

February 10, 2023

Hon. Chrystia Freeland
Deputy Prime Minister and Minister of Finance
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario
K1A 0G5

Sent by email to: Chrystia.Freeland@parl.gc.ca, budget2023@fin.gc.ca

Re: OMSSA 2023 Federal Pre-Budget Submission

Dear Minister Freeland,

The Ontario Municipal Social Services Association (OMSSA) is a non-profit association whose Members are Ontario's Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs). Our 47 Members appreciate the opportunity to provide consultation on the upcoming 2023 Federal Budget.

Housing and Homelessness:

In Ontario, community housing and homelessness prevention programs are co-funded, planned and administered by our 47 Service System Managers. OMSSA and its Members work with the provincial and federal governments to improve access and affordability across the full spectrum of housing options in communities across Ontario.

Our Members are supportive of the renewed federal investment in community housing through the National Housing Strategy. We also appreciate a close working relationship with the Canada Mortgage and Housing Corporation (CMHC).

Ontario municipalities are facing a crisis in homelessness. Encampments and visible homelessness are present in communities where it was less visible before, including in rural and Northern municipalities. Shelters, warming centres and community housing units remain at full capacity with supply not keeping up with demands.

A mental health and addictions crisis, including opioids, is impacting Canadian municipalities. Data is showing that more people are falling into homelessness. The

issue is complex with many root causes that must be addressed as part of an integrated health and human services solution.

The Safe Restart Agreement and Ontario Social Services Relief Fund were vital in providing support to municipalities facing increased costs resulting from the pandemic response and addressing funding shortfalls that existed pre-pandemic.

That funding has expired and will put major pressure on municipalities at a time when the demand for human services is increasing. Impacts resulting from the pandemic have not ended and **additional supports are needed to protect the most vulnerable homeless populations in communities across Ontario and Canada.**

The threat of a potential recession will further increase demand for community housing, shelters, and homelessness services.

The CMHC and Statistics Canada data clearly shows that the cost of rent is rising across Canada. Enhancing the National Housing Strategy, Rapid Housing Initiative, rental housing incentives, and portable housing benefits are urgently needed to address challenges related to the lack of affordability around the housing and rental markets.

It is important that governments at all levels work towards solutions to ensure that everyone in need of housing has a place to call home. Increasing the supply of affordable and community housing along with focusing on increasing supply in the rental market are critical to address these issues across Ontario and Canada.

Increased and sustained funding under the Federal Provincial Ontario Priorities Housing Initiative (OPHI) is also needed to fund new community housing development and the backlog of repairs.

There is an urgent need to expand community housing units to meet growing demand in all Ontario communities. The wait to secure a community housing unit can take years in Ontario and providers are facing severe repair backlogs. In recent decades, very little new supply has been built. **Funding to restore units back to a state of good repair and clearing repair backlogs will increase the supply of units available to serve the most vulnerable while also reducing waiting lists.**

Currently only 25 out of the 47 Service System Managers are eligible for the Reaching Home program despite needs in all 47 Ontario Service Manager communities. **Eligibility should be expanded so that all of Ontario's 47 Service System Managers qualify for funding under this and all federal programs relating to housing and homelessness.**

The federal government should also finalize details of the Housing Accelerator Fund to support municipalities in increasing supply of housing for low- and moderate-income households.

Municipalities report that the National Housing Strategy Co-Investment Fund application is complex, time-consuming and creates administrative burdens. It is

also a loan-based program. Federal Grants and dedicated long-term funding is needed given the limited ability for municipalities to take on debt or dramatically hike property taxes and user fees in the face of a growing cost of living crisis. **Efforts should be made to reduce administrative and reporting burdens to ensure better uptake on federal programs.**

OMSSA supports a national Urban Indigenous Housing Strategy and is committed to Truth and Reconciliation. We believe our members and the human services sectors have a key role to play in Truth and Reconciliation with Indigenous communities across Ontario.

Ontario faces long wait lists, repair backlogs, and a shortage of community housing and rental units. **It is important that Ontario receives a fair share of funding based on population and need. Currently Ontario is being shortchanged by over \$400 million from the federal government.** OMSSA supports the advocacy from the Ontario Government on this issue.

OMSSA Members look forward to further engaging with CMHC and working closely with our provincial and federal partners to address community housing and homelessness federally, provincially, and within local communities.

Early Years and Child Care:

In Ontario, Service System Managers play a central role in the planning, funding, administration, and operation of early years and licensed child care services. OMSSA and its Members strongly supported the Government of Ontario signing on to the the Canada-Wide Early Learning & Child Care (CWELCC) agreement with the Government of Canada and are working towards implementation locally that will result in Ontario families saving over \$9,000 per child per year.¹

OMSSA and its Members are working with our provincial and federal partners to design and implement an early years and child care system in Ontario that promotes increased affordability, improves recruitment and retention of Registered Early Childhood Educators (RECEs), promotes quality through the licensed system, expands capacity and assists with economic recovery and labour force participation in communities across Ontario. **To support growing demand for early years and child care in Ontario, federal and provincial support is required to create the new spaces to meet expected demand with capital funding.**

Operational funding is also required to operate these spaces and ensure those with special needs are being served. This requires recruitment and retention of RECEs as workforce shortages are impacting capacity. Recruitment and retention of RECEs has been a challenge with many leaving for higher paying jobs with school boards or in other sectors. **To ensure the success of CWELCC, workforce challenges must**

¹ Government of Canada: <https://www.canada.ca/en/employment-social-development/campaigns/child-care.html>

be resolved quickly with increased compensation and a recruitment and retention strategy OMSSA's Members are ready and willing to assist in the development of a strategy.

Early years and child care is crucial to addressing inflationary cost of living concerns, economic recovery, and economic conditions that have disproportionately impacted women during the pandemic. Canada's largest province, with some of the highest fees in the country, stands to benefit most from CWELCC. Funding clarity must be certain to ensure gains are not lost and that CWELCC is sustained over the long term.

Social Assistance and Employment:

In Ontario, Service System Managers play a central role in the planning, funding, administration, and delivery of income support (Ontario Works), life stabilization, and employment services.

OMSSA and its Members are ready to build on our relationships and work in partnership with the provincial and federal governments to lend our expertise and experience towards integrated human service delivery and improved outcomes in life stabilization, employment, income security and poverty reduction.

OMSSA encourages the Federal Government to explore a Universal Basic Income. OMSSA remains interested in recent changes to Employment Insurance (EI) and the need to continue to monitor and improve eligibility and access.

During the pandemic, the federal government provided social assistance through the Canada Emergency Relief Benefit (CERB) and the Canada Relief Benefit (CRB) that were more generous than those received from Ontario Works and the Ontario Disability Support Program.

In fact, CERB recipients received almost triple what a single on Ontario Works received and close to double what was received by those on ODSP. In the face of a rising cost of living and inflation, social assistance rates have not kept up resulting in those receiving social assistance to live in poverty.

This has led to other issues such as a spike in those using food banks, an increase in homelessness encampments, increased usage of drugs to cope and increasing crime such as theft in grocery stores by those experiencing food insecurity.

There is a cost to the government to raise social assistance rates but there is also a larger cost associating with doing nothing. **The time has come to increase social assistance rates across Canada to account for the rising cost of living and inflation.**

Poverty has a negative impact on the overall social determinants of health and community safety and well-being. As federal benefits expire, Ontario's Service

Managers are seeing social assistance caseloads to surge including from people who have never used these programs before.

Our Members are also seeing unexpected issues resulting from the expiry of benefits such as seniors facing claw backs related to the Guaranteed Income Supplement Program and, in some cases, the Canada Revenue Agency demanding repayment of federal supports collected in error or due to not meeting requirements. This is creating further hardships at a time when the cost of shelter, food and the basic necessities is rapidly increasing. **Efforts should be made to mediate these hardships caused by inflation.**

Crucial stabilization supports and wrap-around services remain vital to social assistance recipients in addition to an overall increase in financial supports. Increased social assistance rates can help lift people out of poverty but many also need the crucial life stabilization services that OMSSA Members currently provide to Ontario Works and ODSP clients prior to being employment ready.

The pandemic has led to an increase in demand for mental health and addiction supports with many facing long waits or no local access to those supports. **Access to mental health and addiction supports are especially critical in all Canadian communities.**

In recent years there has been a move towards digitization when accessing human services. The CERB centralized intake for example was efficient and got money to those in need quickly. Centralized intake for Ontario Works has also moved in this direction.

As we move further towards digitization and the modernization of services, it is important to remember that not everyone in Canada has access to high-speed internet or cell phone services.

These services are now as crucial as traditional utilities. We need to ensure services are offered in multiple languages and that technological literacy exists among all populations served.

OMSSA encourages the federal government to continue investing in broadband to ensure all urban, suburban, rural, and Northern communities can be part of the digital economy and have affordable access to crucial human services offered by all levels of government.

Health:

Although health and long-term care are provincial responsibilities, the Federal Government has a role to play overseeing the *Canada Health Act* and providing provincial transfers to help fund health care costs.

Talks are progressing between the federal and provincial governments on a new health care deal. All provinces have called for an increase in federal health transfers

to the provinces and increased funding to enhance health care. **OMSSA supports these requests from the provincial governments to the federal government. As part of any health care deal, an emphasis should be placed on mental health and addictions, wait times, and prevention.**

A national mental health and addictions strategy is needed to address the opioid crisis and ensure those in need get the mental health and addictions services they require close to home. This issue must be urgently addressed to save lives in communities across Canada.

Emergency Social Services and Climate Change:

CMSMs and DSSABs provide emergency social services. Emergencies such as forest fires, floods, heat waves, blizzards, tornadoes, and other natural disasters resulting from climate change are becoming more frequent.

Municipalities are on the frontlines of climate change and require funding to retrofit buildings, adapt to climate change through mitigation efforts, and cover the cost of increasing climate events that result in the need for more emergency social services.

Climate change is a global issue that will require all governments working together to reduce emissions and adapt to changing weather patterns. To make progress on Canada's emission reduction commitments and net zero emission targets, all levels of government must find practical solutions and take collective action now despite other priorities that have surfaced in health care, the economy, and energy prices.

Federal support to assist municipalities with planning for emergencies (ie. Forest fires, floods, heat waves, blizzards, tornadoes, pandemics earthquakes and other natural disasters) and implementation of emergency responses would assist municipalities with emergency social services and preparing for future natural disasters, some with direct ties to climate change.

Immigration, Newcomers and Refugee Support:

Canada is a country built on immigration and has a history of showing compassion towards refugee settlement. Large urban municipalities and communities near border crossings in Ontario have seen migration and resulting pressure on the shelter system, homelessness services, and community housing systems.

Ontario communities have also been on the front-lines supporting those fleeing war in Ukraine and other international conflicts resulting in increased migration to Canada.

OMSSA and its Members request the federal support to fully fund the settlement of refugees into the community and to ensure appropriate wrap-around services are available to support them upon arrival.

OMSSA Members also provide supports for newcomers to Canada. **Increased efforts should be made to provide services in multiple languages, speed up foreign credential recognition and provide appropriate supports for new immigrants settling into Canada. Efforts should also be made to include a municipal voice to recruit immigrants to local communities facing labour shortages and to increase economic development.**

Truth and Reconciliation and Inclusion:

OMSSA and its Members are committed to our collective Truth and Reconciliation responsibilities. We believe our Members and the human services sectors have a key role to play in Truth and Reconciliation with Indigenous communities across Ontario. **OMSSA also believes that, where possible, services targeted to Indigenous communities should be delivered by Indigenous organizations.**

It is also important to be aware of systematic racism and unconscious bias. An equity lens and inclusive approach should be factored into policy development, program design and delivery of services.

Partnership between Municipalities, the Province of Ontario, and the Government of Canada:

Every level of government has worked together to respond to the COVID-19 pandemic. Similar collaboration will also be required to ensure economic recovery and to support health and human services systems once the pandemic is over. Fiscal challenges mean that priorities must be set and that the dollars spent result in desired incomes.

Municipalities are facing fiscal challenges and can only raise money through property tax increases and user fees. Our Members cannot run large deficits and cannot afford any new downloading from other levels of government.

The scope of local services has increased over time and the pandemic is putting pressure on municipal budgets as provincial and federal governments attempt to reduce spending and deficits.

Cost savings efforts are also happening at the local level as members of Council do not want to dramatically hike property taxes at a time of high inflation and while their residents are struggling with the increasing cost of living. **To support residents through the pandemic recovery, a potential recession, and inflation, municipalities require continued financial support from both the provincial and federal levels of government. .**

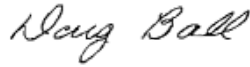
OMSSA supports submissions from other municipal associations including the Federation of Canadian Municipalities (FCM) and the individual cities, regions, counties and DSSABs that make up OMSSA's membership.

We wish the Minister and Department of Finance officials all the best as they develop the 2023 Federal Budget.

Sincerely,



Cathy Cousins
President



Doug Ball
Executive Director