

MEMBER BULLETIN

March 10, 2021

Federal and Provincial Governments Announce Major Funding Initiatives for Municipalities

Since the beginning of January, the OSWCA (alongside its partners in the RCCAO) have met with dozens of federal and provincial politicians, Ministerial staff, and municipal organizations to discuss the need for funding for municipal capital programs. This lobbying campaign is having its intended effect.

Beginning in mid-February, we have started to see funding trickle out, beginning with the federal government who announced a permanent municipal transit fund, that initially makes \$5.9 billion available starting in 2021 (and eventually \$3 billion annually) to help municipalities manage and develop their public transit systems. This is an important fund, especially in the short-term, because transit systems were one of the largest drains on public finances in the big urban centres over the last year (e.g. at its peak, the TTC in Toronto was losing \$90 million per month due to ridership decline). In most cases, municipalities were covering their transit losses by diverting money out of their capital works programs and we expected more of the same in 2021. So, this fund will help to reduce these transfers.

Last week (March 4th) the provincial government announced a \$500 million fund to support municipalities hardest hit by the pandemic, which can be used to address "...the unique needs of each community based on COVID-19 related operating pressures." This fund builds on the \$1.39 billion in operating fund assistance that was provided to municipalities in the province in 2020 as part of the *Safe Restart Agreement*. Similarly, this fund provides flexibility for how municipalities can utilize it to ensure that operational deficits are being covered to help avoid the diversion of funds away from capital infrastructure projects.

We are continuing forward on this campaign, now working to encourage the federal government to match, or expand on, the funding provided by the province to help address municipal deficits. And we are cautiously optimistic that we will see an announcement in the Spring 2021 Budget doing just that.

If you have any questions about these lobbying efforts, please contact Patrick McManus (patrick.mcmanus@oswca.org or 905-629-7766).