



**January 19, 2018**

Re: 2018 Federal Budget

Minister of Finance  
The Honourable William Francis Morneau  
Department of Finance Canada  
90 Elgin Street Ottawa, Ontario K1A 0G5  
House of Commons Parliament Buildings Ottawa, Ontario K1A 0A6

***Sent by email to the Minister: [bill.morneau@canada.ca](mailto:bill.morneau@canada.ca)***

Dear Minister Morneau,

Established in 1950, the Ontario Municipal Social Services Association (OMSSA) is a non-profit organization whose members are the Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) across Ontario. OMSSA represents all 47 cities, regions, counties and districts within Ontario. Unlike other provinces, local governments in Ontario have a unique role in the planning, administration and delivery of child care, social assistance and housing and in some instances, public health, emergency services and long-term care, within their communities. We support leadership in integrated human services through strong local service system management in each municipality. We acknowledge the important relationship OMSSA members have with our provincial and federal partners.

OMSSA members support the federal government's focus on the human services sector. Investments in poverty reduction, homelessness prevention, mental health, child care, affordable housing and social infrastructure have a direct impact on our members ability to support the community. Service managers support the most vulnerable members of their communities and clients' needs of affordable housing and quality wrap around services, such as addiction and mental health supports, now. OMSSA's members work with children, off reserve Indigenous, people with disabilities, seniors, new Canadians, working poor, hard to house individuals, those impacted by long term unemployment, and families impacted by domestic violence.

## **National Housing Strategy:**

The very high cost of housing and rent, as well as lack of stock has put additional demands on the social housing system. Wait lists and the time for placement is already considerable and increasing in communities across Ontario. Our members endorse the government's National Housing Strategy but encourage the federal government to deliver the promised funds as soon as possible and not wait 10 years.

The National Housing Strategy requires matching funds from provinces. OMSSA urges the federal government to reach an agreement with the Province of Ontario as soon as possible. In a submission to the Ontario government, OMSSA has consistently called for a truly portable housing benefit funded by the federal or provincial government that would promote mobility and choice across Ontario and all of Canada, for those in need of affordable housing. This valuable tool is needed now, well ahead of the 2020 target date. In addition, capital investment to increase stock that would be targeted to areas with low vacancy rates below 3% is critical. End of Operating agreements are imminent across Ontario and federal funding is needed to ensure these units continue to serve those most in need.

While not technically in the Northern territory defined in the strategy, northern Ontario communities, (Kenora, Cochrane and Rainy River) should be included in the funding that addresses the Northern territory and Indigenous populations, as their communities mirror the Northern territory needs. Geographical and demographic concerns in the Yukon, Northwest Territories and Nunavut are similar to the most Northern districts within Ontario. Currently \$300 M has been allocated for Canada's North.

Shelters and transitional housing is often not available or at capacity in Ontario. Funding is needed to ensure no Canadian is forced to sleep on the streets, especially during the coldest days of winter. Transitional housing must be considered as part of the overall housing investment made by the federal government. OMSSA appreciates investments in veteran's housing in communities such as, Simcoe and Muskoka.

We encourage the federal government to work with local service managers to ensure needs can be met within the local communities where projects are planned. Our service managers are willing to partner on federal projects that increase capacity in local communities. Investment of more than \$11M in affordable housing is a significant. This money must flow as fast as possible to address the urgent need to maintain existing units and build new ones. All 47 service manager territories are seeing an increase on their waiting lists in the area of housing.

Potential reporting and administrative burdens are a concern. OMSSA recognizes the need for accountability and reporting to ensure targeted funding provides value for the federal taxpayer. At the same time, we cannot create a new bureaucracy that duplicates the application and reporting process. OMSSA calls on the federal government to work with Ontario to streamline

the administration and reporting so that funding and time can be dedicated to supporting the housing needs of our clients.

The federal government and provincial government must also ensure the program criteria allow for all communities to be served. In the past, Northern and rural communities were shut out of funding due to requirements such as a minimum of 150 units to qualify. OMSSA urges the federal government to assess requirement so that all communities can participate.

Data such as Canada Mortgage and Housing (CMHC) vacancy and average market rent is often less accurate and harder to obtain in rural census areas. This is a challenge for planning and decision making. Investments in data collection would be welcome, especially in rural and Northern areas where reliable data is difficult to obtain.

We call on the federal government to acknowledge and respect the unique role of local service managers within the Province of Ontario and the work they do in their local communities to clearly define their role in federal housing initiatives.

#### **National Poverty Reduction Strategy:**

OMSSA is a very supportive and interested stakeholder in the National Poverty Reduction Plan. Consultations took place across Canada in 2017. In 1989, the House of Commons unanimously resolved to eliminate child poverty by the year 2000. Almost three decades later, that promise has not been achieved. In fact, child poverty has grown in Canada since the pledge was made in 1989 and renewed in 2009. The time for action is now and the over 3 million Canadians currently living in poverty cannot wait a few more years for a federal plan. Surely, we can do better than a 19% child poverty rate in Canada. The fact that 40% of Indigenous children are living in poverty is completely unacceptable.

We encourage the federal government to complete and release the National Poverty Reduction Plan this year. We would like to see it implemented before the 2019 election. The province of Ontario has seen positive results and outcomes from its poverty reduction strategy. OMSSA members have also completed local poverty reduction and homelessness plans. They are willing to share best practices, local needs and unique circumstances relevant to their communities. To reduce poverty and homelessness in Canada, Ontario and locally, efforts must be coordinated through a close partnership at all levels of government.

The Ontario Association of Food Banks found that poverty costs the government about \$30 billion a year, much of which is in health care expenditures because being poor is frequently consistent with poor health. Numerous studies have found that it costs three to four times more to leave someone on the street (in and out of shelters, hospitals, jails) than to give them a home with support services. Income, housing, food security, employment support, economic opportunity, mobility, education and access to health care are all crucial issues related to poverty reduction in Canada. A focus in these areas will produce positive outcomes towards the goal of ending poverty and homelessness within Canada.

### **Mental Health and Addictions:**

Housing is a crucial component in reducing poverty across Canada, but support services are also required. OMSSA calls on the federal government to make a significant investment in mental health. In the area of homelessness, there is no question that mental health and addictions are critical factors, needing to be addressed. Mental health is as important as physical health. Many rural and Northern communities do not have access to support that adequately treats mental health issues within their community. The opioid crisis has had an impact on large and small communities across Ontario and has become an urgent problem across the province.

### **Employment Training and Supports:**

Unemployment is currently at a level not seen since 1976. While job creation has been strong in recent years, many are still being left behind in the current labour market, as skill sets and competencies are not aligned to the requirement of today's employers. Precarious employment is a major issue. Investments in skills development and employment support remains a priority at the local level of government. These supports are needed to ensure a strong middle class and provide opportunity to those looking to join it. We encourage the government to address tax fairness as a means to secure better income inequality so that nobody is left behind in this growing economy. Addressing tax loopholes and ensuring corporations are paying their fair share of taxes would generate new funds to help fund social service initiatives.

### **Marijuana Legalization**

OMSSA members have expressed concern about plans to legalize marijuana and its potential impact on human services and social housing. Policies and budget decisions will be necessary to ensure that the legalization and regulation of cannabis is implemented in a fair and safe manner, including minimizing any unforeseen impacts on municipal services (i.e. enforcement). Revenue generated from taxation must be shared with the municipalities in a manner that it is cost neutral to property taxpayers. Clarity will be required in terms of how landlords can set rules related to tenants smoking or growing marijuana within their units.

### **Immigration and Newcomer Settlement:**

OMSSA service managers played an important role settling Syrian refugees across Ontario. The policies of the United States Administration could lead to additional refugee claims at Canadian borders, as evidenced in the recent influx of Haitians. OMSSA members are willing to help those who require services, but these developments put additional pressure on housing and social services within local communities. Funding and support is required to serve the increasing demand caused by those looking to settle in Canada. They deserve the resources that will allow them to succeed.

Within the Canada-Ontario Immigration Agreement, sustainable funding is needed to support programs. Co-ordination of programs and the ability for local governments to provide input into policy and program development, is required to support service provision to newcomers upon arrival to Canada. Adequate funding is needed for the immigration settlement sector, including the Local Immigration Partnership and the Welcome Centres.

In York Region and Peel Region, current funding is not reflective of the growing newcomer population. The federal government should ensure new funding is directed to areas with large and growing immigrant populations where the need is greatest.

### **National Seniors' Strategy**

OMSSA supports a National Seniors' Strategy. There is a need for a variety of housing options for seniors (type and tenure), including affordable retirement homes, to enable seniors to safely and comfortably age in place. Investment in seniors' basic needs, including increased income support, dental benefits and a holistic approach to healthcare, including alternative therapies that may reduce the need for medication. Investment in caregiver supports, including financial assistance is also required. Technology investments to improve coordination and integrated service delivery, including expanded e-prescribing and virtual care initiatives would be welcomed.

### **Child Care:**

Federal government investments in child care are appreciated by OMSSA members. The National Child Benefit Initiative was a successful tool in reducing some child poverty in Canada. The National Child Benefit Supplement has potential to play an even greater role. Introducing the Canada Child Benefit, which is tax-free and provides up to \$6,400 annually per child under the age of six and \$5,400 annually per child aged 6–17 has been well received. However, the cost of child care has become unaffordable for many. Additional investments to address affordability and universal access would make a major difference in addressing child poverty in Ontario. The federal government should also work with the province of Ontario to reduce unnecessary administration and reporting that has become a burden for service managers at the local level government.

### **Rural and Northern Communities:**

Ontario is a large and diverse province. While homelessness in cities such as Toronto and Ottawa are obvious, -hidden homelessness is prevalent in mid-sized, suburban, rural and Northern communities. Rural and Northern communities have 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 and delivering and accessing services of the future and promoting economic development in rural and Northern areas.

A one size fits all approach will not work in Ontario or Canada. OMSSA calls on the federal government to consider the unique challenges faced by rural and Northern communities within the Province of Ontario. At the same time, the government must also consider the unique needs of a city as large as Toronto. Any new program requirements should allow for local flexibility to address unique needs of both large and small communities across Canada. A planful connection with Ontario's service system from conception to design to delivery is an important investment in a successful outcome as they are directly linked to the needs and attributes of their communities.

### **Social Infrastructure:**

There is a major infrastructure funding gap impacting municipalities across Canada. This impacts human services and affordable housing. OMSSA calls for a federal infrastructure investment in communities through the development of, or research for, community benefits agreements. These benefits include local job creation, apprenticeships, affordable housing, education, support for seniors, health care, and other key benefits for communities.

### **Equalization Formula and Funding for Municipalities:**

The federal government must reevaluate the equalization program in Canada. Ontario spends the lowest per-capita on social services across the provinces and territories. It has been calculated that equalization costs the province of Ontario over \$10 B per year. This funding is needed to support health, education and social services within the Province of Ontario. OMSSA calls on the federal government to evaluate the current equalization funding model and determine if changes are required to provide a deal that is fair to the province of Ontario and all provinces.

The current fiscal situation in the Province of Ontario does not allow for the urgently required investments in housing and human services. These services and projects cannot be funded by the property tax base as municipalities only receive 9 cents out of every dollar collected in taxes. Federal leadership and support is needed to address housing, child care, mental health, social infrastructure, rural transportation, access to health care and income assistance within the province.

### **Conclusion:**

A new 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 would like to see an increased focus on investments in social services to ensure a sustainable health care system with prevention as high priority. OMSSA members are proud of the role they play in affordable housing, income supports, emergency services, employment support, child care, newcomer settlement and public health. We also appreciate our partnerships with the federal and provincial government.

The federal government is on the right track investing in poverty reduction, homelessness, child care and housing. The province of Ontario and OMSSA service managers stand ready to work with the federal government as partners in supporting these initiatives. The leadership role of the federal government is welcome news and will support positive outcomes for those most in need. OMSSA appreciates the opportunity to consult on the federal budget and looks forward to further federal investment to address issues of mutual concern.

Personal regards,

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