independently proposing and implementing new initiatives to oversee the provision of legal services.

Client-centred services



ALIGNED WITH
LETTER OF DIRECTION

LAO is dedicated to providing inclusive, accessible and needs-based services that recognize the diversity of Ontarians. In collaboration with justice sector participants, this strategic goal is intended to enhance client-centred services and improve our clients' overall experience. By prioritizing client-centred services, LAO ensures that legal aid is responsive, culturally competent and accessible — key components of our mission to promote access to justice and deliver public value. Each of these initiatives helps to support the government's priority to deliver better services. The following initiatives in 2026-27 support this goal:

Client-centred service approaches

Family law strategy: Having developed a framework and action plan, in 2026-27 we will focus on advancing our family law strategy. The purpose of this is to make family law services more accessible, equitable, efficient and effective. The objectives of the strategy are to:

- Increase the number of service providers for family law
- Encourage existing service providers to take on more work
- Reduce the number of clients who pursue litigation in their family law matter
- Ensure family law clients receive high-quality services
- Increase the number of people receiving legal aid services for family law matters

Immigration and Refugee (I&R) Program enhancements: We will develop operational policies and explore innovative service delivery models to provide high-quality legal aid services to I&R clients, while ensuring accountable use of public funds allocated for delivering this program.

Mental Health Program enhancements: We will explore updates to the mental health tariff to reflect how mental health proceedings operate today, and to protect vulnerable clients by ensuring that legally authorized decision-makers can participate meaningfully in proceedings.

Client service enhancement strategy: To fulfill the strategic plan's goals and respond to government priorities, we will focus on providing more direct client services and creating internal efficiencies. In response to ongoing bail and remand challenges, we will expand the Institutional Duty Counsel (**IDC**) Program by embedding additional capacity within provincial detention centres. This embedded model improves access to individuals in custody and meets the specific needs of vulnerable populations, including individuals experiencing mental health challenges, those with learning differences, and clients from Indigenous and racialized communities.

Coverage of Section 19 youth conferences: Section 19 conferences are designed to offer various parties (e.g., youth, the youth's family, legal counsel, and other professionals who may be involved in supporting the youth) an opportunity to discuss the young person's needs and formulate recommendations. LAO will seek to expand its tariffs to include Section 19 youth conferences, because without coverage, lawyers may be deterred from actively seeking out these conferences, possibly resulting in poorer justice outcomes for their youth clients.

Client service channels

Multi-channel client access strategy: In 2026-27, we will undertake several initiatives intended to enhance and promote access to LAO services, whether digitally or in person. Initiatives will include:

Access to LAO Services campaign: We will continue efforts to increase awareness of LAO intake channels and the increased financial eligibility thresholds (**FET**). Additional communication to clients, the judiciary, and service providers will improve knowledge of the threshold changes and encourage individuals to apply via LAO's contact centre, client portal or through lawyer-assisted applications. Clients will also be encouraged to use our website and chat features to access general legal support, including help in understanding where to start and how to find appropriate resources.

We will also explore options to enhance support to clients by:

- Expanding opportunities for in-person certificate applications at courthouses
- Broadening the assisted application process, enabling lawyers and partner agencies to initiate applications on behalf of clients
- Installing dedicated phone lines in courthouses that connect directly to our client contact centre
- Exploring a solution that allows the judiciary to verify the status of a client's certificate

or change-of-lawyer request promptly

Client portal enhancement and expansion: This initiative focuses on improving usability, expanding functionality, and allowing more clients to apply for legal aid online through our client portal. By reducing barriers to self-service and improving ease of use, the portal will better meet the needs of diverse client groups and support timely access to legal assistance. These improvements will also help reduce call volume and increase efficiency for the contact centre, which aligns with the strategic goal of organizational excellence as we look to optimize organizational efficiency and value for money.

Indigenous legal services

This plan furthers LAO's commitment to advancing reconciliation and ensures that our services align more effectively with the needs and priorities of Indigenous clients and communities. In 2026-27, we will continue to build meaningful partnerships with Indigenous communities to enhance services, deliver public legal education and community-based legal clinics, and support intake for legal aid applications.

LAO has partnered with the University of Windsor Faculty of Law on an Indigenous child protection project. The project engages local First Nations, in addition to researchers and legal professionals, to increase both the number and competence of lawyers working in child protection. The project focuses on building relationships with Indigenous clients that acknowledge their lived experiences, cultural values, and community-driven approaches to child and family wellbeing.

Assessment of community services

In 2026-2027, LAO will invest sustainably in clinics whose communities have the highest need, based on assessments of community need. This investment approach will demonstrably increase clinic law services in those communities. We will also engage in an assessment of needs among clinics that do not serve distinct geographic areas. LAO will continue to provide equitable access to clinic law services across the province.

Key Performance Indicators: Client-centred services

Measure	KPI Objective	Actuals 2024-25	2026-27 TARGET
Client satisfaction	% clients satisfied with experience with their lawyer	Certificates 84% DC 70%	Certificates >80% DC >70%
Client journey	% of certificates issued on the same day	81%	80%
	Average days from issuance to acknowledgement	4 days	4 days
	% of DC clients reporting it was easy to get service from DC	66%	>65%
	% of staff trained on delivering culturally appropriate services to Indigenous clients	85%	90%
Contact centre experience	% of calls answered (across all queues)	94%	≥90%
	Total transactional interactions through digital channels (client portal, lawyer portal and service finder)	Client Portal total: 178,737 Legal Aid Online total: 310,138 Service Finder: not applicable (launched in 2025)	Setting baseline
	Delivery of major digital improvements (e.g., new functionality or system upgrade)	New KPI in 2025-26	At least one

Organizational excellence



LAO is committed to ensuring our processes and systems are efficient and effective for users, whether they be clients, staff, roster members or entity service providers. This strategic goal aims to achieve excellence in all aspects of our operations, to value innovation, and to continuously improve how we work and serve our clients. As we look to continuously improve our operational efficiency, we are exploring the use of lean methodology to drive innovation and value for money. This focus on continuous improvement helps us deliver better services by eliminating waste, simplifying processes, and focusing on adding value for clients, staff, and the organization. These initiatives also support the LAO-specific priority of advancing work in IT transformation to ensure we are well positioned to meet our operational needs. The initiatives aligned to this goal include the following:

Core infrastructure modernization and integration

Client Relationship Management (CRM) system: We have initiated a multi-year project to implement a new, modern CRM system. This foundational initiative is expected to deliver a range of benefits, including enhanced operational efficiency, enabling LAO to adapt quickly to evolving business needs while maximizing our capacity and focusing resources on priority areas. Once implemented, the system is anticipated to improve client, staff and roster lawyer satisfaction by streamlining processes, enhancing communication, and providing more personalized, timely services. This work aligns with the government's priority of delivering better services, as it focuses on a user-centred experience by simplifying interactions and improving satisfaction.

LAO LAW and Clinic Resource Office (CRO) platform upgrade: This initiative aims to implement a modern system that will directly benefit roster lawyers, clinic staff, and ultimately, low-income Ontarians. This initiative also supports the goal of client-centred services, as it enables our service providers to provide quality services to LAO clients.

Wi-Fi in the courts: The return to courthouse locations since the COVID-19 pandemic has heightened the need for technology to support hybrid services from the courthouses. In 2026-27, LAO will continue to work collaboratively with MAG and impacted courthouse locations to address identified connectivity issues and advance a coordinated and cost-effective plan for future improvements across the province.

Business Functional Specification and Process Review (BFS&PR): LAO is undertaking this work to review and enhance our lawyer payment processes as part of LAO's broader modernization strategy. The review will examine up to 70 processes supporting roster lawyers and duty counsel (DC), identify improvement opportunities, and define future-state business functional requirements. The outcomes will deliver clear, system-agnostic documentation to guide future system design and ensure LAO's payment processes are efficient, accurate, and aligned with organizational goals.

Contact centre technology: In 2026-27, LAO will progress our efforts to replace our current contact centre technologies with a robust, integrated solution that offers detailed reporting and analytics, call monitoring and workforce management capabilities. The new solution will help strengthen our technological systems and infrastructure as well as support the goal of leveraging data and technology solutions to improve operational efficiency, decision-making and reporting. This initiative also supports the client-centred services goal by seeking to enhance client experience.

Enterprise resource planning (ERP): We will begin exploring and identifying the resources required to procure and implement a modern, cloud-based ERP system that integrates key business functions, including HR, Finance, Procurement, Asset Management, and Learning Management. This initiative supports organizational excellence by enabling data-driven decision-making, improving operational efficiency, and ensuring alignment across systems such as our future CRM platform. Seamless integration between ERP and CRM will enhance service delivery, resource planning, and responsiveness to evolving organizational needs.

Data governance

In 2026-27, we will advance our efforts to establish a data governance framework that ensures the effective management of information and data assets across LAO. In alignment with effective data management practices and in compliance with Ontario Public Service (**OPS**) directives, this initiative will focus on laying the groundwork for the responsible use of artificial intelligence (**AI**), ensuring any future exploration or implementation is guided by the principles of the Responsible Use of AI Directive. In parallel, we will address outstanding components of our initial M365 implementation to fully leverage its capabilities in support of collaboration, productivity, and secure information management.

Together, these efforts will strengthen LAO's ability to use data and technology to improve efficiency, decision-making, and reporting.

Entity service provider oversight

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 by LAO

- 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
- A policy framework that outlines clear and transparent operational standards

Optimized effectiveness and value for money

Scheduling tool: In 2026–27, we will begin the process to procure and implement a streamlined scheduling tool to support the coordination of staff lawyers, per diem lawyers and non-lawyer employees into various courts, district offices, and other LAO service locations across the province. This tool is expected to ease the administrative burden of manual scheduling, enable more effective resource allocation, and allow management teams to focus on higher-priority tasks. Ultimately, it will help improve service delivery and responsiveness to client needs.

Conflict check: In 2026–27, we will establish a standardized and centralized conflict check management process. This initiative will apply lean methodologies to review current-state practices and streamline workflows, while aligning with Law Society of Ontario (**LSO**) requirements. The resulting policy and procedure will enhance compliance and consistency across the organization. By improving efficiency and reducing administrative burden, this work supports the government’s priority of operational excellence and better service delivery. It will also define business functional requirements to inform future system planning, ensuring readiness for broader modernization efforts.

Strengthened resilience

IT upgrades: We will maintain stable, secure operations and continue to complete required system updates. We will continue to employ advanced tools to prioritize the security, availability and integrity of data.

Digital modernization: We will continue to advance LAO’s digital modernization by strengthening organization-wide M365 adoption and improving collaboration, document management, and knowledge sharing practices, utilizing cloud-first approaches.

Financial sustainability: LAO’s funding framework is complex and complicated by the volatility of revenue received from the Law Foundation of Ontario (**LFO**). Conservative financial management ensures that we will have the financial resources necessary to sustain our programs and initiatives throughout their lifespan. We continue to collaborate with MAG to ensure consistency and transparency in financial reporting and forecasting methodology, and in the development of options to create a stable funding model.

Key Performance Indicators: Organizational excellence

Measure	KPI Objective	Actuals 2024-25	2026-27 TARGET
Budget allocated to direct client service	% of budget allocated to direct client service	91.25%	91.30%
Financial performance	Net working capital: 3 months of LAO's financial obligations or expenses	Met target	Net working capital
Exposure to risk	# of entity service providers designated or under investigation for medium and high risk	March 2025: 2	< 5
	% of roster currently being monitored ¹	Monitoring across all areas at March 2025: 3.9%	Tracking the % of roster members being monitored
	Enterprise risk exposure: The number of risks with a residual risk rating of High that are actively being managed across all risk categories.	4	Decreasing number of high risks

Attract and retain talent



Our ability to deliver on our mandate depends on the people who work for us and with us every day — in the courts, in our corporate office and in clinics across the province. This strategic goal focuses on supporting our dedicated employees, roster members and entity service providers by promoting an environment where diversity, learning and well-being are at the forefront. Investing in people ensures the delivery of high-quality services and reflects LAO's commitment to empowerment and inclusivity. These initiatives respond to the government's letter of direction by focusing on a mandate review recommendation to

¹ This is the number of approved roster members we are monitoring as it is the most appropriate way to contrast with the number of approved roster members overall. We are monitoring more people than this who may currently be suspended or removed.

further explore how to better attract and retain talent. The initiatives for 2026-27 include:

Talent development strategy for LAO staff

In 2026-27, work will continue on the development of a comprehensive strategy that outlines objectives and metrics for attracting, developing and retaining staff. In the meantime, several initiatives are underway that invest in our people, their growth and their well-being, including:

Accelerate program: We will continue to deliver a professional development program for high-potential employees that is a critical component of effective succession planning. It ensures the organization is proactively cultivating future leaders by equipping them with the skills, experiences, and strategic insight needed to step into key roles. This not only reduces the risk of leadership gaps during transitions but also boosts employee engagement and retention by demonstrating a clear investment in career growth. Ultimately, such programs help build a strong internal talent pipeline, ensuring continuity, stability, and long-term organizational success.

Regional office refresh: In 2026-27, we will undertake office refurbishments and ensure that regional offices, including district offices, satellite offices and court offices, have upgraded fixtures. A consistent standard for furniture will be aligned with ergonomic and Occupational Health and Safety (**OHS**) standards. These updates are expected to improve staff morale and employee engagement, leading to more effective client service.

Organization-wide training: Providing de-escalation and cross-cultural competency training is essential to equip staff with the skills to respond to conflict and distress with empathy, awareness, and professionalism — minimizing harm and promoting psychological safety. In trauma-exposed organizations, where individuals may carry heightened sensitivities or past adverse experiences, it is critical for team members to develop skills to de-escalate tense situations respectfully and recognize cultural differences in communication, behavior and expression. Ultimately, such training supports a resilient, responsive, and emotionally intelligent workplace culture, which are key pillars of long-term organizational success and employee well-being.

Contact centre employee experience action plan: Drawing on insights from employee engagement survey results and occupational psychological risk assessments, this initiative is designed to enhance operational efficiency, improve staff experience, and strengthen workforce planning. We continue to prioritize employee well-being and professional development by expanding access to training and support opportunities for staff. While this initiative supports several of the strategic plan goals, including client-centred services and organizational excellence, its primary focus is enhancing the employee experience and fostering psychological safety — key drivers in attracting and retaining diverse, qualified, and highly motivated talent.

Employee experience survey: LAO's next employee experience survey will take place in 2026. This survey will help us better understand how our people feel about their work, their teams, and our organization as a whole. This initiative is part of our commitment to creating a workplace where everyone feels connected to our values: **Inclusive, Collaborative, Accountable, Responsive and Empowered (I CARE)**.

Inclusion, diversity, equity and anti-racism (IDEA) assessment response: In 2025, LAO conducted an organizational assessment focused on IDEA. With 75 per cent participation, results showed that a strong majority of staff feel respected and valued by their peers and supervisors, and that LAO provides a work environment free from discrimination and harassment. Throughout 2026-27, LAO will undertake actions that respond to the results and seek opportunities for growth.

Strengthening the roster

Roster engagement strategy: While recent lawyer satisfaction surveys have shown historically high satisfaction among LAO roster lawyers, there is still much progress needed to grow the roster and encourage members to take on more certificate work.

In November 2025, LAO hosted an inaugural Legal Aid summit, aimed at showcasing and supporting access to justice leadership and career development. The full day event featured opening remarks from Attorney General Doug Downey, as well as panelists and presenters from the bench and bar who provided information and resources for new and prospective roster members. LAO plans to build on the success of the 2025 summit and make this event a yearly occurrence, tailoring future programming to provide maximal support for, and engagement of, roster members.

In 2026-27, we will develop a roster engagement strategy that outlines specific objectives and performance metrics to track the progress of this approach. Among the initiatives will be improvements to administrative processes for roster applications and onboarding, the expansion of training and mentoring programs, and a dedicated learning and development team to create programs for roster members.

Key Performance Indicators: Attract and retain talent

Measure	KPI Objective	Actuals 2024-25	2026-27 TARGET
Roster engagement	Acknowledgement rate	87%	>88%
	% of roster completing annual self-report	83%	>80%
	Roster member overall satisfaction	59%	50%
Equity, diversity, inclusion and belonging	Inclusion, diversity, equity and anti-racism (IDEA) organizational assessment: Percentage of staff respondents feeling respected and valued by those reported to	85%	85%
	IDEA organizational assessment: Percentage of staff respondents reporting that LAO promotes an environment that is free from discrimination and harassment of any kind	81%	80%
Employee retention and engagement	Employee turnover rate	11.9%	10%
	Employee engagement scores		
	% of employees reporting they are very satisfied at work	Next survey in 2025-26	> 69%
	% of employees reporting they are satisfied in their role	Next survey in 2025-26	> 79%
	% of employees who report feeling that LAO is successful at making them feel valued as employees	Next survey in 2025-26	> 58%

Justice sector engagement



LAO is a critical part of the justice system and is dedicated to working closely with other justice sector participants to uphold a fair and efficiently functioning justice system in Ontario. This strategic goal focuses on collaborating with others in the justice sector to ensure our clients' experiences and perspectives are heard, considered, and reflected in justice sector decision-making. By engaging with the justice sector, LAO ensures that client perspectives inform system improvements, advancing fairness and public value. The initiatives that support this goal also align with the government priority stating that LAO is expected to support the court and tribunal recovery process, working collaboratively with MAG as it plans and executes strategies to reduce the backlog in courts.

Supporting justice sector recovery

We 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. This will benefit both clients and the broader justice sector.

FET increase: In 2025, with the Attorney General's support, we expanded access to legal aid by increasing FET for a three-year period for criminal DC and criminal certificate services, which helps reduce the number of unrepresented individuals in court. This is a critical contribution to court backlog reduction. In 2026-27 we will report on the impact of this investment.

Other initiatives relevant to LAO's role in the backlog reduction strategy include:

- Optimizing staff resources to better support client service (e.g., expanded role for legal aid workers (**LAWs**) and consistent modes of appearance based on the type of proceeding)
- Supporting opportunities for early resolution for legally aided accused (e.g., expedited Crown resolution meetings and increased counsel representation at self-represented judicial pre-trials (**JPTs**))
- Updated service guide that expands baseline DC services across the province, clarifies what services are included and excluded, and enhances access by strengthening support in key areas.

Court service delivery modernization

In 2026-27, we will continue to 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.

Bail supports: We will continue to address challenges with bail and remand by targeting specialized resources to assist with bail reviews, Myers reviews, habeas corpus applications, and complex bail issues.

Ontario Court of Justice Toronto (OCJ-T) Self Represented Court pilot: To support backlog reduction, LAO provides legal aid assistance through lawyers and LAWs at the OCJ-T self-represented court. In addition, we are participating in a court-led pilot, launched in May 2025, by providing system navigators. Running through late 2026, the pilot is focused on reducing delays for self-represented accused. System navigators help clients understand the court process, access disclosure, apply for legal aid, and connect with community services. The initiative also enables same-day summary legal advice and facilitates resolution-focused pre-trials with Crown attorneys by providing individuals with access to DC.

Special bail enhancer: We will continue to explore incentive strategies to encourage more roster lawyers to assist with special bail hearings and reduce delays in scheduling and conducting these hearings.

Effective communication and collaboration with justice sector

Regular contact with courts and other justice sector groups: We will continue the monthly meetings we have established with the offices of the Chief Justices of the Superior Court of Justice (**SCJ**) and OCJ to share information, promptly address issues and identify opportunities for improvement. In addition, we will continue our regular meetings with organizations such as the LSO, the federal Department of Justice (**DOJ**) and organizations representing lawyers who provide legal aid.

Internal and external presentations: Materials about LAO's services and processes have been developed. These materials educate service providers and other justice sector contacts on how to serve clients better and promote available LAO services. We will continue to present to law schools, legal conferences and seminars.

Networking and promotion of LAO services: We will continue to expand our initiatives to connect with the justice sector, other legal aid organizations and Ontario law schools, and promote LAO's services, service delivery channels and career opportunities. In 2026, LAO will expand the Sidney B. Linden Awards, LAO's recognition for those who have

demonstrated outstanding achievement in access to justice. Starting in 2026, awards will be given in four categories: a Student Award, a Rising Leader Award (for early-career professionals), a Change Maker Award (for mid-career leaders), and a Lifetime Achievement Award.

Key Performance Indicators: Justice sector engagement

Measure	KPI Objective	Actuals 2024-25	2026-27 TARGET
Ontarians served	Additional clients served due to increased FET	Full enhanced FET was implemented at the end of March 2025	Monitoring
Strategic advice provided to government	Number of strategic justice sector channels in which LAO has participated	—	Setting baseline
Contribution to justice sector initiatives	Number of joint justice sector initiatives	—	Setting baseline
	Number of ideas, challenges, and opportunities identified by LAO	—	Setting Baseline
	Number of judicial pre-trials and settlement conferences provided	—	Setting baseline

Part 4: Three-year financial outlook and projections

LAO continues to maintain a strong financial position with a projected net assets exceeding \$430 million as of March 31, 2026. In the 2026-27 fiscal year, LAO expects to begin drawing on these net assets to support key existing and new initiatives aligned with the 2025-30 Strategic Plan. These initiatives, focused on improving access to justice and modernizing service delivery, include:

- Tariff increase and reform
- Enhancement of the FET
- Launch of the Family Senior Counsel Program and the Summary Legal Advice Program
- The Indigenous Services Action Plan, reinforcing LAO’s commitment to reconciliation by aligning services with Indigenous community needs
- Expansion of DC services, including support for JPTs and family settlement conferences through updated service guides.

These investments coincide with a projected moderate decline in LFO revenue. This decline is driven by the Bank of Canada (**BoC**)’s reduction in interest rates: from a peak of 5 per cent to the current rate of 2.25 per cent. Mixed trust balances have also decreased, influenced by housing market pressures and broader geopolitical uncertainties, including the trade tension between Canada and the United States. The impact of increasing expenditures and flat or declining revenues will result in modest operating deficits starting in the 2026-27 fiscal year.

The following table projects LAO’s financial position for the next three years.

(\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Total revenue	728.2	635.0	624.3	648.5	659.3
Total expenses	588.0	643.9	702.6	710.6	709.5
Net operating position surplus/ (deficit)	140.1	(8.9)	(78.3)	(62.1)	(50.2)
Net assets	443.0	434.1	355.8	293.7	243.5
Contingency reserve fund	20.0	20.0	20.0	20.0	20.0

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

LAO is projecting an operating deficit of (\$78.3M) for 2026-27. The deficit is projected to continue in 2027-28 (\$62.1M) and in 2028-29 (\$50.2M).

The operating deficits will be funded from LAO's net assets. LAO expects to maintain a healthy financial position, with approximately \$243.5 million in net assets and \$20 million in the Contingency Reserve Fund by 2028-29.

Revenue projections

Assumptions:

- Government funding remains stable
- Immigration & Refugee Program is fully funded by the federal government
- LFO revenue increases slightly next year due to increasing mixed trust balances in response to decreasing interest rates, with a moderate decline in the later years, reflecting potential economic uncertainty and a conservative outlook
- Other income declines, driven by lower interest income earned on GIC investments

The table below details actual revenue for 2024-25, the forecast for 2025-26, and projections for the next three fiscal years:

Revenue (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Provincial funding	269.7	267.4	266.7	266.7	266.7
Federal criminal funding	76.9	79.8	79.1	79.1	79.1
Federal I&R	71.5	87.0	78.7	78.7	79.7
LFO	274.3	165.5	166.0	190.0	200.0
Other revenue	35.8	35.3	33.9	34.1	33.8
Total revenue	728.2	635.0	624.3	648.5	659.3

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

LFO revenue is projected to increase beginning in 2026-27 due to slightly higher mixed trust balances. Key assumptions regarding rates and mixed trust balances are outlined below:

Year	LFO revenue	Year-end overnight rate	Avg, Trust account balance
2025-26	\$165.5	2.25%	\$8.1 B
2026-27	\$166.0	2.25%	\$8.4 B
2027-28	\$190.0	2.50%	\$8.6 B
2028-29	\$200.0	2.50%	\$9.2 B

Expenditure forecast

Expenditures are projected to grow at an average annual rate of 3.4 per cent over the next three years, in line with 2025-26 business plan allocations for fiscal years 2026-27 and 2027-28. Increases of \$11.6 million and \$12.4 million are anticipated in 2026-27 and 2027-28 respectively.

While some costs for initiatives are expected to be lower than originally forecasted, new cost increases have been incorporated into the 2026-27 budget. This steady growth reflects strategic targeted investments across divisions.

Certificate program

Certificates

Certificate costs are projected to increase by 2.7 per cent annually over the next three years. Base figures reflect scheduled tariff rate increases and reforms.

Although certificate issuance under the enhanced FET will conclude in 2028-29, earlier issuances will continue to impact expenditures in future years.

Base certificate issuance (excluding I&R) is expected to grow modestly until FET issuance ends, assuming no major service disruptions or policy changes.

I&R certificate issuance is expected to stabilize at approximately 25,000 certificates in both 2025–26 and 2026–27.

FET update:

Effective March 31, 2025, LAO increased the income threshold for criminal certificate services to \$45,440 for families of up to four. The asset threshold was also raised to \$15,000 for all family sizes. Eligibility criteria for families of five or more remain unchanged.

ORIGINAL budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Additional DC clients served	178,000	180,000	182,000	0	0	0
DC (\$M)	12.3	12.7	13.1	0.0	0.0	0.0
Additional certificates issues	2,381	4,814	4,905	0	0	0
Certificates (\$M)	1.6	4.9	7.2	4.5	1.2	0.2
Total investment (\$M)	13.8	17.6	20.3	4.5	1.2	0.2

In 2025-26, estimated certificate uptake exceeded expectations, with 4,401 certificates expected to be issued compared to the projected 2,381 in the 2025-26 business plan. The increase is attributed to a broader rise in criminal case volumes and a higher-than-anticipated early uptake of the initiative. Conversely, spending for DC services was lower than expected,

primarily due to longer than anticipated hiring timelines.²

UPDATED	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Additional DC clients served	178,000	180,000	182,000	0	0	0
DC (\$M)	6.6	8.1	8.1	0.0	0.0	0.0
Additional certificates issues	4,401	4,455	4,489	0	0	0
Certificates (\$M)	2.9	6.0	7.0	4.2	1.1	0.2
Total investment (\$M)	9.5	14.1	15.2	4.2	1.1	0.2

Updated FET figures are incorporated into the overall certificate numbers as outlined below:

Certificate cost by major aid – Criminal costs will rise with increased issuance

Program	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Criminal – Big Case Management (BCM)	23.0	24.0	25.0	26.0	27.0
Criminal – Non-BCM*	93.5	113.0	125.0	132.0	132.0
Family	51.8	59.0	64.0	64.0	65.0
I&R	58.2	55.0	50.0	49.0	48.0
Civil	11.1	12.0	13.0	13.5	13.5

² For DC, a new IT system was implemented in June 2025 to track newly eligible clients; however, sufficient information is not yet available to support a comprehensive analysis. Therefore, the additional DC persons-assisted figures shown are the original estimates from the 2025-26 business plan.

Program	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Sub-total	237.5	263.0	277.0	284.5	285.5
Protocol Case Units	9.7	11.5	12.5	13.7	14.2
Total certificates	247.2	274.5	289.5	298.2	299.7

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

**The potential cost of covering Youth Criminal Justice Act s. 19 youth conferences estimated at \$50,000 to \$100,000 annually, will be absorbed within the Criminal Non BCM budget.*

Certificate Program operations

The certificate program budget is integral to executing LAO's strategic plan by delivering client-centred services across multiple channels, managing certificates and rosters efficiently, and providing legal research and support to staff and service providers. The work of the certificate program contributes to LAO's broader mandate of providing accessible, high-quality services across the justice system.

The proposed 2026-27 budget reflects the program's commitment to leveraging prior strategic investments to expand services and enhance processes in the contact centre, centralized services, and roster management. These initiatives address rising demand, support implementation of the FET increase, and align with broader organizational priorities.

The budget also includes resources for major technology initiatives including a board-approved CRM system replacement that will modernize client service delivery and service provider engagement. In addition, the certificate program ensures timely and accurate compensation for lawyers, manages inquiries related to billing and certificate coverage, and collaborates with the private bar to set budgets for complex cases where fees and disbursements exceed \$20,000 to \$50,000.

The following table shows the details of the Certificate Program operational expenditures:

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Certificate Program operations					
Adjusted base (business plan)			57.2	58.3	58.9
Changes in the 2026-27 budget					
Business process review for ERP			0.7	0.6	0.6
Total Certificate Program operations	43.1	47.3	57.9	58.9	59.5

DC and staff services programs

LAO is pursuing strategic investments to enhance access to justice through client-centred approaches, reduce court backlogs, and improve operational efficiency via technology and resource alignment. Collectively, these efforts enhance client service delivery and support justice sector recovery:

- The increased FET for DC continues to expand access, allowing more clients to be served by DC province wide.
- Assistance for unrepresented litigants at OCJ-T's self-represented court pilot by lawyers, LAWs and system navigators.
- Expansion of the Institutional DC Program to reduce bail court delays and improve access to in-custody clients.
- Increased resources to ensure LAO is well positioned to lead, coordinate, and deliver on our commitments.
- Investment in a new scheduling tool for staff and per diem DC to streamline workflows and improve reporting.

The following table shows the details of the DC and staff services programs:

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
DC and staff services (Court-Based Client Services Division)					
Adjusted base (business plan)			163.6	164.9	153.7
Changes in the 2026-27 budget:					
Client service enhancement strategy (Institutional DC & Restructure)			4.0	4.0	4.0
FET reforecast			(4.6)	(5.1)	-
Scheduling tool			1.0	-	-
Total changes			0.4	(1.1)	4.0
Total DC and staff services (Court- Based Client Services Division)	126.5	144.4	164.9	163.9	157.8

Clinic services

In 2025-26, LAO developed a data-driven model to assess the relative need for poverty law services across clinic catchment areas. The analysis identified 7 to 12 communities with significantly fewer resources compared to other clinics. To address these disparities and enhance client outcomes, LAO is planning a targeted investment in 2026–27 focused on these underserved communities.

The following table shows the details of the clinic services:

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Clinic services					
Adjusted base (business plan)			120.5	122.7	122.7
Changes in the 2026-27 budget:					
Annual Funding Growth			2.0	-	2.2
IT Clinics Microsoft EA			0.4		-
Total changes			2.4	0.0	2.2
Total clinic services	112.9	117.0	122.9	122.7	124.9

Indigenous services

In 2025-26, LAO consolidated all Indigenous services under one department to oversee and manage these services. The focus is on expanding Indigenous legal support services, increasing Indigenous representation and retention, providing cultural competency training, and deepening partnerships with Indigenous communities.

The following table shows the details of the Indigenous Services Department:

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Indigenous services					
Adjusted base (business plan)			8.4	8.5	8.5
Changes in the 2026-27 budget:					

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Indigenous Services Action Plan			0.4	0.4	0.4
Total changes			0.4	0.4	0.4
Total Indigenous services	9.3	8.6	8.8	8.9	8.9

General administration

Administration and staffing costs are increasing modestly. This increase is primarily driven by additional costs associated with IT modernization. LAO is also addressing compensation pressures resulting from collective agreements. Administrative expenses are projected at 7.9 per cent of total expenditures in 2026-27 through 2028-29.

The following table shows the details of the general administration budget:

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Administration					
Adjusted base (business plan)			53.7	53.9	54.6
Changes in the 2026-27 budget:					
Contact Centre as a Service			1.4	1.4	1.3
IT Microsoft renewal agreement			0.2		
Cross Cultural Competency Training			0.2	-	-

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Talent Development Strategy			0.2	-	-
Wi-Fi in the courts			0.1	-	-
Total changes			2.2	1.4	4
Total administration	45.8	49.1	55.7	55.2	55.8

Other Expenses

LAO's depreciation has been reduced by \$1 million from the prior budget due to adjusted timelines in capital expenditures.

The following table shows the details of the other expenses:

Expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Other expenses					
Adjusted base (business plan)			4.0	4.0	4.0
Changes in the 2026-27 budget:					
Lower depreciation due to lower capital assets			(1.0)	(1.0)	(1.0)
Total changes			(1.0)	(1.0)	(1.0)
Total other expenses	3.3	3.0	3.0	3.0	3.0

Capital budget

LAO's capital budget has increased by \$1 million to support IT investments, including new CRM and ERP systems. The total capital expenditure budget is \$4 million for IT and \$250k for facilities.

Summary of revenues and expenditures for 2024-25 actual, 2025-26 forecast, 2026-27 budget and out-years outlook

Revenues and expenses (\$M)	2024-25 Actual	2025-26 Forecast	2026-27 Budget	2027-28 Outlook	2028-29 Outlook
Revenues					
Total government funding	418.1	434.2	424.5	424.5	425.5
LFO revenue	274.3	165.5	166.0	190.0	200.0
Other revenue	25.9	23.8	21.4	20.4	19.7
Protocol cases unit recoveries	9.9	11.5	12.5	14.2	14.2
Total revenue	728.2	635.0	624.3	649.0	659.3
Expenses					
Total Certificate Program	290.3	321.8	347.4	357.1	359.2
DC and staff services programs (Court-Based Client Services)	126.5	146.3	164.9	163.9	157.8
Clinic services	112.9	117.0	122.8	122.7	124.9
Indigenous services	9.3	8.6	8.9	8.9	8.9
Administration	45.6	49.1	55.6	55.2	55.8
Other expenditures	3.3	3.0	3.0	3.0	3.0
Total expenses	588.0	643.9	702.6	710.6	709.5
Net operating surplus / (deficit)	140.1	(8.9)	(78.3)	(62.1)	(50.2)

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

Part 5: Environmental scan 2026-27

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

Access to legal aid

In March 2025, LAO initiated a three-year phased increase to the FET for criminal and family DC services, as well as for criminal certificates. This expansion has significantly broadened access to legal support for low-income Ontarians.

Between March 31 and October 31, 2025, LAO issued certificates to 2,734 newly eligible criminal clients. From March to August 2025, over 157,000 additional DC services were delivered compared to the same period in 2024, reflecting the early impact of these eligibility enhancements.

Increase in demand for services

Demand for LAO services continues to grow. In Q1 2025-26, LAO delivered 425,000 services, a 28 per cent increase over the same period last year. This growth was driven by a 34 per cent increase in DC services, (from 267,000 to 359,000), largely due to increased staff capacity following the enhanced FET.

Certificate issuances declined by 4 per cent overall, with 33,700 certificates issued in Q1 2025-26. This reflects a 44 per cent reduction in I&R certificates, while criminal and family certificates increased by 16 per cent and 23 per cent, respectively.

Clinic services increased by 3 per cent compared to Q1 last year, with 32,900 new cases opened in Q1 2025-26.

Legal landscape

The federal government introduced Bill C-14, the *Bail and Sentencing Reform Act*, which proposes stricter bail laws for repeat and violent offenders. The proposed legislation is part of a broader effort to modernize the *Criminal Code* and address concerns about community safety and crime rates. The Bill is now undergoing legislative review, which includes debate and possible amendments. If the Bill passes, there will be additional pressure on LAO to provide services in bail matters, which will likely be more complex. Coupled with the recently announced hiring controls, these circumstances could lead to resource constraints and a reduced ability to provide timely and high-quality services to LAO clients.

In I&R law, certificate issuance declined by 19 per cent in 2024–25, reflecting a broader

drop in refugee claims. Anticipated federal policy changes may further reduce eligibility for claims. However, United States asylum policy shifts under the current U.S. administration could drive irregular migration into Canada, increasing demand for I&R services.

Attraction and retention of roster members

In late 2024, roster lawyer satisfaction reached a record high of 59 per cent, likely influenced by the continued impact of tariff increases. Despite this improvement, LAO continues to face declining acceptance rates for certificates in family and child protection law by roster members across several locations.

Recruitment and retention of lawyers remain a significant challenge in parts of the province, particularly in smaller and northern communities due to a limited number of newly licensed lawyers choosing to practice in these areas.

Provincial budget 2025

The 2025 Ontario budget included increased investments in policing, border security, and correctional infrastructure. Justice sector spending is projected to grow to \$6.4 billion by 2027-28, driven by funding for the Ontario Provincial Police, new correctional facilities, and frontline personnel. Initiatives such as Operation Deterrence, expanded auto theft and gang prosecution teams, and enhanced bail enforcement are expected to increase criminal charges and case complexity, potentially raising demand for LAO services.

Expanded police training and enforcement powers, especially in First Nations and public spaces, may disproportionately affect vulnerable and Indigenous communities, further straining LAO resources.

Investments in homelessness support programs, addiction recovery, and support for human trafficking survivors may offer some relief but also introduce new service demands.

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 Risk section](#)].

Technology and Artificial Intelligence (AI)

The OPS has issued a directive on responsible AI use. As AI becomes increasingly embedded in standard applications, LAO is proactively managing associated risks and equipping staff to use emerging tools effectively and responsibly.

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 provincial office 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** (Hamilton, 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 client contact centre: available toll-free from anywhere in Canada, offering services in more than 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 program: enables roster lawyers and partnering agencies to assist vulnerable clients with completing certificate applications

2. Legal services in specified areas of law

LAO provides services in criminal, family, child protection, I&R, mental health, and poverty law matters through:

- Certificate services: private practice lawyers (LAO roster members) 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 refugee 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 70 independent legal clinics.
- 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, Aboriginal Legal Services and Nokiiwin Tribal Council to deliver legal aid services. LAO also provides funding to the Ontario Federation of Friendship Centres Community Justice Program.

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 access to services

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 offers interpretation services in more than 300 languages.

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 CRO 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 and knowledge management among clinic practitioners, and court litigation support services, such as acting as co-counsel 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. 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 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 70 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, and Indigenous law. LAO also funds eight university-operated SLSOs. SLSOs 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 through the transfer payment relationship between LAO as the funder and the clinic or the SLSO as the funding recipient and services provider

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 providers³. These rules align with LAO's obligations under Ontario's Transfer Payment Accountability Directive. Service agreements between LAO and clinics/SLSOs outline community-responsive services to be delivered with funding and establish regular reporting on those services.

To ensure that low-income Ontarians have access to high-quality legal services, LAO will:

- Have performance measures for entity service providers that allow LAO to monitor risks to services and to the entity; and
- Operationalize a needs-based, data-driven funding formula to allocate resources effectively in consultation with entity service providers and other stakeholders.

LAO will:

- Continue to clearly identify service-level expectations and accountabilities where LAO provides support to clinics (e.g., integrating clinics into LAO's IT strategy)

³ Entity service providers are 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.

- 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 2026-27, 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

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 are available to Indigenous clients.

Appendices

Appendix A: Agency letter of direction

Attorney General

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Our Reference Number: M-2025-8752

October 3, 2025

Mr. Stephen Pengelly
Chair of the Board of Directors
Legal Aid Ontario
730-20 Dundas Street West
Toronto, Ontario
M5G 2H1

Dear Mr. Pengelly:

I am pleased to share our government's 2026-27 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. In a time of economic uncertainty, agencies play a critical role in supporting our commitment to Protect Ontario by improving service delivery, driving innovation, and ensuring responsible stewardship of public resources – all while adhering to government policies and directives.

In accordance with the [Agencies and Appointments Directive](#), agencies are required to align their goals, objectives and strategic direction with our government's priorities. As Chair, you are responsible for ensuring that LAO's business plan clearly demonstrates how the agency will fulfill these expectations. Progress and achievements must be reported through your annual report, and compliance with these requirements will be monitored and reported to Treasury Board/Management Board of Cabinet annually.

This letter sets out my expectations for 2026-27, with a focus on how LAO will contribute to protecting Ontario by delivering better services and driving innovation and value for money.

Protect Ontario

1. Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic

resilience, particularly in light of ongoing U.S. tariff threats and economic uncertainty.

2. Procure from Ontario and Canadian businesses whenever feasible.
3. Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.

Deliver Better Services

4. Focus on a user-centred client/customer experience by simplifying interactions, improving satisfaction, and expanding and optimizing digital service offerings.
5. Identify opportunities to enhance efficiency, improve services, drive innovation, and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.
6. Eliminate unnecessary bureaucracy and red tape by applying lean methodologies or other modalities to achieve operational efficiency.

Drive Innovation & Value for Money

7. Find innovative solutions to use public resources efficiently and to effectively deliver on the agency's mandate while operating within agency's financial allocation, supported by accurate financial reporting, effective internal controls, and proactive fraud management practices.
8. Manage agency workforce with careful responsibility to stabilize expenditures and preserve long-term financial viability by:
 - strictly adhering to the hiring control parameters, including ceasing hiring for non-business critical and non-public-facing positions, including the use of consultants;
 - operating within a defined maximum workforce size (including consultants);
 - ensuring compliance with the Broader Public Sector Executive Compensation Act (BPSECA); and
 - enhancing productivity and efficiency by using technology wherever possible.
9. Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks and provide it to the Minister for approval by March 31st, 2026.
10. Provide to your oversight minister by October 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.

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 outcomes and 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 courts.
2. LAO is expected to report back on the implementation of the increase to the financial threshold for legal aid eligibility, that has enabled more people to access duty counsel services at court and enabled 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 positioned to meet its operational needs and to adapt to and combat cyber risks, and ensure the security, integrity, and efficacy of LAO's IT systems.
4. As LAO released its new five-year strategic plan in April 2025, the agency is expected to continue to work on advancing the goals and priorities outlined in the strategic plan and report back to the ministry on progress.
5. 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 exploring how to better attract and retain talent.

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 Legal Aid Ontario. 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 Tom McKinlay, Assistant Deputy Attorney General, Policy Division at <mailto:tom.mckinlay@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: Aileen Page, Chief Executive Officer, Legal Aid Ontario
Abby Dwosh, Vice President, Corporate Services and Chief Administrative Officer, Legal Aid Ontario
Tom McKinlay, Assistant Deputy Attorney General, Policy Division

Appendix B: 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 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 collaboration with funding partners to stabilize funding.

Information technology

LAO will continue to prioritize the security, availability and integrity of data. 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 will consult on its suitability for future use.

Workforce

On September 26, 2025, the Government of Ontario announced province-wide hiring controls, including imposing a cap on our full-time equivalent (**FTE**) count, across all agencies, boards, and commission public bodies, citing fiscal restraint and a need to manage public sector spending. This directive poses a significant risk for LAO, particularly in our ability to attract critical talent needed to support service delivery and strategic initiatives. The controls will constrain our capacity to deliver on the goals in our strategic plan.

The justice system is interconnected, and there is risk to system balance and efficiency if investments and policy shifts in one sector are not replicated in other sectors. To mitigate this risk, when investments such as new judicial appointments and added court resources

are made, LAO requires the ability to provide corresponding support (e.g., defense and DC in criminal courts, and counsel for families and children in family and child protection cases). Without such balance in resources, issues that can affect trial lengths and judicial outcomes could be put at risk.

LAO deploys a mixed service model as mandated in LASA, 2020.s.1, s.5(2), and s.5(3), to facilitate its statutory services. LAO is required to consider a number of factors, including client need, demand for services, service quality, cost-effectiveness, available funding and value for money. There is a risk that the imposed FTE ceiling will diminish this cost-effective operating model, as it constrains the flexibility required to scale the mix of staff and providers accordingly.

Appendix C: 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 D: 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.

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 E: 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 legaid.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 F: Human capital

At LAO, we foster a workplace culture that values every employee and is deeply committed to equity, diversity, inclusion and belonging. We strive to create an inclusive and respectful environment supported by a diverse talent pool, ensuring that our HR services, policies, and systems are aligned with LAO's values, strategic priorities, and mission, as well as with OPS policies and directives.

We are equally committed to supporting a psychologically safe workplace. Recognizing the impact of compassion fatigue and ongoing exposure to secondary trauma, we continue to invest in mental health and wellness initiatives for both staff and management. These efforts are essential to maintaining a healthy, resilient workforce.

LAO also manages our workforce with prudence and purpose, ensuring resources are directed to priority areas — particularly frontline, client-facing roles. As client demand grows, we are strengthening our back-office administration to support expanding services while maintaining efficiency. Over 91 per cent of our budget is allocated to frontline services, underscoring our commitment to being optimally structured to deliver on our mandate.

Workforce growth

As LAO continues to respond to the rising demand for legal services, strategic workforce growth remains essential. The recent increase in the FET has expanded access to legal aid for more Ontarians, resulting in a significant uptick in client volume. To meet this growing demand, we continue to prioritize the expansion of frontline, client-facing roles while ensuring our internal infrastructure is equipped to support service delivery efficiently.

Our workforce planning is guided by data and aligned with our organizational mandate, enabling us to scale responsibly and maintain high-quality service.

Succession and talent development plans

In 2025, we launched the Accelerate Program, a strategic talent development initiative aimed at identifying, nurturing, and preparing high-potential employees for future leadership roles within the organization. This annual program is a key component of LAO's long-term succession planning strategy, designed to build a strong internal pipeline of future leaders.

In its inaugural year, 12 participants were selected to take part in a robust development journey that included targeted learning, mentorship, and hands-on experiential opportunities. Through this comprehensive approach, the Accelerate Program equips participants with the skills, knowledge, and organizational insight needed to take on more complex responsibilities and leadership challenges.

By developing internal talent, we ensure continuity of leadership, preserve institutional knowledge, and strengthen organizational resilience. The program not only supports individual career growth but also reinforces LAO's commitment to fostering a diverse, inclusive, and sustainable leadership culture.

We look forward to welcoming our next cohort of participants in 2026–27, continuing our commitment to developing future leaders from within.



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