



February 8, 2019

The Honourable William Francis Morneau
Minister of Finance
Department of Finance Canada
90 Elgin Street
House of Commons Parliament Buildings
Ottawa, ON K1A 0A6

Re: Ontario Municipal Social Services Association 2019 Federal Budget Submission

Dear Minister Morneau,

Established in 1950, The Ontario Municipal Social Services Association (OMSSA) is a non-profit association whose members are Ontario's 37 Consolidated Municipal Service Managers (CMSMs) and 10 District Social Services Administration Boards (DSSABs). Our members' interests are represented to OMSSA by the senior human services staff of the CMSMs and DSSABs who offer decades of experience in human services and important local relationships within their urban, suburban, rural and Northern communities in Ontario.

Strong Partnership

In a model unique within Canada, Ontario's local governments play a significant role in the co-funding, planning, administration and delivery of child care, social assistance and housing, and in some instances, public health, emergency services and long-term care, acting as the service system manager within their communities. OMSSA members support integrated human services through strong local service system management in close partnership with the Government of Canada and Province of Ontario. To address common challenges related to economic development, health outcomes, transportation, broadband access, early learning, poverty reduction, housing and homelessness, Indigenous partnership and reconciliation, and infrastructure renewal, a new modern federal-provincial-municipal partnership is required to address joint responsibilities in human services and housing.

OMSSA supports the Federation of Canadian Municipalities' (FCM) call for a new-intergovernmental forum to enable all three levels of government to work together as full partners to "tackle key national challenges—from settling newcomers and addressing housing affordability to advancing infrastructure growth." It is important that the local level of government has a voice at the table on issues where there is joint responsibility. OMSSA is particularly interested in participating in tables and intergovernmental forums designed to coordinate national, provincial and local efforts in poverty reduction, homelessness, social assistance, mental health, early



learning and child care and the National Housing Strategy. OMSSA supports the work of the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM) on behalf of local governments and encourages the federal government to consult with FCM and AMO in designing forums and tables that bring the federal, provincial and local governments together on issues of joint responsibility.

Funding

Municipal governments collect only 9 cents of each household tax dollar, compared to 47 cents for the federal government and 44 cents for the provincial government. In Ontario, the municipal level of government pays 58% of the cost of social housing, compared to 26% for the federal government and 16% for the provincial government. Ontarians also pay the highest property taxes in Canada. Municipal governments are responsible for a growing list of services residents depend on. Increased federal and provincial support for municipalities is crucial, as these services cannot be sustainably funded on property tax revenue alone.

Ontario spends among the lowest per-capita on services. The equalization formula should be reviewed to ensure that Ontario's taxpayers are paying for important human services within Ontario's communities where they are needed. This costs Ontario over \$10 billion per year and puts additional pressure on the provincial deficit and ability to invest in human services. Local governments need stable and reliable long-term funding to plan and deliver human services within their local communities. In child care, social services and housing, the federal government has an important role to play.

National Housing Strategy

The federal government's investment in community housing over the next ten years is welcomed and appreciated. It is important to move forward and ensure all communities in Ontario are able to benefit from the National Housing Strategy. Many municipalities in Ontario are facing challenges around affordability, rental vacancy rates, shelter capacity and long, growing wait lists for community housing, supportive housing and long-term care.

OMSSA has a strong relationship with the Canada Mortgage and Housing Corporation (CMHC) and is eager to build on that relationship to ensure all communities in Ontario benefit from the National Housing Strategy, given the unique context of the Ontario model of local service system management. Our members have expressed concerns around the application process, as well as administrative and reporting burdens associated with the potential funding. These same barriers pose challenges for smaller housing providers who are eager to move forward with their projects. There are also concerns among rural and Northern communities that the scoring criteria reduces the chances their projects will be approved.



CMHC is aware of these concerns and has made efforts to address them. The National Housing Strategy must acknowledge the important role local governments play in the funding of community housing in Ontario. Local flexibility is needed to address local circumstances and needs.

OMSSA has concerns with the requirement to match funds at the local level in Ontario. Waiving development charges or offering property tax incentives reduces municipal revenue needed for supportive services and infrastructure. It is important that the federal, provincial and local level of government all play a role in funding housing initiatives, building new capacity, maintaining existing units and reducing waitlists for community housing. The challenge is too great for a single level of government to address on its own.

Addressing rental supply will be important to the success of the Community Housing Benefit. Low vacancy rates and soaring rental costs in Ontario (and across Canada) may limit the success of this model if rental supply issues are left unaddressed. As pressure increases with end of operating agreements and end of mortgage agreements, there is an urgent need to invest in community housing now.

We encourage the federal and Ontario governments to work together to recognize the unique model in Ontario and ensure Ontario communities are fully positioned to take advantage of National Housing Strategy funds. The National Housing Strategy's current co-investment element is insubstantial. Application and administrative burdens, scoring criteria and a lack of alignment with local and provincial programs pose significant barriers to service managers and housing providers looking to leverage the National Housing Strategy funds in their communities. Similar concerns have been raised with the Canada Lands Agreement program and the Reaching Home program.

Supportive Services, Mental Health, Poverty Reduction and Homelessness

Ontario's 47 Service Managers have been working to develop local housing and homelessness plans. They also have local poverty reduction strategies in place for their communities. OMSSA members are willing to share information on best practices, local needs and unique circumstances to work collaboratively to address complex issues. The provinces and the federal government are also working on poverty reduction strategies. It is important for all levels of government to coordinate their efforts in poverty reduction and reducing homelessness.

Housing first is a crucial component in reducing poverty and homelessness across Canada, but supportive services have proven to be the key component to ensuring a successful housing first model in all Ontario communities. OMSSA calls on the federal and provincial governments to make significant investments in mental health services and implement a national strategy to ensure all individuals in Canada have timely access to supportive services. The lack of access to

mental health and addictions support in many Ontario communities is a major barrier in addressing homelessness and poverty reduction efforts locally. Mental health is as important as physical health, but many are facing long wait times or a lack of access to services in the communities where they live.

The opioid crisis has had a significant impact on large and small communities across Ontario and has become an urgent problem across the province and Canada. A national strategy is needed to save lives and address this urgent issue.

Newcomer Settlement

Ontario's service system managers have played an important role in supporting the settlement of Syrian refugees across Ontario. The increased influx of irregular border crossing and asylum seekers, as well as the secondary migration of Syrian refugees has had a local impact on availability of housing, shelter and social services in many Ontario communities. OMSSA members are willing to help those who require services, but in recent years there has been a significant strain on the system and local government resources. The recent funding allocated to Toronto is appreciated, but more funding and support is required to allow municipalities to serve the increasing demand caused by those looking to settle in Canada. Newcomers deserve the resources and assistance that will allow them to succeed. A permanent and sustainable solution is required to address an issue that is putting pressure on social services and housing in many urban municipalities across Ontario.

Child Care and Early Years

Federal government investments in child care are appreciated by OMSSA members. The National Child Benefit Initiative was a successful tool in reducing child poverty in Canada. It has also been helpful in assisting families with child care costs. However, the cost of child care in Ontario has become unaffordable for many. Ontario families are paying from \$750 to \$1,700 per month for child care. Of the Canadian cities with the highest child care costs, 8 of the top 10 are in Ontario. As the province with the highest child care costs, Ontario also has the lowest rate of women's workforce participation at 80.6%. In Ontario, the multiplying effect of investing in child care is approximately 2.27, meaning that every dollar invested in child care results in an economic output of \$2.27. Affordable child care can help boost women's workforce participation, with significant economic benefits for Canada's GDP in return.

Additional investments to address capacity, affordability and universal access would make a major difference for middle class families and the Canadian economy. The federal government should also work with the province of Ontario to reduce unnecessary administration and reporting that has become a burden for service system managers at the local level of government. Coordinating federal, provincial and local efforts in early years and child care would be helpful in



ensuring quality, affordability, access and choice for families in Ontario. This is particularly important as Ontario moves towards a new refundable child care tax rebate and a new child care plan in 2019.

Infrastructure

There is a major infrastructure funding gap impacting municipalities across Canada, which impacts human services and affordable housing as well. Rural and Northern communities face unique challenges related to declining populations and large geographical territories. Transportation is often lacking in rural and Northern Ontario, presenting a significant barrier to providing and accessing services. Broadband is a crucial component to investing in, developing, delivering and accessing services and promoting economic development in rural and Northern areas. In the GTHA and Ottawa, there are unique issues around gridlock that require public transit solutions. A one-size-fits-all approach will not work to address these challenges in Ontario or Canada. OMSSA calls on the federal government to consider the unique challenges faced by urban, suburban, rural and Northern communities within the province of Ontario. Any new program requirements should allow for local flexibility to address unique needs of both large and small communities across Canada.

Truth and Reconciliation

OMSSA members support inclusive and culturally-sensitive human services to support Ontario's Indigenous populations. It is important to have equality in access and quality of human services. OMSSA supports funding for the development of comprehensive Indigenous engagement plans.

OMSSA supports Truth and Reconciliation and strong partnerships and consultation with organizations such as the Ontario Federation of Indigenous Friendship Centres (OFIFC) and Ontario Native Welfare Administrators Association (ONWAA). It is important that all levels of government move forward on the Truth and Reconciliation recommendations. The federal government must acknowledge their responsibilities and honour promises made to Canada's Indigenous population on and off reserve.

Value of Investing in Social Services in Local Communities

A study published in the Canadian Medical Association Journal by Dr. Daniel Dutton of the School of Public Policy at the University of Calgary compared funding for health care and social services from 1981 to 2011. They found that average per capita spending for health was \$2,900, almost three times the \$930 per capita spending for social services. The study suggests if governments had spent one more cent on social services for every dollar spent on health, life expectancy in this country could have increased by another 5 per cent and avoidable mortality could have dropped an additional 3 per cent.



OMSSA members are proud of the work they do in affordable housing, income supports, emergency services, employment support, child care, newcomer settlement and public health. OMSSA appreciates our partnerships with the federal and provincial government and looks forward to working together in addressing joint challenges to achieve the best possible outcomes in human services for our most vulnerable residents. We all share an interest in delivering the best results for people in communities across Canada.

OMSSA appreciates the opportunity to provide consultation on the upcoming 2019 Federal Budget. Thank you for considering our input and priorities. OMSSA members stand ready to work with the federal government on the National Housing Strategy and other issues related to local human services in the province of Ontario. We wish you all the best in your preparation of the upcoming federal budget.

Sincerely,

Elaine Baxter-Trahair
President

Doug Ball
Executive Director