



February 21, 2020

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

Sent by email: budget2020@canada.ca

Re: OMSSA 2020 Federal Pre-Budget Submission

Dear Minister Morneau,

Thank you for the opportunity to provide consultation on the 2020 federal 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 Northern Ontario

OMSSA's members are represented by senior human services staff, who are governed by local municipal councils or a board of directors, representing urban, suburban, 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 children's services, 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. Our members support strong local service system management in collaboration with our provincial and federal partners. Collectively, OMSSA members bring decades of technical expertise and experience to the table.

More information on Ontario's 47 Service System Managers and their respective roles and contributions in communities across Ontario can be found in our [Policy Brief: Local Service System Management in Ontario](#) (PDF).

OMSSA appreciates the opportunity to provide input on the 2020 federal budget. The pages below outline OMSSA and its members' priorities with respect to the 2020 federal budget in the following areas:

[Partnership](#)

[Federation of Canadian of
Municipalities' \(FCM\) Submission](#)

[Municipal Finance](#)

[Ontario's Unique Human Services Model](#)

[Early Years and Child Care](#)

[Canada's National Housing Strategy](#)

[Canada's Mental Health Strategy](#)

[Poverty Reduction and Homelessness](#)

[Newcomer Support and Settlement](#)

[Infrastructure](#)

[Truth and Reconciliation](#)

[Investing in People](#)

PARTNERSHIP

The federal government has identified the following priorities for its 2020 budget:

- Health and Safety of Canadians
- Strengthening the Middle Class
- Climate Change and Protecting the Environment
- Reconciliation

OMSSA values our relationship with the federal government, including our partnership with the Canada Mortgage and Housing Corporation (CMHC) on the National Housing Strategy. OMSSA shares a strong relationship with our colleagues in the Ontario Public Service and appreciates the opportunity to consult on federal-provincial priorities impacting local delivery of housing, homelessness and child care services.

Local governments face many challenges delivering vital services to their residents. Support and collaboration from all levels of government is required to find solutions to major challenges facing Canada and its communities. This is especially true as the population ages and additional pressures are placed on health and human services budgets. All three levels of government share the same tax base and priority of building strong local communities across Canada.

To address common challenges related to economic development, the social determinants of health, infrastructure renewal, transportation, broadband access, early learning, poverty reduction, housing, homelessness and Indigenous partnership and reconciliation, OMSSA and its members believe a new modern federal-provincial-municipal partnership is required to address joint responsibilities in human services and housing.

OMSSA is interested in participating in municipal-provincial-federal 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.

Investing in human services is critical to the health and safety of Canadians. It is also important to support lower income Canadians who want to join the middle class. OMSSA wants to see access to quality human services in all Canadian communities. Expanded community housing, child care and mental health services are urgently needed in communities across Canada.

The federal government believes a strong economy starts with a strong middle class and a responsible fiscal plan. The best way to grow the middle class is to invest in people and in communities. OMSSA agrees with the position of the federal government and supports investing in people and communities.

FCM SUBMISSION

OMSSA fully supports the advocacy and policy work of the Federation of Canadian Municipalities' (FCM), including the recommendations put forth in their 2020 Pre-Budget Submission, [Building Better Lives Together](#).

In its submission, the FCM has highlighted the following priorities:

- 1. Invest in public transit:** implement a permanent transit fund & accelerate the mass adoption of zero-emission transit vehicles.
- 2. Make housing affordable:** invest in social, supportive and Indigenous housing. Create a market rental preservation program.
- 3. Support strong infrastructure:** strengthen the federal gas tax fund and work with FCM to ensure the Investing in Canada Plan keeps delivering results.
- 4. Protect Canadians from climate change:** scale up disaster mitigation funding, invest in energy retrofits, support municipal green fleets.
- 5. Invest in rural and Northern communities:** ensure universal high-speed broadband and mobile access in all Canadian municipalities, adopt a “rural lens” for all federal policies.

OMSSA encourages the federal government to continue to engage with FCM on federal issues that impact local governments across Canada. OMSSA strongly believes the federal government has an important role to play in community housing, increasing rental supply and leading the development of an Urban Indigenous Housing Strategy. Housing is also key to addressing homelessness and poverty reduction within Canada's communities.

MUNICIPAL FINANCE

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.

In Ontario, core social services like income support, children's services and social housing are planned, managed and co-funded by Ontario's 47 CMSMs and DSSABs (Service System Managers). According to AMO, 27 per cent of aggregate municipal operations budgets go to services that are conventionally considered a provincial responsibility in most other Canadian jurisdictions. This includes child care, public health, social assistance and community housing.

According to AMO's figures, municipal expenditures on health services, social housing, and social and family services exceeded total provincial grants by more than \$3 billion. 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. It is impossible for Ontario municipalities to fund its growing list of responsibilities on property tax revenue alone. Ontario municipalities require additional support from both the provincial and federal governments.

OMSSA calls on both the provincial and federal governments to increase investment in municipal governments to support the delivery of vital services to residents. Additional support from the federal government is needed in mental health, housing, child care, transportation, infrastructure, climate change and access to broadband.

The Ontario government spends the lowest per capita in Canada on government programs. According to data from the Financial Accountability Office of Ontario, across Canada, average annual provincial government spending per capita is \$11,862, compared to \$9,820 in Ontario. Equalization payments cost Ontario \$12.9 billion per year, at a time when Ontario is investing the least per capita into services for its residents.

OMSSA encourages federal government to prioritize working with the provinces to amend the equalization formula in a manner that is fair and equitable across Canada. Ontario needs to increase program spending per capita at least to the national average.



ONTARIO'S UNIQUE HUMAN SERVICES MODEL

Ontario's model of human services 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 encourages the federal government to consider Ontario's unique model of local service delivery when designing federal programs such as the National Housing Strategy and a potential national child care strategy.

EARLY YEARS AND CHILD CARE

Child care is becoming increasingly unaffordable for parents and families. 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.

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.

OMSSA is encouraged by the federal government’s desire to invest in before and after school child care services, to expand hours of operation and to reduce child care fees by 10 per cent. OMSSA supports Ontario and Canada signing the Canada-Ontario Early Learning and Child Care Agreement.

Expanding child care spaces for the 0-4 year-old age group is critical and continues to be significantly unserved. It is these early years that are most critical to children’s physical, emotional and social development, including resiliency and the early development soft skills for success in future job markets. In Ontario, there are far more spaces for school-age children than for our youngest and most vulnerable children. **While we support the mandate to increase school age-spaces, we need to sustain the current investment of the bi-lateral agreement in child care for children ages 0 to 4.**

The Canada Child Benefit has been a success, lifting over 300,000 of children out of poverty and reducing child poverty by 40% from 2013 to 2017. This demonstrates the importance of child care to the economy and poverty reduction efforts.

Coordinating federal, provincial and local efforts in early years and child care is crucial to building a strong early years and child care system in Ontario and across Canada. **The federal government should work with the Province of Ontario to reduce unnecessary administration and reporting that has become a burden for Service System Managers.**

OMSSA believes that investing in early years and child care is crucial to making life more affordable, economic development and the health and safety of Canadians. **OMSSA supports the federal government’s continued investment in early years and child care to improve access and affordability in all Canadian communities.**

CANADA'S NATIONAL HOUSING STRATEGY

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-g geared-to-income housing in Ontario has grown to more than 170,000 people, with little new development to address increasing demand on the system. OMSSA's members are also focused on supporting and housing victims of domestic violence, human trafficking and ending chronic homelessness through a housing first approach.

The federal government has promised to invest \$132 billion in infrastructure. **As the federal and provincial governments pursue infrastructure investment, increasing community housing supply across Canada should be a key infrastructure priority.**

According to estimates from the Association of Municipalities of Ontario (AMO) 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.

As pressure increases with end of operating agreements and end of mortgage agreements, there is an urgent need to invest in community housing to maintain and expand existing stock. **OMSSA believes now is a crucial time for the federal government to step up and support the community housing sector in Canada with enhanced federal funding.**

Our members have expressed concerns around the application process, as well as administrative and reporting burdens associated with the National Housing Strategy. These barriers pose challenges for smaller housing providers who are eager to move forward with their projects. Rural and Northern communities have expressed concerns that the scoring criteria reduces the chances their projects will be approved and funded. Similar concerns have been raised with the Co-Investment Fund under the National Housing Strategy, the Canada Lands Agreement program and the Reaching Home program.

OMSSA members believe efforts should be made to streamline the application and reporting process to encourage participation in the National Housing Strategy. Local flexibility is also required to ensure that all communities and Canadians can 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.



According to the latest data from the Ontario Rental Housing Index, 46 per cent of rental households in Ontario are paying more than 30 per cent of their income on rent – and more than one in five are putting more than 50 per cent of their income towards rent. The issue of housing affordability is a top concern of Canadians. All levels of government must work together to address housing affordability in Canada.

OMSSA welcomes the agreement between Canada and the Province of Ontario on the new Canada-Ontario Housing Benefit that will provide funding directly to households. However, our members have concerns around rental vacancies and the lack of rental supply in most Ontario communities. **To address low vacancy rates, OMSSA members believe the federal government should prioritize increasing supply of affordable rental stock in communities across Canada.**

OMSSA also calls on the federal government to review the Canada Mortgage and Housing Corporation's methodology in determining Average Market Rents (AMR) for remote and rural communities. These rental costs are often understated compared to the real cost of rent in these areas. This has an impact on housing allowances, housing benefits and housing rent supplements administered by Ontario's service managers.

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 close to where they live.**

OMSSA also supports a national urban Indigenous housing strategy and encourages the federal government to consult and engage with Indigenous peoples to move forward on this initiative as soon as possible.

An aging population in Ontario and across Canada also places additional pressures on multiple levels of government to meet increased demand for long-term care beds and health care services. **As population demographics change, OMSSA believes it is important for the federal, provincial and local governments to be proactive in addressing the increased demand for services.**

CANADA'S MENTAL HEALTH STRATEGY

The lack of access to mental health and addictions supports in many Ontario communities is a major barrier in addressing life stabilization, homelessness and poverty reduction. 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 Ontario and Canada.

OMSSA encourages the federal government to further invest in supportive housing as a means of preventing homelessness and to provide support for those suffering from mental health and addictions issues.

OMSSA and its members are also concerned about the effects of Post-Traumatic Stress Disorder (PTSD) on front-line caseworkers, emergency medical services (EMS) and emergency social services workers. Given the challenges faced on their jobs, it is important to consider the mental health and wellness of municipal employees working in all Canadian communities.

OMSSA encourages the federal government to create a national mental health and addictions strategy and provide funding to provincial governments to address these urgent issues and to ensure Canadians have access to vital services in the communities where they live.

POVERTY REDUCTION AND HOMELESSNESS

Ontario's 47 Service System Managers have been working to develop local housing and homelessness plans. Many municipalities have also developed their own poverty reduction strategies. The provinces and the federal government are also working on poverty reduction strategies. OMSSA members are willing to share information on best practices, local needs and unique circumstances to work collaboratively with our federal and provincial partners to address the complex issues around poverty.

We are certain it is important for all levels of government to coordinate their efforts and work together on poverty reduction and reducing homelessness. OMSSA would like to provide input on issues such as housing, homelessness prevention, child care, social assistance, employment, affordable transportation, food security, education, mental health, addictions and improving the social determinants of health outcomes in all communities.

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. There is an opportunity to build on the success of the Canada Child Benefit and to move closer to eliminating poverty and homelessness in Ontario and Canada. OMSSA and its members are ready to collaborate with the federal and provincial governments to improve outcomes for vulnerable populations across all Canadian communities.

NEWCOMER SUPPORT AND 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.

Emergency shelters are at, over or lacking capacity in many communities. Municipalities in the Greater Toronto and Hamilton Area (GTHA) and the City of Ottawa have seen significant increases in the number refugee claimants accessing shelters, placing further pressure on already overburdened systems.

Toronto City Council has requested that federal and provincial governments work together to develop an Ontario-wide strategy to direct refugee claimants where they are most able to find housing and settle, while providing sustainable funding mechanisms to address increases in housing and shelter demand at the municipal level. Toronto City Council also requested that the federal government speed up processing of refugee claims and provide additional settlement supports to ensure that all our newcomers are integrated in a successful manner. OMSSA and its members are supportive of these requests.

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 and Ottawa 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.**

INFRASTRUCTURE

There is a major infrastructure funding gap impacting municipalities across Canada, which impacts human services and affordable housing along with roads, bridges and water infrastructure. 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. In the GTHA and Ottawa, there are unique issues around gridlock that require affordable public transit solutions.

Broadband is a crucial component to investing in, developing, delivering and accessing services and promoting economic development in rural and Northern areas. Investing in broadband is crucial as governments move to digital service offerings and modernization.

A one-size-fits-all approach will not work to address infrastructure challenges across Ontario and 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 infrastructure program requirements should allow for local flexibility to address unique needs of both large and small communities across Canada.**

Infrastructure spending has a strong economic return and it is important to get shovels into the ground and funding in place to support economic development. OMSSA believes it is in everyone's interest to protect public assets in local communities. Investments in community housing, broadband, and transportation infrastructure are badly needed and should be prioritized to support communities by the Infrastructure Bank.

Provincial legislation around Asset Management Planning requirements (O. Reg 588/17) was passed in 2018 under the *Jobs and Prosperity Act, 2015*. The intent was to encourage municipalities to formally plan for infrastructure spending, with considerations for lifecycle management, climate change and funding. Municipalities are well-positioned to respond to infrastructure funding from the Federal government consistent this regulation.

Municipalities are also on the front lines and are feeling the impacts of climate change. OMSSA appreciates that the federal government has made climate change a key priority for the upcoming 2020 budget. Support is needed to adapt infrastructure, reduce emissions levels and find solutions to this global emergency.

Major issues such as housing, transportation, broadband and climate change cannot be funded through the local property tax base alone, and require the federal government to play a leadership role.



TRUTH AND RECONCILIATION

The federal government is committed to moving forward in partnership with Indigenous Peoples to ensure they are in control of their own destinies and making decisions about their communities.

OMSSA supports Truth and Reconciliation and strong partnerships and consultation with organizations such as the Assembly of First Nations (AFN), the Ontario Federation of Indigenous Friendship Centres (OFIFC), Ontario Aboriginal Housing Services (OAHS) and Ontario Native Welfare Administrators Association (ONWAA).

It is important that all levels of government move forward on the Truth and Reconciliation recommendations. All governments must acknowledge their responsibilities and honour promises made to Canada's Indigenous population and work towards truth and reconciliation.

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.**

As the population ages in Canada, we must address health prevention and invest in human services to support healthy, successful communities across Canada.

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 impacting local government, from the outset.** This is especially true when the municipality is funding the program, as is the case in Ontario with community housing.

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.** Provincial governments require additional resources in health and human services to support local efforts in this area.

Thank you for the opportunity to provide feedback and input on the federal government'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 federal and local levels of government.

Sincerely,



Doug Ball
Executive Director
OMSSA



Dan McCormick
President
OMSSA