



**October 14, 2020**

The Honourable Rod Phillips  
Ontario's Minister of Finance  
c/o Budget Secretariat  
95 Grosvenor Street, Frost Building North, 3rd Floor  
Toronto, ON  
M7A 1Z1

## Re: OMSSA's 2020 Provincial Pre-Budget Submission

Dear Minister Phillips,

Thank you for the opportunity to provide consultation on the 2020 provincial budget. The Ontario Municipal Social Services Association (OMSSA) is a non-profit professional association whose members are Ontario's Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs). This includes:

- 37 Consolidated Municipal Service Managers (CMSMs), or upper and single-tier municipalities across Ontario
- 10 District Social Services Administration Boards (DSSABs) in areas where no upper-tier municipality exists in Ontario's north

OMSSA's members are represented by senior human services staff, who are governed by local municipal councils or a board of directors, representing urban, rural and Northern communities across the province. Ontario's 47 Service System Managers partner with the Province to fund and deliver social assistance, employment supports, child care, early years and child care, homelessness prevention, community housing, long-term care and emergency social services in communities across Ontario.

OMSSA's members collaborate regularly with local public health units, school boards, non-profits and local service providers within their communities. Some of our member municipalities also manage the local public health units in their areas. Our members support strong local service system management in collaboration with our provincial partners and bring decades of technical expertise and experience to the table.

OMSSA made a previous [Pre-Budget Submission](#) in February of 2020. This submission is updated to reflect Service System Manager needs resulting from the COVID-19 pandemic ahead of the November 2020 provincial budget.

## Partnership with the Province

Ontario's model of service delivery is unique within Canada. In most provinces, provincial governments are solely responsible for services such as social assistance, social housing, child care, paramedic services, public health and others. In Ontario, the provincial and municipal levels of government share responsibilities for human services integration, social assistance, employment services, child care and early years services, community housing, homelessness, poverty reduction, community safety and public health.

OMSSA members appreciate the opportunity to consult at confidential municipal-provincial tables focused on early years and child care; housing and homelessness; social assistance and employment; and reducing administrative and reporting burdens.

OMSSA encourages increased engagement and consultation at existing municipal-provincial tables, particularly with the Ministry of Health, to continue to integrate human services and health outcomes. OMSSA also supports continued dialogue, engagement and consultation with all CMSMs and DSSABs where possible with our provincial colleagues.

## Municipal Funding

In Ontario, core social services like income support, early years and child care and social housing are planned, managed and co-funded by Ontario's 47 CMSMs and DSSABs (Service System Managers). Service System Managers have an in-depth understanding of the unique social, economic, regional and demographic forces that shape and define their communities. They understand that what works best in Windsor may not be the right approach in Ottawa or Kenora, and they need the flexibility to deliver services in ways that meet unique local needs.

According to the Association of Municipalities of Ontario (AMO), Ontario's municipalities take in a collective \$51 billion in annual revenues, of which \$41 billion is self-sourced – primarily from property taxes and user fees. Collectively, Ontario's municipalities receive \$1.6 billion in federal grants and \$8.5 billion in provincial grants annually.

Despite their growing list of responsibilities, the municipal level of government collects only 9 cents on every dollar taxed in Canada. On average, local residents (as opposed to commercial businesses) pay 68 per cent of property taxes collected in Ontario. Ontario's residents also face the second highest property tax burden in Canada, behind only Alberta. OMSSA recognizes that all three levels of government are facing budget challenges and are searching for efficiencies.

“Easy” cuts will be nearly impossible to find without impacting front-line services. According to AMO, municipal expenditures on health services, social housing, and social and family services exceeded total provincial grants by more than \$3 billion. Without the uploading that occurred between 2008 and 2018, this gap would be \$5 billion. According to AMO, “about 27 per cent of aggregate municipal operations budgets go to services that are conventionally considered a



provincial responsibility in most other Canadian jurisdictions,” such as child care, public health, social assistance and community housing.

Reduced funding transfers will result in either a reduction or elimination of services, or further increases in property taxes. Additional funding through the Safe Restart Agreement and Social Services Relief Fund are appreciated, but continued support will be required to deliver the same level of services and to address the growing demand for human services resulting from the COVID-19 pandemic.

OMSSA encourages the Province to maintain or increase municipal funding, and to avoid changes or surprises that would negatively impact municipal cost-sharing, transfer or funding agreements, particularly after municipal budgets have already been passed. The provincial government should not attempt to balance the books through municipal downloading. OMSSA further encourages exploring the alignment of provincial and local budget cycles, as suggested by Ontario’s Minister of Municipal Affairs and Housing Steve Clark in 2019.

## Housing and Homelessness

Ontario's Service System Managers are responsible for managing more than 260,000 affordable housing units, representing a combined \$40-billion asset. According to the latest available figures, the waiting list for rent-geared-to-income housing in Ontario has grown to more than 170,000 people, with little new development to accommodate it. In Ontario, the municipal level of government covers 58% of community housing costs.

OMSSA’s members are also focused on supporting and housing victims of domestic violence and human trafficking through local Special Priority Policies. OMSSA has been working closely with the Ministry of Municipal Affairs and Housing on the Community Housing Renewal Strategy, Supportive Housing Review and Housing Supply Action Plan. We appreciate the progress that’s been made on Rent-Geared-to-Income (RGI) simplification, service level standards and community housing waitlists. Additional federal funding through the National Housing Strategy is also welcome.

OMSSA supports the intentions of Bill 184 and looks forward to further consultation on the regulations impacting end of operating agreements, the *Housing Services Act* funding formula, entry and exit of providers from the community housing system, suggested service agreements, improving access, creating local rules and reviewing service level standards.

Many local programs and contributions supporting affordable housing and homelessness prevention are currently not being recognized under existing service level standards. Ontario’s Service System Managers are responsible for their 10-year housing and homelessness plans. These plans have been approved by Council holding service managers accountable and should be used to replace the current service level standards framework.



Ontario's Service System Managers have pursued innovative solutions and achieved strong outcomes in homelessness prevention through the Community Homelessness Prevention Initiative (CHPI). It is vital that CHPI funding be maintained and enhanced to build on work to reduce homelessness and poverty in Ontario's communities. Additional funding through the Social Services Relief Fund and Safe Restart Agreement have been helpful but must be extended further. The Province should also review allocations and the CHPI funding formula as some Service System Managers have seen a reduction in funding.

OMSSA encourages the Province to further invest in supportive housing as a means of preventing homelessness. Municipalities have found much success in addressing homelessness locally through the Home for Good and Reaching Home initiatives. These programs should be expanded to include all communities in Ontario.

Emergency shelters are at, over or lacking capacity in many communities. The demand is expected to increase resulting from the economic recession caused by COVID-19. The supportive housing review requires funding resources to address local needs and demand.

Social Assistance Rent and Utility Scales also represent a persistent challenge to OMSSA's members. The existing scales do not reflect true costs and are not keeping pace with cost of living increases. Discrepancies in the current scales create additional costs for municipalities of more than \$200 million per year. OMSSA encourages the Province to review the Social Assistance Rent and Utility Scales and to increase them incrementally, in order to reduce this cost burden on Service System Managers.

OMSSA supports the intention of the Ontario rent freeze legislation. Unfortunately, this had led to increased costs for Service System Managers and housing providers through RGI calculations. Additional funding or funding flexibility is required to address these cost pressures.

As the federal and provincial governments pursue investments in infrastructure as part of economic stimulus, increasing community housing supply across Ontario should be a key priority. According to recent estimates on funding sources for community housing in Ontario (2017-2018), municipal service managers pay 58 per cent of the cost of community housing, compared to 26 per cent for the federal government and 16 per cent for the provincial government. Most of the community housing stock in Ontario is between 20 and 50 years old, with a significant backlog of needed repairs costing close to \$1.5 billion. Funding from all levels of government will be needed to maintain and expand existing community housing and affordable rental stock.

Adjudicator shortages and backlogs at the Landlord and Tenant Board (LTB) have created hearing backlogs and costly delays for landlords across the province. Delays for standard cases around non-payment of rent are reported to extend well beyond the LTB's service standard of 25 to 30 business days. OMSSA encourages the Province to provide additional resources and explore alternative solutions to resolve issues at the LTB sooner. The lifting of the ban of residential rental evictions has the potential to put additional pressures on the housing and homelessness system.



OMSSA looks forward to continued collaboration on issues related to community housing, supportive housing and homelessness prevention with the Ministry of Municipal Affairs and Housing and other stakeholder organizations

## Early Years and Child Care

OMSSA and its members appreciate the opportunities they have had to consult with senior Ministry of Education staff on the new child care funding formula, the five-year review of the *Child Care and Early Years Act* and the Province's new child care plan through the newly created Provincial-Municipal Early Years and Child Care Technical Table.

Investing in child care is crucial to the economy. Public investment in early years and child care has a multiplying or "ripple" effect of positive economic benefits. 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. Mothers with young children are currently contributing an estimated \$53 billion per year to the Canadian economy. Given these benefits, the Province should prioritize, maintain or increase investments in expanding licensed child care, child care fee subsidies, special needs resourcing, Indigenous child care and capital expansion.

OMSSA members are concerned with increased cost sharing requirements and look forward to providing further consultation on the funding formula with the request that transitional funding be considered to assist Service System Managers who are impacted by changes to their allocations.

OMSSA also requests additional flexibility and an extension on the Safe Restart Agreement to ensure the early years and child care sector is able to fully reopen, recover and remain sustainable over the long term. Funding clarity is required immediately as municipal governments prepare their budgets for 2021.

Recruiting and retaining Registered Early Childhood Educators (RECEs) remains a pressing challenge and an important priority for OMSSA's members. RECEs should be treated equal to their school board colleagues. OMSSA is disappointed that RECEs did not receive pandemic pay or recognition for their efforts and work supporting emergency child care during the peak of the pandemic.

For parents and families, child care is becoming increasingly unaffordable. Ontario families are paying from \$750 to \$1,700 per month for child care and of the Canadian cities with the highest child care costs, 8 of the top 10 are in Ontario. The province should pursue a national universal child care program with a strong role for the municipal level of government.

OMSSA has a keen interest in working closely with the Ministry of Education to work towards strengthening relationships with school boards, standardizing the sale of vacant public properties,



creating community hubs and addressing school rents for child care programs. OMSSA looks forward to building on our strong relationship with the Ministry to address priorities including quality, affordability, access, choice and reducing administrative and reporting burdens.

OMSSA supports providing incentives for non-licensed child care providers to be part of the licensed system. The Province should work with local Service System Managers to promote licensed child care, quality and safety to parents so that they can make informed decisions related to child care.

OMSSA believes that investing in early years and child care is crucial to making life more affordable, preparing people for jobs and creating healthy and safe communities.

## Social Assistance and Employment

OMSSA and its members look forward to continued consultation and collaboration on social assistance reform, social services modernization, human services integration, poverty reduction and employment.

OMSSA also encourages the Ministry of Children, Community and Social Services to review social assistance rates and rent and utility scales, to address inflation and rising costs of living. OMSSA members are also facing challenges with program delivery funding frozen to 2018 actuals despite rising costs. OMSSA members are concerned with reductions to funding for employment services as funding is transferred to new Service System Managers for Employment Ontario.

OMSSA members support modernization tools such as Electronic Document Management, Reloadable Payment Cards and MyBenefits. The Province has made good progress on technology and should continue this work with enhancements to SAMs and allow for integration with third party software programs that have proven helpful to Service System Managers. Reducing administration allows for more caseworker time to provide supports to clients in need.

OMSSA encourages the Province to work with the federal government on a broadband strategy to ensure all Ontario residents have access to new digital tools. Broadband and cellular connectivity remain an issue in some rural and Northern communities. OMSSA also encourages the collection and sharing of provincial data with Service System Managers.

OMSSA members support life stabilization and preparing social assistance recipients for employment. Defining life stabilization and outlining clear expectations on outcomes for this work is crucial to Service System Managers.

Collaboration and integration across ministries and with Service System Managers is required in the areas of social assistance reform, employment services transformation, poverty reduction, housing, child care, health and education, in order to maximize positive outcomes for Ontario's most vulnerable residents and reduce poverty in communities across Ontario.



Resources to address mental health issues are needed across urban, suburban, rural and Northern communities in Ontario. Mental health issues can be a significant barrier to employment-readiness, and services to address these challenges are a crucial component to life stabilization for many Ontario Works clients. Investing in mental health supports will also reduce pressures on hospitals, emergency shelters, the justice system and schools. Ontario also needs a strategy to address the opioid crisis, which has impacts on nearly every community in Ontario. This strategy would require predictable long-term funding.

OMSSA encourages the Province to exercise caution when considering changing the definition of disability or the requirements related to the Ontario Disability Support Program (ODSP). These changes could lead to unintended negative consequences and could result in Ontario Works caseloads increasing by up to 30 per cent.

The Province is moving forward with Employment System Transformation. Three prototype zones were subject to an active competitive bidding process for service system management of Employment Ontario services. OMSSA is disappointed that no municipalities were selected to manage Employment Ontario services. OMSSA and its members believe that the municipal level of government has strong service system management experience in child care, housing and social assistance, and as a result, are best positioned to serve in this role for employment services.

Through administering Ontario Works, municipal and DSSAB caseworkers have achieved positive outcomes in the areas of employment support and life stabilization. OMSSA's members continue to focus on improving employment outcomes and providing life stabilization support to enable job-readiness and prepare clients for employment.

The economic recession caused by the COVID-19 pandemic has the potential to lead to a surge in cases once federal benefits expire. OMSSA members look forward to working with the Province to prepare for this potential surge and ensure a smooth transition should federal benefits expire.

## Community Safety and Well Being Plans

OMSSA supports and sees the value in developing and implementing Community Safety and Well Being Plans. It is important to link local human services with the health, justice, education and the non-profit sectors. Community Safety and Well Being Plans have the potential to enhance human services integration and are helpful with community-wide human services planning.

Municipalities are responsible for completing local Community Safety and Well-Being Plans. OMSSA appreciates the extension of the January 1, 2021 deadline. OMSSA members feel an extension to January 1, 2022 would allow for sufficient time to consult and develop these plans.

Unfortunately, there have been no resources, financial or otherwise, provided to support their development. OMSSA members request additional financial resources to support the full potential that could be realized from the development of the Community Safety and Well Being Plans.

## Ontario Poverty Reduction Strategy

The economic costs of poverty have been well-documented. In Ontario, it is estimated that poverty costs \$32 to \$38 billion per year – or \$2,300 per year per household. In recent years, we have seen poverty reduction strategies developed and implemented by all three levels of government. The Province is currently consulting on its five-year review of Ontario's Poverty Reduction Strategy and OMSSA looks forward to providing input on issues such as housing, homelessness prevention, child care, social assistance, employment, affordable transportation, food security, education, mental health, addictions and the social determinants of health.

All three levels of government have a responsibility to collaborate on reducing and eliminating poverty and homelessness in communities across Ontario and Canada. In recent years, much progress has been made at the municipal level and the opportunity is ripe to move closer to eliminating poverty and homelessness in Ontario.

A housing first approach and investment in wrap-around human services is essential to reducing poverty, ending homelessness, preparing people for employment and creating healthy and safe communities. OMSSA and its members are ready to collaborate with the Province to improve outcomes for vulnerable populations across Ontario's communities.

## Human Services Integration

Currently, Service System Managers are subject to over 200 service agreements with the provincial government. OMSSA's members support provincial initiatives that lead to better human services program and policy alignment; streamline transfer and service agreements; increase information sharing; and reduce administrative and reporting burdens while enhancing the client experience. OMSSA appreciates its close relationship with Ontario's Human Services Integration Office (HSIO) as CMSMs and DSSABs continue to push forward on integrating and enhancing human services delivery for people in their communities.

OMSSA encourages the Province to continue to prioritize human services integration, and to enable greater data and information sharing with municipalities as part of the Ontario Data Strategy.

## Investing in People

A study published in the Canadian Medical Association Journal 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.





Investing in people through human services makes sense. In partnership with the Province, OMSSA's members play an important role in supporting vulnerable people in vital areas including social assistance, housing, employment services, child care, ambulance services and public health.

OMSSA and its members believe that investing in local human services will help prepare people for employment, create healthy and safe communities, make life more affordable and help make government smarter, as prioritized in the Province's 2020 provincial budget.

OMSSA understands the fiscal situation the Province is facing with current provincial deficit and debt levels. This is especially true as a result of the COVID-19 pandemic. Service System Managers are ready to partner with the Province to ensure we can maintain and enhance social services that Ontarians rely on, while improving efficiencies through integration, modernization and reducing administrative burdens.

Ontario's Service System Managers bring more than 20 years' experience in outcomes-focused, integrated social services delivery to the table and they know their communities best. It's crucial that Service System Managers be engaged and leveraged as partners in the design of social policy and programs, from the outset. This is especially true when the municipality is funding the program.

Program design must have the flexibility to account for the unique circumstances and challenges of urban, rural, suburban, large, small, remote and northern communities, rather than employing a one-size-fits-all approach. To expand and maintain quality human services in Ontario, Service System Managers also require adequate, consistent, long-term funding.

Thank you for the opportunity to provide feedback and input on the Province's 2020 Budget. We wish you and Ministry officials all the best in finalizing the budget and look forward to continuing our work together on mutual priorities at the provincial and local levels of government.

Sincerely,

**Doug Ball**  
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OMSSA

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OMSSA