



CHANGE  
STARTS  
HERE

**MANITOBA  
ALTERNATIVE  
PROVINCIAL  
BUDGET 2020**



CCPA  
CANADIAN CENTRE  
for POLICY ALTERNATIVES  
MANITOBA OFFICE

**Change Starts Here: Manitoba  
Alternative Provincial Budget 2020**

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The recommendations in this report are those of the respective chapter authors and do not necessarily reflect the official positions of all organizations involved.



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# Introduction

## Why an Alternative Budget?

In the words of John Loxley who started the exercise back in the 1990s, alternative budgets are “budgeting as if people mattered”. We recognize that budgets are fundamentally about choices. We believe that if different choices are made about where public revenue comes from and how it is spent, we can actually afford to have quality public healthcare, education, childcare and transportation.

We also believe that we can do something about the big problems of our age: climate change and inequality.

We applied the following five principles to our budget:

1. There should be a more equitable distribution of income and wealth in Manitoba
2. The rights of labour must be restored and protected
3. There should be economic equality between groups (gender; newcomers; Indigenous people; minorities; people living with disabilities). We will push policies that incorporate reconciliation with Indigenous peoples

4. Public services and social programs must be protected

5. Environmental and climate change concerns must be top of mind, along with a just transition to a non-fossil-fuel based economy.

## Who Put it Together?

Many volunteers worked on this Alternative Provincial Budget (APB). They are all experts in their field: some are academics, others are frontline workers in the non-profit sector. Others are citizens who volunteer their time on environmental non-profit organizations (ENGOS) boards, work in the disability community or run family farms. Labour provided valuable input. Students helped with the consultations and two University of Manitoba students wrote submissions and, we hope, learned a lot about how a budget works.

That so many people would take time from their busy lives to come to meetings, attend consultations, write their submissions and respond to endless questions and edits speaks to their commitment to this exercise.



Consultation at Meet Me At the Bell Tower

Why do they do it? Everyone who worked on this document believes in the five principles noted above. They are anxious to see the change we need, and believe that our collective effort provides a comprehensive strategy to deal with the challenges facing our province.

### Consultations

The CCPA held two general consultations in Brandon, one at the Bell Tower in North Winnipeg, and one general consultation in South Winnipeg at Pembina Trails Library. Each consultation was about two hours.

Some chapter authors hosted their own consultations focused on their specific topic. These included: Health (with Manitoba Healthcare Coalition) at the Old Grace Housing Co-op; Housing (with Dr. Sarah Cooper and Kirsten Bernas of Right to Housing) at New Journey Housing; three on Food Security (Food Matters Manitoba), in Brandon, at Winnipeg Harvest, and the Growth North Conference in Nelson House, MB; one with Newcomer and Refugee service workers and one with ethno-cultural community leaders (with Immigration Partnership Winnipeg and the Ethno Cultural Council, respectively), both at the Social Planning Coun-

cil offices; and Agriculture (with the National Farmers' Union) at Harvest Moon Festival in Clearwater, Manitoba.

Notes takers passed on participants' feedback to the relevant authors so it could be incorporated into the chapters.

CCPA also conducted an on-line survey, to which 40 people responded.

### Change Starts Here

All too often we can feel trapped and despondent, and can't imagine how to deal with our rapidly deteriorating environment, increasing inequality, precarious work and lack of opportunity. It's difficult to be hopeful about the future.

The APB offers hope. Through a series of well-researched policy papers and recommendations, it shows us how to implement the changes we need. And change is needed now, more than ever.

The Canadian Centre for Policy Alternatives last prepared an APB in 2006.<sup>1</sup> Looking back today, life seemed remarkably simpler 14 years ago. The 2008 financial crisis set off seismic shifts we're still reeling from. Climate change has become a recognized existential threat and income inequality<sup>2</sup> has worsened. Politics has taken an



Southwest Winnipeg consultation

even harder turn to the right, pitting those concerned about climate change with those worried about their jobs. Regional grievances abound in Canada, with Manitoba stuck in the middle — literally and figuratively.

Manitoba’s own political landscape has changed. In our last APB we were dealing with a slightly left of centre NDP government that actually adopted some of our recommendations, particularly on housing (see the Housing chapter in this APB for details). But since the election of the Conservative government in 2016, many of the incremental improvements brought in under the last government are being steadily eroded.<sup>3,4</sup>

The ruling Conservatives are steadfastly implementing an austerity agenda that is adversely affecting all but the wealthiest Manitobans. As this document explains, whether it be through corporatization of our post-secondary institutions, dramatic cuts in health care, restricting access to crown lands, attacking workers (espe-

cially public sector workers), pulling supports for hardworking community-based organizations, cutting education funding, or making it harder for vulnerable people to access housing, the province is becoming a far more difficult place to live. This is happening on the heels of the Premier’s promise to make Manitoba “the most improved province”.<sup>5</sup>

The APB provides ample evidence that the Premier’s plans are not panning out. In fact, as explained in the Fiscal Framework section, Manitoba’s economic indicators have gone from being amongst Canada’s best, to being average at best relative to national performance. An obsession with debt reduction and tax cuts over a willingness to grow our economy through the sorts of investments in the APB means that our human, capital and natural resources will not realize their potential.

If an austerity agenda is bad news for people, it’s disastrous for the environment. This

government's response to climate change has been woefully inadequate. We outline steps toward a Green New Deal in the Conservation and Climate Change chapter that would dramatically ramp up Manitoba's efforts to transition from a fossil fuel economy. Not only would our recommendations take advantage of our natural resources and local business acumen, they would put thousands of Manitobans to work in decent jobs.

Rural and northern Manitoba are reeling from job losses and cuts to services. The recommendations in our Agriculture and Indigenous and Northern Affairs chapters support Manitoba farmers and those living in the North. The strength of our budget is the way the recommendations in one area complement and reinforce those in others. For example, the training and investment for the North are rooted in Community Economic Development and environmental principles that support our Green New Deal strategy — also tied to our Procurement recommendations. Our Food Security recommendations support the Universal Meals Program in our Education K–12 chapter.

The APB is bold. It invests in people by meaningful investments in childcare, in improving child and family services so that Indigenous

children have the care they need and deserve. We invest in health care, post-secondary education and K–12, in public transportation, housing retrofits to lower energy bills and lower greenhouse gases. These are the sorts of investments that restore the public services that all Manitobans rely on, while beginning to implement a Green New Deal. The APB invests in social housing and programs to help the Newcomer and Disability communities. We *divest* in justice and re-invest funds to help those trapped in the criminal justice system leave, and offer supports to those who struggle with homelessness, poverty and addictions.

We convert the EIA program to a Liveable Basic Needs Benefit. A redistribution of middle and high-income earners' income will make a dramatic difference in marginalized Manitobans' lives, while making our income tax system much more progressive.

Manitobans are frustrated with the lack of action on income inequality, climate change, deteriorating access to health care, lack of quality, affordable childcare, crumbling infrastructure and a stagnant economy. The APB provides a reasonable exit strategy from this paralysis.

We invite all Manitobans who want action to start reading: The change we want starts here.

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<sup>1</sup> [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba\\_Pubs/2006/2006\\_Manitoba\\_Alternative\\_Budget.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Manitoba_Pubs/2006/2006_Manitoba_Alternative_Budget.pdf)

<sup>2</sup> <https://www.policyalternatives.ca/publications/reports/born-win>

<sup>3</sup> <https://www.policyalternatives.ca/publications/monitor/pallister-government-shifts-high-gear>

<sup>4</sup> <https://www.policyalternatives.ca/publications/commentary/great-transformation>

<sup>5</sup> <https://news.gov.mb.ca/news/?archive=&item=45335>



# Fiscal Framework

## The Macroeconomic Context

Provincial government budgets are shaped by the state of the economy. A growing economy will increase government revenues coming from income taxes on individuals and corporations or royalties on resources extraction. An economy that is employing more workers, drawing people into the labour force, and increasing personal incomes will also reduce expenditure pressures on social programs such as Rent Assist and Employment and Income Assistance. The reverse is also true, with tough economic times reducing revenues and putting pressure on the province's finances through increased demand for income supports.

Manitoba has a relatively diverse base of economic activity. Unlike Saskatchewan and Alberta, which are heavily reliant on natural resource extraction and agriculture, Manitoba's economy has greater balance between primary commodity production/extraction and other economic sectors such as manufacturing and services. This has led to greater stability of the Manitoba economy over time, insulating it somewhat from the more pronounced boom and bust cycles experienced by our western neighbours, and generating greater predictability for government budgets.

Despite this, Manitoba is still vulnerable to economic volatility outside of its borders, and the larger economic uncertainty generated from increasingly conflictual global trading relations in recent years. Just over half of Manitoba's economic output is exported, with about half of these exports going to other provinces and half to other countries. National and global economic trends and trade disputes impact Manitoba's ability to sustain steady economic growth and revenues to support government services. Relations with the United States, our largest trading partner, but also other increasingly vital export markets such as China have faced ongoing and recurring challenges in recent years. These include threats to extract concessions by the US through a renegotiated North American Free Trade Agreement, and Chinese bans on Canadian sourced canola, pork and soybeans (all significant agricultural exports for Manitoba). There is some optimism that issues are being worked through, with dispute resolution being negotiated and new market access agreements progressing.

Despite the progress, forecasters has revised down Manitoba's economic growth projections significantly, both from historical trends and earlier forecasts. After tepid growth of 1.0 per

cent in 2018, Budget 2019 forecast real rates of economic growth of 1.7 and 1.5 per cent in 2019 and 2020,<sup>1</sup> but the province later revised these down to 1.2 and 1.4 per cent in their midterm report.<sup>2</sup> The Conference Board of Canada (CBOC) has recently released even more dismal estimates of 0.9 per cent in 2019 and 0.7 per cent in 2020.<sup>3</sup> While the Pallister government continues to emphasize the above noted national and global economic challenges, i.e. factors outside of its control,<sup>4</sup> austerity measures of the Manitoba government are also driving down growth projections. For example, the CBOC forecast cites government expenditure constraints and reductions as contributing to its low economic growth projections for the province.

The reductions and underspending in infrastructure spending by the Manitoba government (see Growth Enterprise and Trade chapter) has been particularly harmful to growth prospects, given infrastructure's strong local and regional economic spinoffs. The previous government had embraced an anti-austerity approach to spending and investment in large scale public infrastructure projects that boosted the construction sector and economic growth. Earlier projects included green energy and climate change mitigation projects such as expansion of the Red River Floodway, the construction of the Wuskwatim generating station and dam, the building of the new Manitoba Hydro headquarters.

These, along with more conventional investments in roads and highways, and projects such as the Winnipeg Richardson International airport terminal, provided significant countercyclical economic stimulus during and in the aftermath of 2008–2009 global economic crisis. This allowed Manitoba to weather the storm comparatively well relative to many other provinces.<sup>5,6</sup> The government continued to ramp up infrastructure spending in the early 2010s, financed through an increase in the PST and sizable deficits. Growth rates in Manitoba were higher than the national average four out of five years between 2012 and

2016, with average annual growth rates 0.4 per cent higher than Canada as a whole.<sup>7</sup>

Major infrastructure projects initiated later by the previous government such as Manitoba Hydro's Bipole III and the Keeyask dam and generating station have reached or are nearing completion, with the current provincial retrenchment leaving a significant gap that the private sector has not been able to fill. Manitoba has underperformed relative to the national economy since the election of the Conservatives, and the CBOC is forecasting the province will to continue to lag for 2019 and 2020, with Manitoba ranking dead last in the CBOC 2020 provincial growth forecasts.<sup>8</sup> Financial sector forecasting estimates are slightly more optimistic, but still place the Manitoba below the national average for 2019–2021.<sup>9</sup>

Similar trends have been observed in the labour market, with Manitoba losing its edge. Historical differences between Manitoba and Canada in unemployment, participation rates and employment rates have been narrowing in recent years.<sup>10</sup> For example, between 1999 and 2016, Manitoba's unemployment rate was 2 percentage points below the national rate on average, while from 2017–2019 that gap fell to 0.4 percentage points. For young workers (aged 15–24) the narrowing has been even more dramatic, with Manitoba losing a 2.9 percentage point advantage since 2015. In 2019, 11 per cent of young workers in Manitoba were seeking and unable to find jobs, matching the federal rate. A similar pattern is visible for the participation rate, the number of people participating in the labour force (both employed and unemployed). While both Canada and Manitoba have seen a secular downward trend in the participation rate since the crisis, Manitoba had consistently outperformed the national average. More recently however, the gap has narrowed from a peak of 2.5 percentage points in 2015 to less than 1 in 2019.

Job growth in Manitoba is also lagging federal trends. Canada had strong job creation in

2019, with indicators suggesting many of these new jobs were ‘good jobs’. Most of them were full time, the unionization rate went up, self-employment fell, and real wage growth was strong.<sup>11</sup> Manitoba, on the other hand, saw effectively no job growth, with increased part time employment coming at the expense of fulltime work, and more Manitobans leaving the job market than those entering.<sup>12</sup> The prospects are not expected to improve anytime soon, with forecasters predicting employment growth significantly below national projections for 2020.<sup>13</sup>

Based on these estimates, it is clear that Manitoba’s economic performance is expected to be subpar and cannot be relied upon to spur real wage growth or job creation. The APB significantly increases government investments in public services and infrastructure to support a just transition including investments in clean energy and job creation, aiming to reverse recent economic slowdown.

## Revenue

The provincial government has a number of revenue sources, the largest being federal transfers, making up approximately 26 to 27 per cent of government revenues between 2014 and 2018. The second largest single source of government revenue is personal income taxes, making up around 21 per cent of provincial revenues. These taxes are levied in a ‘progressive’ manner, such that those with higher incomes pay a higher rate of tax on some of their earnings. Total income taxes, including corporate taxes, make-up about 25 per cent of provincial revenues, and have consistently done so between 2012 and 2018.

While personal income tax rates in Canada are progressive, they are much less progressive than they used to be in the 1950s and 60s. Tax rates on higher income earners have been cut. Tax credits, like a lower tax rate on capital gains (money made off of increasing value of investments) were also introduced, making the tax

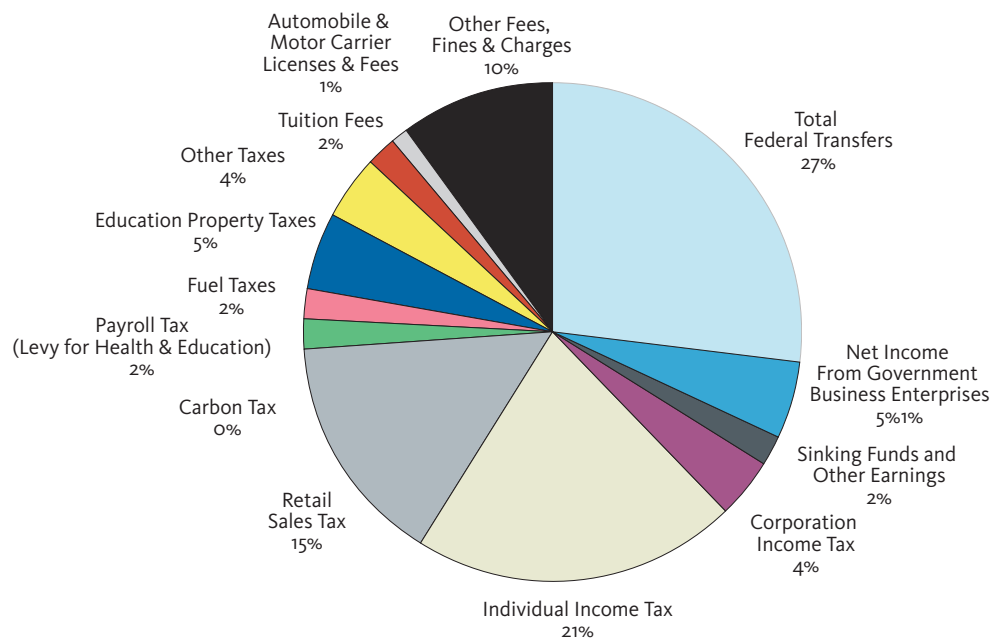
system even less progressive. The tax burden has also been shifting away from corporations onto individuals, with significant cuts to the corporate tax rate over time. Corporate tax rates in Canada have fallen from 28 per cent in 2000 to 15 per cent in 2012. This results in billions of dollars of lost revenue each year, revenue that could pay for a pharma-care plan, or universal child-care. These trends are present in Manitoba too.

Corporate tax rates have fallen even lower, to 12 per cent, and Manitoba is the only province in Canada where small businesses pay no corporate tax. Our top marginal tax rate for individuals is much lower than the federal rate, at 17.4 per cent. Manitoba’s rate is higher than the provinces west of us, but lower than those East of us.

The third largest single source of revenue is the provincial or retail sales tax (PST), making up 14 to 15 per cent of government revenues. The PST is not a progressive tax – everyone pays the same rate regardless of their income. Because low income households spend a greater share of their income on goods and services (poor families struggle to save and invest), these taxes can end up being ‘regressive’ such that low income people end up spending a greater share of their income on the tax. The federal government tries to offset this effect from the GST with a ‘GST credit’ for low income households. Currently the PST has no such credit, but more necessities are exempt under the PST than the GST. Despite being a regressive tax from a total dollar perspective, cutting the PST still benefits higher income Manitobans more because they spend the most. Low income people spend less, so they don’t see much of a benefit from a reduction.

It is important to remember that people also benefit from taxes. Governments use tax revenue to fund important services for individuals, businesses and communities. To judge whether a tax change makes low-income households better-off or not requires looking at what services are impacted. Low-income households are generally more reliant on public social services

FIGURE 1 Government of Manitoba Revenue Sources as Percentage of Total, Actual 2018/19



such as health, education and housing and income supports. Tax cuts often disproportionately benefit those who earn more, and the poor suffer the most when services are cut. For example, the government's raising of the basic personal exemption (the amount on which you start paying taxes) and indexing tax brackets to inflation cost the government \$36.4 million. This saved the lowest earners \$53 in 2019 compared to 2016, but those who made \$70,610/year or more saved \$253/year. These recent tax cuts in Manitoba had been accompanied by reducing services, including benefit reductions in health care, housing benefits and community development programs. For example, the recent cuts to the Rent Assist program saw benefits available decrease in some cases by nearly \$200 for some low income families.<sup>14</sup> These tax cuts paid for by benefit reductions redistribute from the poor to the well-off, worsening inequality.

Other remaining taxes (education property taxes, fuel taxes, land transfer tax, payroll tax, etc.) make up 13 per cent of revenues, and fees

(such as tuition fees, drivers licencing fees) and fines make up another 13 percent. Most of these other taxes and fees are also regressive when paid by individuals, such that they do not consider ability to pay. The government also relies on government business enterprises for a relatively smaller but not insignificant share of revenues (4 to 6 per cent). The remainder (around 1.5 to 2 per cent) is revenue from other financial investments held by government. Figure 1 summarizes the revenue breakdown for the government of Manitoba, showing actual revenue percentages for 2018–19.

In the last few years the proportion of government revenues from various sources has been relatively stable, but there have been shifts over the last 12 years that are particularly notable if we examine the composition of revenues prior to the global economic crisis. Reliance on transfer payments, government enterprises, and investments has fallen, while the province has become increasingly reliant on income taxes to fund its operations. This increased reliance on



**TABLE 1 Revenues, Expenditures and Deficit: 2020 APB vs. Budget 2019**

(in millions)	2020/2021 APB	% Change	2019/20 Budget
<b>Revenue</b>			
Income Taxes	5,419	27.5%	4,250
Other Taxes	5,171	13.7%	4,550
Fees and Other Revenue	2,628	15.7%	2,271
Federal Transfers	5,129	6.5%	4,815
Net Income of Government Business Enterprises	800	-0.7%	806
Sinking Funds and Other Earnings	330	-0.9%	333
<b>Total Revenue</b>	<b>19,477</b>	<b>14.4%</b>	<b>17,025</b>
<b>Expenditures</b>			
Health and Healthy Living	6,986	4.8%	6,664
Education	4,748	3.2%	4,601
Family Services	3,689	70.9%	2,159
Community, Economic and Resource Development	1,974	23.3%	1,600
Justice and Other Expenditures	1,382	1.0%	1,368
Debt Servicing	1,154	6.1%	1,088
<b>Total Expenditure</b>	<b>19,934</b>	<b>14.0%</b>	<b>17,480</b>
<b>In-Year Adjustments/Lapse</b>			<b>(95)</b>
<b>Net Income (Loss)</b>	<b>(453)</b>	<b>25.7%</b>	<b>(360)</b>

income taxes did not offset the fall in other revenue sources (as a proportion of the economy).

Revenues of the Manitoba government as a percentage of GDP (Gross Domestic Product, or the value of all the goods and services produced in a year) have fallen dramatically over the last 12 years. Revenues in 2006/07 were equivalent to just over 25 per cent of GDP. By 2012/13, this fell to 23 per cent of GDP, and has been stuck around this level since. As an illustration of the significance of this drop: if revenues had been maintained at their 2006/07 levels, an additional \$1.9 billion in revenues would have been collected by the province. This is more than double the actual deficit inherited by the current government in 2016. The 2020 APB reverses this trend, by reinstating revenues to its 2006/07 levels in relation to provincial economic output. In addition to substantially increasing revenues, the APB undertakes a significant set of changes to make Manitoba's tax and transfer system more

progressive, including reversing the tax cuts implemented since 2016.

Specifically, the APB proposes the following revenue measures:

- Increase the corporate income tax rate by 1 per cent, to 13 per cent (+\$42M)
- Eliminate the Basic Personal Amount tax credit (+\$898.1M)
- Restore PST to 8% (+\$250M, based on July 1st increase)
- Introduce a provincial Carbon Pollution Levy (+\$300M)
- Increase personal income taxes on higher income earners(+ \$253.2M) as follows:
  - a tax rate on income between \$70,610 and \$90,000 of 18 per cent (up from 17.4 per cent)
  - a new higher tax rate of 20% on income between \$90,000 and \$100,000

- a new higher tax rate of 21% on incomes over \$100,000

- Introduce a Sweet Beverage Tax (+\$75M)

In addition, baseline revenues are forecasted to increase by \$925.8 million over and above those projected in Budget 2019's, based on historical trends and announced increases in federal transfer payments. These revenue increases together return Manitoba's projected revenue to GDP ratio to 25.1 per cent, just under the pre-financial crisis (2007/08) levels.

To help mitigate the impact of these tax changes on low and middle income families, and to make the tax system overall more progressive, the following tax credit programs will be introduced:

- A refundable Livable Basic Needs Benefit (+\$1,072M, based on July 1st implementation; See Expenditure section below and Social Welfare Chapter)
- A refundable new low-income Carbon Pollution Levy Credit (+\$100M, See Climate Change chapter)
- A reduction of income tax rate on the first \$32,670 earned to 10.2 per cent and reduction on income between \$32,671–\$70,610 to 12.5 per cent. (-\$290.4M)

Table 1 summarizes the APB's projected revenues compared to the 2019/2020 budget.

## Expenditure

Government expenditures fund important public services necessary for our modern economy and society to be successful. Infrastructure like roads, bridges and rapid transit ensure people can efficiently get to work and school, and that goods can be transported to market. Health and education services maintain us physically and intellectually, and make sure that we are preparing current and future generations to meet the challenges of the future. Healthcare and educa-

tion, funded through progressive taxation, are also an important part of combatting growing economic inequality. Government funding also supports a range of other fundamentally important services, making sure that our food and drinking water is safe, that our environment is protected, and helping vulnerable populations meet their basic needs.

The APB takes significant steps to address the climate crisis, underinvestment in social programs, and increasing socio-economic inequality. Expenditures by the Manitoba Government over the last four years have steadily decreased in relation to the size of the economy, from 24.4 per cent in 2016/17 to a projected 23.2 per cent in Budget 2019 (See Table 2). Table 1 also summarizes the APB's projected expenditures compared to the 2019/2020 budget. The 2020 APB increases overall expenditure by 14 per cent. This would increase expenditures to 25.7 per cent of GDP, an increase of 2.5 per cent, and returning it to levels seen in the early 2010s.

Expenditure on "Family Services" is the category seeing the greatest year over year increase, with an increase of 71 per cent. Approximately one-third of these expenditures, \$500.3 million, are for important investments to improve services in areas including childcare, housing, and child welfare. The remainder is due to restructuring of the tax and transfer system, specifically the introduction of the Livable Basic Needs Benefit (LBNB).<sup>15</sup> While the APB does increase spending on low income transfers through the LBNB, a majority of this new spending is offset by APB income tax changes. These combined changes makes the overall system significantly more progressive.

Table 3 below outlines the impact on various income groups of the APB's combined income tax changes and the new expenditures through the LBNB. The effect of the changes are shown based on income groups tied to the Low Income Cut Off (LICO). On average, the bottom three groups in the table (with income of 2x the LICO

**TABLE 2 Expenditures, by Category as Percentage of GDP**

	APB	Budget	Actual	Actual	Actual	Actual	Actual
	20/21	19/20	18/19	17/18	16/17	15/16	14/15
Health and Healthy Living	9.0	8.8	9.0	9.1	9.7	9.4	9.3
Education	6.1	6.1	6.0	6.2	6.3	6.3	6.2
Family Services	4.8	2.9	3.0	3.1	3.0	3.0	2.8
Community, Economic and Resource Development	2.5	2.1	2.3	2.4	2.2	2.3	2.4
Justice and Other Expenditures	1.8	1.8	1.8	1.6	1.7	1.7	1.8
Debt Servicing	1.5	1.4	1.4	1.3	1.4	1.3	1.3
<b>Total Expenditure</b>	<b>25.7</b>	<b>23.2</b>	<b>23.6</b>	<b>23.8</b>	<b>24.4</b>	<b>24.1</b>	<b>24.0</b>

**TABLE 3 Net Impact of AMB Income Tax changes + introduction of the Livable Basic Needs Benefit\* \*\***

After-tax Low Income Cut Off (LICO) Family Income Level	Average Disposable Family Income	Average Total Family Income	Average \$ Net Benefit Per Economic Family	Average Net Benefit - % of Pre-LBNB Disposable Income
<b>Bottom 43% of population:</b>				
<1.0 x LICO	\$14,721	\$15,431	\$8,097	55.0%
1.0 – 1.5 X LICO	\$33,332	\$36,450	\$4,167	12.5%
1.5 – 2.0 X LICO	\$48,213	\$56,504	\$1,591	3.3%
<b>Middle 14% of population:</b>				
2.0 – 2.5 X LICO	\$64,963	\$79,052	-\$65	-0.1%
<b>Top 43% of population:</b>				
2.5 – 3.0 X LICO	\$77,862	\$97,148	-\$1,012	-1.3%
3.0 – 3.5 X LICO	\$94,746	\$120,925	-\$1,421	-1.5%
3.5 – 4.0 X LICO	\$101,276	\$130,382	-\$1,519	-1.5%
4.0 – 4.5 X LICO	\$113,597	\$148,693	-\$1,704	-1.5%
4.5 – 5.0 X LICO	\$120,075	\$157,239	-\$2,041	-1.7%
5.0 + X LICO	\$208,918	\$279,761	-\$4,387	-2.1%
<b>ALL</b>	<b>\$74,097</b>	<b>\$93,035</b>	<b>\$889</b>	<b>1.2%</b>

\* AMB Income tax changes include: elimination of the Basic Personal Amount exemption of \$9,626; reducing the bottom tax bracket rate to 10.2 per cent; reducing for the second income tax bracket to 12.5 per cent, increasing the tax rate on the third tax bracket (for incomes between \$70,610 and \$90,000), to 18 per cent (up from 17.4 per cent); creating a top (forth) tax bracket for \$90,000 up to \$100,000, with a tax rate of 20 per cent; and creating a top (fifth) tax bracket of 21 per cent for \$100,000 and over.

\*\* Calculated using Statistics Canada, Social Policy Simulation Database and Model. Version 28.0. This analysis is based on Statistics Canada's Social Policy Simulation Database and Model. The assumptions and calculations underlying the simulation results were prepared by the Canadian Centre for Policy Alternatives Mb. and the responsibility for the use and interpretation of these data is entirely that of the Canadian Centre for Policy Alternatives, Mb.

and under) make up approximately 43 per cent of all economic families. These bottom 43 per cent experience a net gain from the APB changes. The middle 14% will effectively see their disposable income stay constant, with a loss of 0.1 per cent, or \$64. The remaining higher income

groups, making up the top 43 per cent, will see their net income fall. For most of these groups, the fall ranges from 1.3 to 2.1 per cent of net income. The benefit for low income earners however is substantial, an increase of approximately 55 per cent for those below the LICO poverty line.

Overall these changes are expected to reduce the poverty rate by 43 per cent and the depth of poverty by 40 per cent, based on the LICO.

### Deficit/Debt

Governments take in revenue that is spent on services. In a given year, if revenue equals spending, the government budget is balanced. If revenue is less than spending, the government borrows money (from selling government bonds) to cover the deficit for that year. At the end of a budget year, any deficit incurred is added to the government debt. If revenue is greater than spending, the government runs a surplus, and that money can go to pay down the debt.

Just like individuals, governments have to pay interest on any debt. But it can borrow money at lower rates than you or a company can, because government bonds are very low risk (this is because governments have the power and authority to tax people and business, and governments very rarely go bankrupt).

Deficits and debts are not necessarily bad. They have a cost and benefit. The cost is the interest rate on the debt, and benefit is what you spend the money on. If a government goes into debt because it is spending money on frivolous things, then debt is bad. But if the government is spending on things that help people and which grow the economy, debt can be a useful government tool.

Most families borrow money, and this is often a good thing. Car loans often let people access the transportation they need to get and hold a job. Mortgages allow people to buy a home, have a place to live, and own an asset that usually generates a financial return overtime. Borrowing to go to college or university can often lead to brighter prospects for the future. Handled properly, personal debt can help people get the things they need so they can live productive lives, and be financially better off in the long run.

Government debt can work the same way. If a government invests in strategic infrastructure

that can help people and businesses be more productive, this helps Manitoba be more competitive. Similarly, if a government invests in education, childcare, and healthcare, our society benefits and becomes more prosperous. A more prosperous society means government has to spend less on future healthcare and social service costs, and it likely means more people are working. When more people work, more income tax is paid and the government can pay down the debt or have money to invest in programs.

Deficit spending can also be used to stimulate the economy during a recession. In a recession, companies stop spending, they lay off employees and those employees stop spending, causing more companies to lose money and lay off even more employees. When that happens our economy contracts. This happened in a major way in 2008, when unemployment rates sky-rocketed around the world. Governments around the world went into debt so they could invest in such a way to stimulate the economy. They kept people employed and spent money so that companies didn't have to lay so many people off. As businesses become more conservative and sit on large cash reserves, some economists have argued that government needs to stimulate demand through deficits and investing in strategic infrastructure.

How much debt is too much debt? There is a lot of debate about this, but we have seen very high rates of debt in countries with healthy economies. For example, after WWII, Canada's economy was booming, most of our infrastructure was built — providing decades of service — and our debt was around 140 per cent of the total value of our economy (GDP). The most common measure of a country's or province's debt is looking at the Debt to GDP ratio. Canada has one of the lowest Debt/GDP ratios in the world at 28.5 per cent. Manitoba's is higher, at 34.3 per cent. This rate has increased from a low of 21.6 in 2007/08, but Manitoba has invested heavily in significant infrastructure projects that are necessary to mitigate again future cost and risk, such



**TABLE 4 Key Indicators on the Debt and Deficit**

In Millions	2020/2021 APB	Change from 2019/20	2019/20 Budget
Deficit	453	93	360
Debt Servicing	1,149	61	1,088
Summary Net Debt	27,587	1,474	26,113
<b>Per Cent of GDP</b>			
Debt Servicing	1.5%	0.1%	1.4%
Summary Net Debt	35.6%	0.9%	34.7%

flood protection, and projects that will generate significant future revenue for the province, such as hydro dams and generating stations. Contrast these rates to the combined corporate/household debt, which is 218 per cent of GDP.

Another important indicator is the difference between the rate of growth of the economy and the interest rate paid on government debt. As long as the economy is growing at a faster rate than the interest rate that government is paying on that debt, its ability to pay back that debt will grow faster than the debt itself. In a low-risk developed economy like Canada, this is not a concern, with growth rates well above government borrowing rates, although poor economic performance in Manitoba since 2016 has narrowed this gap. Manitoba's debt servicing costs as a pro-

portion of GDP have been very stable, at around 1.3 to 1.4 per cent of GDP since 2010/11, much lower than before the economic crisis.

We do not think that government debt should be taken lightly, and that deficit spending needs to deliver a big bang for the buck (on preventing climate change, for example). But if borrowing money today will save more money in the future, it makes sense to borrow.

The 2020 APB does engage in additional deficit spending on economic and environmental investments. Table 4 presents key indicators with respect to the debt and deficit. The summary net debt increases by \$1,474 Million, leading to an increase in debt servicing costs of \$61 Million or 0.1 per cent of GDP. The summary debt to GDP ratio increases by 0.9 percentage points.

<sup>1</sup> Government of Manitoba. 2019. *Budget 2019: Budget and budget papers*. Winnipeg, Canada: Government of Manitoba. p.39

<sup>2</sup> Fielding, Scott. 2019. *Manitoba fiscal and economic update: Mid-year report*. Winnipeg, Canada: Government of Manitoba.

<sup>3</sup> Macdonald, Alicia, and Anna Feng. 2020. *Provincial outlook economic forecast: Manitoba-autumn 2019*. Ottawa, Canada: Conference Board of Canada.

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<sup>5</sup> Baragar, Fletcher (2011). "Report on the Manitoba Economy 2011". Canadian Centre for Policy Alternatives - Manitoba. Available at: <https://www.policyalternatives.ca/publications/reports/report-manitoba-economy-2011-0>

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<sup>7</sup> Statistics Canada. "Table 36-10-0222-01: Gross domestic product, expenditure-based, provincial and territorial. Retrieved January 15, 2020 from <https://doi.org/10.25318/3610022201-eng>.

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# Agriculture

Agriculture is central not only to our economy but to the livelihoods of farm families, the health of our communities, and the future of our planet.

Over the last 30 years agriculture has undergone rapid transformation. Control over production and distribution has shifted away from farmers and government policy makers to the corporate sector. Today, many farms have consolidated, dramatically expanding their scale of operation as they orient production for global markets.<sup>1</sup>

On the surface, the agriculture and agri-food sector appears to be highly productive, accounting for \$49 billion of the country's gross domestic product (GDP) and has managed to more than triple the value of agri-food exports over the last 30 years.<sup>2</sup> Despite these relative successes, Canadian agriculture is failing on multiple fronts.

In particular, since the mid 80s, the number of Canadian farms, currently at 193,492, has decreased by one-third (293,089) and two-thirds (623,087) since the 1950s, especially among the small to medium sized farms.<sup>3</sup> This trend appears the most pronounced for young farmers, with two-thirds of farmers under the age of 35 having disappeared in the last 25 years.<sup>4</sup> As a result, Canadian farms are faced with a growing generational crisis.

At the same time as large farm operations dominate the landscape, with the majority reliant on fossil-fuel-intensive farming inputs, local ecosystems and rural communities are increasingly under threat. In 2015, direct agriculture accounted for 8.2 per cent of greenhouse gas emissions in Canada.<sup>5</sup> This number is higher if you include transportation impacts and chemical input production costs. However, land is an important carbon sink and therefore ecologically sound and sustainable practices play a key role in mitigating the climate crisis.<sup>6</sup> Ways in which agriculture can reduce its carbon footprint while helping reverse this Farm Crisis can be found in the NFU's recent discussion document, "Tackling the Farm Crisis and the Climate Crisis".<sup>7</sup>

## Situation in Manitoba

The reality in Manitoba closely resembles these national trends. As of 2016, Manitoba had 14,791 farms which represent a loss of 46 per cent of farms since the mid 80s (27,336). Although Manitoba has the largest portion of young farmers under 35 years of age at 10.8 per cent, the number of farm operators over the age of 55 also increased to 52.1 percent and the average age of a farmer sits at 53.8 years.<sup>8</sup>



Agriculture consultation in southwestern Manitoba.  
Photos: Molly McCracken

There are several key structural factors which can explain why young Manitobans are discouraged from becoming farmers. For one, there are increasingly high capital requirements to enter and remain in farming, such as expensive machinery costs, while the market price of crops and livestock have dramatically declined over the last several decades.<sup>9</sup> For every dollar spent, farms on average have to spent 81 percent in operating expenses.<sup>10</sup> It is important to

note, however, that this statistic includes farms with annual revenues anywhere from \$10,000 to above \$500,000. As a result, most farmers have to rely on off-farm employment and farm debt has reached approximately \$9.6 million — a 38 percent increase since 2011.<sup>11</sup>

While the number of farms is decreasing, farmland size is increasing with an average size of 1,193 acres and is valued between \$2,344 to \$5,010 per acre.<sup>12</sup> As such, farmland is very un-



affordable for the average young person — especially with farmers' chronically low net income and yearly risk factors.

Behind many of these changes is the increasing corporate control over the food system. The agri-business lobby has been very influential in determining the direction of food and agriculture policies. Today, policies, both at the federal and provincial level, tend to focus on maximizing trade and exports. As such, in Manitoba and across the country, input companies are taking a much larger chunk of Canadian farm revenues while further eroding farmers' power and incomes.<sup>13</sup>

With the existing barriers to entry for new farmers, new agriculture and food policies, particularly those focused on localizing food systems, will need to be introduced to ensure young people can enter and remain in farming. There are passionate young farmers out there in all types of farming, but many of them are flocking to the direct market or value added sectors as a way to gain income with smaller amounts of land.

Our provincial government has a responsibility to make room for the next generation of farmers. Those supports should weigh higher than the supports given to long term established farmers who have less debt than equity. The loss of the point system to access agriculture based crown land is an example of a bad policy move. The introduction of a highest-bidder system places money over sustainability at a time when environmental protection should be top of mind (see APB section on Climate Change).<sup>14</sup>

Currently our system has some tools available, but they need to be improved dramatically if we want to continue to buck the trend and see more farmers in Manitoba.

### Provincial Programs

There are some provincial programs available to new and young farmer including:

- Ag Action Manitoba which offers financial support to help new and young

farmers access training and consulting opportunities on a 50:50 cost share basis and with funding cap of \$5,500.

- The Young Farmer Crop Plan Credit helps new and young farmers offset the costs of AgriInsurance while also assisting them make decisions about the crop production based on research, analysis and financial feasibility.
- The Young Farmers Rebate (YFR) offers new and young farmers financial assistance through an annual rebate of up to 2% on the first \$200,000 of their total loan over the first five years.<sup>15</sup>

These programs help, but the following new policies are also needed.

**Climate Change Reduction Initiatives**  
(see APB Conservation and Climate Change chapter for more)

**Profitable GHG Mitigation:** To significantly reduce GHG emissions and promote farm profitability, the Alternative Budget will focus major agricultural research funding towards the development and promotion of on farm GHG reduction strategies. Serious focus will go into motivating farmers to reduce the amount of synthetic nitrogen fertilizer use and loss, normalizing less GHG producing feed options for cattle, and being proactive with farmers on implementing other science confirmed GHG reducing strategies.  
*New Expenditure: \$5 M*

**Clean Energy Plan for Rural Transformation and Agriculture Industry Transitions:** Consult with rural communities and Manitoba businesses on implementation plans around clean energy sources such as hydrogen and electrification of the general vehicles, commuter transportation and government fleets (see Conservation and Climate Change chapter, and Budget Paper A). Consultations will include thinking big about how the

Province of Manitoba can invest and gain revenues by leading in the clean energy technologies revolution in Agriculture in North America.  
*New Expenditure: \$2M*

**Community Sustainability Funds:** Improve programs for consulting communities on their needs and funding collaborative projects that allow rural communities to flourish.  
*New Expenditure: \$5M*

**Create a Local Food Strategy for Manitoba:** Similar to programs in Ontario,<sup>16</sup> a Manitoba Local Food Strategy would boost local food from being a footnote to being supported through policy, thus giving local farms a needed leg up. Some items to include would be:

- A Local Food Municipal Fund will be created which will be accessible to municipalities to implement local food councils that will help to facilitate and encourage the sale and distribution of local foods to rural hospitals, care homes and schools etc.
- A series of resources, including a Provincial Local Food Officer, to make the transition to local food economies as palatable as possible.
- See APB chapter on Food Security for more.

*New Expenditures:*  
*Local Food Strategy Consultations: \$150,000*  
*Local Food Municipal Fund: \$5M*  
*Provincial Local Food Officer: \$70,000*

**Rural Internet:** Increase rural internet by building towers in remote and poorly serviced rural areas and then renting out to service providers.  
*New Capital Expenditure: \$10 M*

**Manitoba Co-operative Development Fund:** Funds renewed to help develop new co-operatives

throughout rural Manitoba. See APB chapter on CED for more details and spending.  
*New Expenditure: \$2M*

**Maintain Farm Lifestyles and Attract New Farmers**

In order to have more farmers on our land, significant changes need to occur to reverse the trend of larger farms but fewer farmers. The APB turns back part of the tide and brings people back to the farms and restores a better rural lifestyle.

**The Manitoba Quota and Land Trust:** will be established to finance intergenerational transfer of assets. Retiring farmers transferring quota or land to the Trust will have its value exempted from taxation and be entitled to an annuity based on the productive value of the transferred quota or land. Eligible new farmers will apply to use Trust quota or land in return for a portion of revenues earned from its use and a commitment to continue producing for a minimum period. The APB will fund the operational costs of the trust at a cost of \$4 million a year  
*New Expenditure: \$4 M*

**New Farmer Land Rental Tax Incentive:** This new tax incentive will allow landowners to sell or rent land to new farmers for a reduced rate. The land owner must show that they are renting for a reduced price from the going rate and the farmer must prove that they are a new farmer with limited access to other land access options.  
*New Expenditure: \$3 M*

**Farmer-to-Farmer Mentorship Program:** Funding will be provided to programs and organizations that encourage farmer-to-farmer development. Focus will be on gaining knowledge through collaboration and direct one-on-one experiences.  
*New Expenditure: \$2 M*

Fund and support the development of land linking and land matching programs and/or farmland trusts

New Expenditure: \$1 M

Clean energy plan: \$2M

Community sustainability fund: \$5M

Local food strategy: \$5.22M

Rural coop development fund: \$2M

Maintain farm lifestyles: \$10M

**Total: \$29.22M**

Total New Operating Expenditures:

Greenhouse gas mitigation: \$5M

Total New Capital Expenditure: \$10M

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# Arts and Culture

The arts sector in Manitoba is rapidly adding an increasing number of jobs to our economy, yet it does not get the same level of attention as other industries. The arts sector is labour intensive and produces few greenhouse gases, thereby offering a sustainable approach to growing our province's economy. The arts sector in Manitoba can prepare our youth for the future, provide our elders with support and encourage economic growth overall. Arts and creative industries are multidisciplinary and encourage the unification of communities from different backgrounds, which is of great value in the current political climate. There is much work to be done, however to make the arts more inclusive and responsive to Manitoba's growing diversity, and to be a meaningful part of reconciliation between settler and Indigenous communities.

There are four main reasons why we should be funding arts and culture in Manitoba:

- The positive economic impact that arts and culture has for the province
- The educational benefits for youth
- The growth of multi-disciplinary creative knowledge workers and jobs
- The emerging research showing the link between arts and health

## Arts and the Economy

The arts have a significant impact on Manitoba's economy which is demonstrated in its contribution to provincial GDP. "Culture is an economic powerhouse, employing tens of thousands of people across a wide variety of creative and cultural sub-sectors. Its contribution to the province's GDP, at \$1.7 billion, is larger than it has ever been, and it is one of our fastest growing industrial sectors".<sup>1</sup>

The size of the arts workforce continues to grow. Stats Canada has determined that Arts and Culture employs 22,500 Manitobans, or 3.4 per cent of the workforce.<sup>2</sup> A survey for the Winnipeg Arts Council Report *Ticket to the Future*<sup>3</sup> suggested even higher employment numbers. The report determined that 6.3 per cent of Winnipeg's labour force (25,000 people) is employed in the arts and creative industries, with 5,400 employed by nonprofit arts and cultural organizations.<sup>4</sup> The sector is growing rapidly: the Government of Canada reported that the arts sector grew by 3.6 per cent in 2018, following closely behind the construction sector which grew by 4.1 per cent. The strong growth was a result of maturing investments of the film and entertainment sector.<sup>5</sup> Investing in the arts is important to many Man-



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itobans. Winnipeg has one of Canada’s highest levels of spending on entertainment as a percentage of total household expenditures.<sup>6</sup>

#### Arts and Education

Recent studies have suggested that arts and cultural activities lead to higher graduation rates among lower-income students<sup>7</sup> and that participation in arts can aid learning processes, problem-solving, and other transferable skills.<sup>8</sup> It has been shown that arts and culture encourage “habits of the mind that support learning, as well as self-confidence, motivation, and pro-social behaviours”.<sup>9</sup> This can be beneficial to communities where there are lower rates of graduation, such as poorer communities in Manitoba.

Research by Brownell et al<sup>10</sup> examined the link between poverty and education and concluded that it is highly probable that children who are born into poverty will not be prepared for school. The positive influences that the arts sector can have on education — an important antidote to poverty — are important considerations when considering that Winnipeg’s child poverty rate reached a staggering 41.4 per cent in

2018.<sup>11</sup> Also of note is that Manitoba’s Churchill-Keewatinook Aski riding has the highest child poverty rate in Canada.<sup>12</sup>

#### Arts and Skill Development

As Manitoba’s youth enter the workforce, they will need an education that prepares them for the knowledge economy. At the same time, the Canadian Council for Aboriginal Business and Statistics Canada have shown that the Indigenous population is “the youngest, fastest growing demographic in Canada, with more than 46 per cent under the age of 25. While these exciting changes are underway, by 2022, 52 per cent of all jobs are expected to require cognitive abilities such as creativity, logical reasoning and problem sensitivity (the ability to recognize a problem) as part of their core skill set”.<sup>13 14</sup>

In order to properly prepare Manitoba’s youth, research suggests that providing a thriving cultural and arts sector can “help young people acquire skills needed to succeed in the knowledge economy. A thriving cultural environment also helps retain young people in the province by providing an exciting place to live and raise a family.”<sup>15</sup> As Manitoba becomes more diverse so will



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the opportunities and the challenges as we learn to communicate with, accept, accommodate, and respect non-European cultures, thereby encouraging a creative blending of cultural and artistic traditions. A crucial component of this process is reconciliation with Indigenous peoples, whose culture and traditions have been so sorely neglected under colonization. Encouraging and supporting Indigenous arts and traditions accommodates healing within Indigenous communities, and understanding between Indigenous and settler communities. Prioritizing Aboriginal reconciliation and cultural reclamation is an essential part of developing policies and programs that move us towards social and economic equality.<sup>16</sup>

#### Arts and Health

The positive effects of participation in arts and culture do not end with the development of skills

and self-esteem. Research conducted over the last 40 years has clearly established a link between the arts, cultural participation and health.<sup>17</sup> A higher degree of engagement in both arts and culture would increase the subjective-wellbeing of the province's citizens.<sup>18</sup> This research has become increasingly relevant as many young Manitobans are faced with the high infant mortality rates, high levels of obesity, high levels of cancer due to tobacco use, and also above federal average levels of heart disease, strokes, respiratory diseases, diabetes and nervous system diseases. The province is also facing a mental health crisis, with suicide rates almost double the Canadian average.<sup>19, 20</sup>

#### Arts and Seniors

In terms of the link between arts and health there have been some surprising findings between arts



and cultural participation and senior citizens. Studies have shown that participation in arts and cultural activities have led to reports of “improved wellbeing and higher degrees of social inclusion”.<sup>21</sup> The impact of structured cultural and arts programming for the aging population of Manitoba alleviates pressure on the health care sector with “fewer doctor visits, less medication, positive responses on mental health measures, [and] increased social engagement”.<sup>22</sup> Interestingly, engaging in storytelling with older adults has been found to reduce dementia amongst seniors and an overall increase in physical and mental health.<sup>23</sup> Currently, in Manitoba 14.8 per cent of the population is 65 years and older and the Government of Manitoba expects Manitoba’s population of seniors to increase by 43 per cent over the next 20 years. This change will present new opportunities and challenges.<sup>24</sup>

### Arts and Sustainability

As noted earlier, developing the arts sector is a more environmentally friendly way of creating jobs than other activities like mining or agriculture which currently have highest amount of GHG emissions. Although the arts sector has fewer negative externalities in comparison to many other industries, music streaming continues to grow<sup>25</sup> and new reports are emerging on the relationship between technology, streaming services and the environment. One of these reports from the University of Glasgow has determined that streaming services have exponentially increased the amount of GHG emissions, while simultaneously lowering plastic use and consumption.<sup>26</sup> Dr. Kyle Devine from the University of Glasgow comments that “From a carbon emissions perspective, however, the transition towards streaming recorded music from internet-connected devices has resulted in significantly higher carbon emissions than at any previous point in the history of music”.<sup>27</sup> Understanding the early challenges facing environmen-

tal sustainability in music, we are able to foresee the important role Manitoba Hydro could play in lowering GHG emissions for this sector. (See APB chapter on the Green New Deal).

### Recommendations

Arts branch funding in the provincial budget has remained fairly steady since 2015, fluctuating between \$8.5 and \$9.7 million over the last five years and with a total of \$8.9 million for 2018. Arts Council has also remained steady over the last five years at \$9 million.

Policies and programming should reflect our growing diversity and include investment in reconciliation with Manitoba’s Indigenous people. There must be ongoing consultations with Indigenous artists and underserved communities to help shape the programming required for the success of all our Manitoban artists.

There still remains a large focus on Eurocentric art and maintaining the status quo, which is a large barrier to inclusion and participation. In the spirit and in respect of Indigenous self-governance and self-determination, the APB recommendation that a new Access to Arts Committee be created through the Manitoba Arts Council to support underserved communities and help those communities to create both traditional and contemporary art in film, music and visual art. The current funding system requires applicants to provide a business rationale for their projects: we recommend that for this funding stream the committee — which will have at least one Indigenous representative, someone from the disabilities community, and at least one newcomer, will review projects based on an *underserved* rationale, rather than a business rationale. The mandate of this new committee will be to oversee the growth of the arts — from traditional to contemporary — for underserved communities. The committee will work alongside the Winnipeg Arts Council, partnering on projects to bring Manitoba arts and culture to the global stage.



The new Access to Arts Committee will be funded by restoring the funding to 9.7 million dollars, using the \$800,000 to fund operations, hire staff and to create a new equity-driven project funding stream. The committee staff will oversee applications for grants and will create programming specifically designed to reduce barriers and cumbersome administration allowing all people “to participate in and contribute to cultural experiences, regardless of their geographic location, ability, age or background”<sup>28</sup> — a guiding principle of the “Our Way Forward” report. This cre-

ates jobs in the arts which would be filled from diverse backgrounds, and allow for funding to be spread out more equitably. This also encourages Manitoba’s growing younger demographic to celebrate their diverse cultures, accommodates reconciliation, encourages more tourism, retains more citizens and provides a safe space for newcomers to our province. Funding would be maintained at this level providing support for organizations over the long term.

*New Expenditure: \$800,000*

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# Community Economic Development

Poverty, social exclusion, income inequality and unemployment, the climate change crisis, and community sustainability are serious issues facing Manitoba's communities. Community economic development (CED) is a comprehensive and integrated approach to improving economic, social and environmental conditions in urban, rural, and Northern Manitoba communities.<sup>1</sup> In Manitoba, CED enterprises have led crucial work strengthening our province's communities and have helped build stronger local economies that benefit everyone.

CED is a community-led approach rooted in the Neechi Principles that creates economic opportunities while enhancing social and environmental conditions.<sup>2</sup> It is flexible in that it allows each community to pursue development strategies that respond to its unique needs, strengths, and priorities. Economic development in Manitoba would be stronger, more resilient, and more inclusive with an alternative CED approach that builds local economies, strengthens local community ownership, distributes profits equitably, and is focused on an inclusive approach to growth and employment, particularly for marginalized communities that face disproportionate poverty and unemployment rates.<sup>3</sup> Any successful eco-

nommic development and job creation strategy must ensure that job creation integrates those who want to work but are currently not part of the labour market. Manitoba can scale up successful, proven tools and models to achieve meaningful employment for people facing barriers to social and economic inclusion.

In Manitoba, the CED approach is being practiced by an ecosystem of enterprises, such as co-operatives, social enterprises (or enterprising non-profits), and non-profit organizations. These enterprises contribute to community benefits such as reconciliation, employment, reduced poverty (including a lessened number of people on social services such as Employment & Income Assistance), environmental sustainability, reduced crime and recidivism, improved health outcomes, and family reunification. Examples of the innovation of this approach includes a number of workforce integration social enterprises working in a variety of industries, including a continuum of organizations providing maintenance services for Manitoba Housing, or strategies for Northern Development being used in Nisichawayasihk Cree Nation, detailed in the Northern Development chapter.

Government plays a crucial role in setting the conditions for CED.<sup>4</sup> The infrastructure to

support CED is under-resourced, considering its strong outcomes and results. Strengthening the sector would lead to positive results for the entire economy. A provincial CED policy framework would ensure that CED principles are incorporated into government policies so that the economic, social, and environmental needs of local communities are better met.

The Department of Economic Development and Training should adopt a CED Policy Framework and Lens, and work to strengthen the awareness, understanding, and implementation of it across provincial government departments. The following considerations should be included in a Framework and Lens to harness the power of the CED approach, in line with the Neechi Principles:

- Use of locally produced goods and services
- Production of goods and services for local use
- Local reinvestment of profits
- Long-term employment of local residents
- Local skill development
- Local decision-making
- Public Health
- Physical Environment
- Neighbourhood Stability
- Human Dignity
- Interdepartmental and Intergovernmental Collaboration

Manitoba has employed numerous programs, initiatives, and projects to facilitate CED. Sector-based strategies to support CED enterprises, such as co-ops and social enterprises, have had success in Manitoba. Manitoba can build upon the results of these strategies to support CED in Manitoba.

### Social Enterprise

Social enterprises are an innovation that uses a triple bottom line focus to achieve multiple social, economic, and environmental outcomes

simultaneously, with good results in Manitoba throughout their history. Increasing the scope and impact of the social enterprise sector would be beneficial for all Manitobans. A methodical and strategic approach is required to create a robust social enterprise ecosystem in Manitoba.

Far too many Manitobans who want to work are prevented from finding employment, for reasons ranging from a lack of high school graduation to historical and continuing discrimination. One of the most impactful outcomes of the social enterprise model is inclusive employment and workforce integration. This helps reduce poverty and crime, strengthen communities, grow the labour market, increase the tax base, and decrease provincial costs associated with health, justice, and social services.

Manitoba is recognized as a leader in social enterprise. Many social enterprises contribute to other social, economic, and environmental outcomes, including providing important community services, generating revenue for non-profit organizations, contributing to environmental sustainability, and strengthening local economies. Social enterprises in Manitoba operate in sectors including construction, food services, waste management, childcare, retail, transportation, and community services industries, among others.

A great example of innovative policy supporting workforce integration social enterprise practice is Manitoba Housing's social procurement practices, whereby social enterprises provide maintenance services for Manitoba Housing. In 2016, Manitoba Housing partnered with four contracted social enterprises and Simpact Strategy Group to conduct a Social Return on Investment analysis. The analysis found that "through a total investment of \$2.56 million by Manitoba Housing and other government and non-profit agencies, the four social enterprises created a social and economic return on investment with a total present value of \$5.995 M. This means that for every dollar invested, \$2.23

of social and economic value was created.”<sup>5</sup> It is important to note that the investment was primarily for procurement services that Manitoba Housing would have spent regardless.

According to the 2014 Manitoba Social Enterprise Sector Survey, there are over 125 social enterprises in Manitoba covering a wide range of social missions, paying over \$30 million in wages annually.<sup>6</sup> Between 2015–2018, 2,433 people gained training or employment opportunities from Manitoba workforce integration social enterprises.<sup>7</sup> At any given time, there may be several hundred people in training-focused positions, and several hundred more in employment-focused positions.

From 2015 to 2018, the Canadian CED Network Manitoba co-developed and co-implemented the Manitoba Social Enterprise Strategy in partnership with the Province of Manitoba. The Strategy was a set of policy recommendations and programming to create a robust ecosystem for developing and strengthening work integration social enterprises.

We recommend that over the next year, the Manitoba government support social enterprise development by investing in the co-creation and co-implementation of a second phase of the Manitoba Social Enterprise Strategy, in partnership with the social enterprise sector.

The strategy should utilize the Six Pillars of Development recommended by the Social Enterprise Council of Canada to all levels of government as the most immediate needs of the sector.

These pillars include:

- **Enhancing Enterprise Skills:** Ensuring social enterprise leadership has the necessary skillsets to balance business demands with community impact.
- **Ensuring Access to Capital and Investment:** Ensuring social enterprises can access appropriate funding and financing, including funding for training and workforce development programs.

- **Expanding Market Opportunities:** Expanding access to markets to create more jobs and other economic contributions through social enterprise.
- **Promoting and Demonstrating the Value of Social Enterprise**
- **Establishing a Regulatory Framework**
- **Supporting Networks and Community Engagement:** Developing management and enabling knowledge exchange to enhance the effectiveness of social enterprise.

*New Expenditure: \$.25M annually*

### Strengthening Manitoba's Co-operative Sector

Cooperatives help create strong local economies, root ownership locally, distribute profits equitably, and create jobs and services in communities where they are otherwise lacking. (See the Agriculture section for more on co-ops). Supporting and strengthening the cooperative sector would benefit our economy, our communities, and creating meaningful employment in Manitoba.

There are over 275 cooperatives, credit unions and caisses populaires in Manitoba, comprising of over 1,000,000 memberships. Cooperatives account for 3 per cent of all jobs in Manitoba, and contribute 3.2 per cent to Manitoba's GDP. Additionally, in 2010 Manitoba cooperatives paid over \$500 million in taxes.<sup>8</sup> Cooperatives are a more sustainable business model given their collective ownership and community commitment; 62 per cent of new co-ops are still operating after five years, compared with 35 per cent for other new businesses. After 10 years, the figures are 44 per cent and 20 per cent respectively. In Manitoba, there are approximately 68 rural communities where a credit union is the only financial institution.<sup>9</sup>

The sector, like any other, needs support from the provincial government to thrive. The Province of Manitoba currently supports co-op de-



velopment resources and has successfully partnered with the cooperative sector. Manitoba has seen co-construction and co-implementation of good policy, public education, and co-op development, including under the Co-op Visioning Strategy. We recommend that over the next year, the Province of Manitoba re-engage with the Manitoba Cooperative Association (MCA) and CDEM (Conseil de développement économique des municipalités bilingues du Manitoba) on the co-creation, resourcing, and implementation of a co-op development strategy for Manitoba.  
*New Expenditure: \$.25M annually*

### CED Enterprise Support Services

Micro enterprises and small businesses, including cooperatives and social enterprises, increase household incomes, create employment and democratic workplaces, and reduce government expenditure on social services and income assistance programs. Low-income and rural Manitobans, as well as other groups facing barriers to full participation in the local economy, require tailored services to meet their business development needs. Community-based agencies, such as SEED Winnipeg or Community Futures Development Corporations, have successfully supported these clients and communities to develop businesses, cooperatives, and social enterprises.

The Department of Economic Development & Training's Cooperative Development Services branch, the Entrepreneurship Manitoba Special Operating Agency, and the Crown Corporation Communities Economic Development Fund (CEDF: see Northern Development chapter for more details) have been restructured, halting some services such as business consulting, self-serve business library research, access to CEDF, and cooperative development services. The Busi-

ness Services Division of Entrepreneurship Manitoba provided business consulting services to 13,140 clients in 2016–17 but stopped reporting this service on its performance outcomes during the 2017–18 year.<sup>10</sup> Grants for these third-party not-for-profit business and enterprise support services have been consistently reduced since 2016/17 levels, impacting the ability of low-income and rural Manitobans to receive robust and timely access to accessible cooperative, social enterprise, and CED development training and consulting services.

Community-based agencies continue to deliver small business, cooperative, and enterprise support services; however, some services have ceased, or have been reduced to specific demographic groups. Many community-based agencies are no longer able to reach low-income and rural Manitobans, resulting in inadequate business and enterprise development supports for these Manitobans, even though they are still referred to these agencies by the Department of Families.

We recommend that over the next year, the Province of Manitoba increase the grants provided to third party not-for-profit business and enterprise support services to 2016/17 levels (prior to the 2017/18 cuts of the Partnerships for Economic Growth program) so that low-income and rural Manitobans can receive robust and timely access to accessible business, cooperative, and enterprise development training and consulting supports.

*New Expenditure: \$.5M*

### Total New Operating Expenditures

*Social Enterprise: \$.25M*

*Strengthening Co-op Sector: \$.25M*

*CED Enterprise Support Services: \$.5M*

**Total: \$1M**

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# Childcare

Manitoba's childcare system is under severe strain.<sup>1</sup> There are too few licensed childcare spaces; over 16,600 names are on the central waiting list, and there are only 37,459 licensed spaces in the province. Parent fees, while stable, are still too high for many. Only a handful of low-income parents can use regulated childcare, because the subsidy system is harshly restrictive. Facilities and programs are suffering, some are contemplating closure, and almost none can undertake expansion. In recent years, childcare spending has been frozen at 2016 levels — and was too low even four years ago.<sup>2</sup> Worse, the province is not even spending the insufficient funds it has allotted. In 2018–2019, the province underspent the Financial Assistance and Grants share of the budget (the part that helps programs and parents the most) by \$9 million — or a functional reduction of 5 per cent. Manitoba's approach to childcare is especially concerning in light of the federal Multilateral Framework Agreement on Early Learning and Child Care, which is providing an additional \$15 million per year to Manitoba.

Manitoba has historically been a national leader in childcare. Two policy instruments have been at the heart of Manitoba's policy regime.

First, since 2001, Manitoba has prioritized supply-side financing through dedicated operating support (called “unit funding”). This funding covers approximately 42 per cent of program operating costs, with parent fees making up the remaining 58 per cent. The second feature protects public dollars by prioritizing non-profit care and restricting the role of commercial enterprises. Both unit funding and the principle of not-for-profit care are under attack: our proposed budget in APB 2020 is a first step saving both instruments and repairing years of neglect.

We invest in childcare because it is important and has far-reaching effects. High quality childcare enhances all children's healthy development, supports families, and is a precondition for women's equality. Childcare promotes school readiness, helps build healthy communities, helps reduce poverty, creates jobs, helps parents work, contributes to the life-long good health of children, and aids in the building of safer communities. The Truth and Reconciliation Commission underlined how essential culturally appropriate early childhood education programs are for Indigenous families and reconciliation. Inclusive early childhood services promote equity among classes, levels of ability, racial and ethnic groups

(including newcomers), and generations — all of which strengthens social solidarity and inclusion.

Manitoba's regulated childcare system ensures a floor of safety and quality for children and families. Manitoba has 713 childcare centres that supply 92 per cent of the province's childcare spaces. Nearly all centres (680 or 95.3 per cent) are charitable not-for-profit organizations run by parents and community groups. Less than five per cent (33 centres) are run by private businesses, with private owners, to make private profits from the fees parents pay. The remaining 8 per cent of Manitoba's regulated childcare spaces are provided in private homes: 448 homes supply 3,286 spaces. Fewer than one in seven home providers has specialized education to work with young children, and half of all homes close within four years of opening.<sup>3</sup>

Manitoba has 191,000 children aged 0–12 years, and 116,400 of them have an employed mother (data on employed fathers is neither collected nor reported).<sup>4</sup> These children must compete for only 37,459 licensed spaces — a licensed childcare space for fewer than one in five children. Manitoba's childcare coverage rate of licensed spaces for 18.8 per cent of the child population is well below the Canadian average of 27.2 per cent.<sup>5</sup> Some observers have analyzed access through the lens of childcare 'deserts:' defined as a postal code where there are more than 50 young children, but less than one licensed childcare space for every three of them. Manitoba is in tenth place among Canadian provinces and territories: 6 in 10 Winnipeg children live in a childcare desert and 8 in 10 rural Manitoban children live in a childcare desert.<sup>6</sup>

Childcare is a market service, and parents must therefore pay fees. Manitoba is one of the rare provinces that has province-wide standardized fees. Parent fees are made less expensive because of direct operating/unit funding, but parents still contribute well over half (58 per cent) of all revenue in the childcare sector. Fees vary by the age of the child, since younger children

require higher staff ratios for safety and developmental reasons. Parent fees also vary by the type of care: fees are lower in family homes than in centres. Parents using full-time care pay \$30/day for each infant, \$20.80/day for each preschooler, and typically \$10.30/day for each child aged 6–12 while school is on. In family homes, the fees are lower: usually \$20.20/day for each infant, \$16.20/day for each preschooler, and typically \$8.30/day for each child aged 6–12 while school is on. In a small number of childcare centres which are designated as 'workplace' centres, the fee can be considerably higher. While the daily fee seems manageable, the annual costs are high: \$7,200/year for an infant and \$4,512/year for a preschooler. Nevertheless, Manitoba's parent fees are the second lowest in Canada.

Manitoba fees only seem 'affordable' because the cost is astronomical in all other provinces save Quebec. Full-fee paying parents pay a large share of their family income to use childcare. For example, a Manitoban middle-income two-parent family with two children will pay 22 per cent of their net income on childcare fees.<sup>7</sup> One Canadian economic study suggested that paying anything over ten per cent of family income is unaffordable.<sup>8</sup> Even this is likely too high: the USA uses seven per cent of family income as its maximum target. Sweden is even lower, at no more than three per cent of family income.<sup>10</sup>

Low-income parents who work, study or are in training, as well as some parents and children with identified social needs, may receive a full or partial childcare subsidy. The thresholds for eligibility are very low (see Table 1, below), and were last set in 2013. If subsidy eligibility had simply kept up with inflation since 1999, many more families would be eligible today (see Table 1, below). Nearly all parents who qualify for a 'full' subsidy will be surcharged \$2/day per child — a cost that can be formidably high for many poor families. A 'fully' subsidized single parent with two children would pay \$1,040/year of surcharges, and surcharge represents over 9



TABLE 1 Poverty Lines and Childcare Subsidy Levels, 2019 and 1999<sup>13</sup>

	Low-Income Cut-off (2017) in Winnipeg After Tax <sup>14</sup>	Maximum Income Level for 'Full' Subsidy (2019) After Tax <sup>15</sup>	1999 Eligibility in 2020 Adjusted Dollars After Tax
One parent & one child	\$25,555	\$16,420	\$20,597
One parent & two children	\$31,822	\$19,462	n/a
Two parents & two children	\$39,701	\$22,504	\$29,229.67

per cent of that single parent's net income.<sup>11</sup> A two parent, two-child family must be \$17,000 under the poverty line to qualify for a full subsidy. No doubt this explains why just 17 per cent of families today receive a subsidy, a precipitous drop from two decades when the figure was about 50 per cent.<sup>12</sup>

It is in this stressful context that Manitoba policy and funding changes are occurring. Family Minister Heather Stefanson and her colleagues are proposing policy and funding changes that will worsen access, affordability, and quality for children and parents (both full-fee paying and subsidized), and which further threaten supply-side funding and not-for-profit provision.

The clearest signal is that operating funding has been frozen at 2016 levels, and even that has been underspent by over \$9 million, or five per cent. The funding freeze has meant early childhood educator wages have also been frozen for four years. A best practice in childcare is that 85 per cent of a centre's budget is dedicated to staff wages and benefits — one of the reasons why the input-output (also known as 'multiplier' or 'ripple') effects of childcare are so positive, and why the sector is such a job creator. Childcare is a labour-intensive green industry that provides meaningful jobs for women, while also supporting parental employment. But the freeze on supply side funding is having troubling consequences for families, staff, and programs.

As rents and other costs increase, facilities are squeezed. When already low staff pay can't even keep up with inflation, few people want to enter the field. Many others are forced to quit.

The number of new students enrolling in the two-year ECE community college degree is plummeting: enrollments are down over 25 per cent. To meet provincial safety and quality regulations, two-thirds of staff must have specialized early childhood education (ECE) training, but many centres cannot recruit and retain enough trained staff due to underfunding. This causes a negative cascade on quality for children and families.

Beyond freezing [and underspending] operating funds, the province is abandoning the principle of not-for-profit childcare. While most experts agree that non-profit care is more efficient and higher quality,<sup>16, 17</sup> the Conservative government takes the opposite view. The Minister of Families is on record as saying the "private sector is underrepresented in Manitoba's childcare sector compared to other provinces," lamenting that private spaces make up less than five per cent of Manitoba's childcare system.<sup>18</sup> Rather than protecting this strength, the PC government is aggressively opening up childcare to commercial interests.

In 2018, Manitoba launched a regressive Child Care Centre Development Tax Credit Program, worth \$2.1 million. This program provides a tax credit for private corporations which create spaces. Each eligible corporation can receive a windfall of \$740,000 of capital dollars — money that permanently leaves the public sector when it transfers into private hands.<sup>19</sup> In contrast, when charitable and not-for-profit associations applied for capital funds to build childcare centres, they were capped at \$600,000, and these dollars had to be redistrib-

uted to other charitable or non-profit groups if the centre were ever to close down, preserving the value of taxpayer money.<sup>20</sup>

The 2019 Speech from the Throne accelerated privatization, promising to “expand private sector investment”.<sup>21</sup> Manitoba has recently proposed spending \$18 million/year to provide parents with cash to spend on any kind of childcare, including risky unregulated childcare. The Minister of Families’ 12-month action plan touts the intention to introduce “a private sector/for-profit capital grant to incentivize expansion or new development of for-profit child care centres”.<sup>22</sup> No capital dollars have been allocated to the non-profit sector. Perhaps most worrying, last summer the Province issued a secretive call asking for consultants to redesign the provincial funding architecture to ‘modernize the child-care sector.’ Potential bidders were required to sign a non-disclosure agreement to access the RFP and amount of the funding provided was not released.

Management consultants KPMG have been hired to do this work.<sup>23</sup>

What immediate steps must be taken to support charitable and not-for-profit childcare in Manitoba? Our proposed budget has four immediate top priorities:

- to protect parents against fee increases;
- to enhance childcare subsidies so low-income Manitoba families can access childcare;
- to provide operating funding so licensed programs are financially stable;
- to enhance quality by paying market-competitive salaries that reduce staff turnover and promote the retention of trained early childhood education professionals.

Once the current system is stabilized, we will increase the number of childcare spaces. We must do more than maintain childcare, we must ramp up the system to meet the needs of more chil-

dren and families — and this means increases to the childcare budget must be much larger than increases in the budgets of services that are already fully mature and implemented. As a consequence, childcare budget increases will have to be sizeable for at least the next five to six years before the childcare system is ready to move into maintenance mode. Over this term, we will modernize the operating funding formula to recognize that childcare is a public good. We will ensure that no Manitoba parent ever pays more than 10 per cent of their net income on childcare fees, and we will seek to reduce this ceiling. This ambitious agenda will require multi-year planning, including increased contributions by the federal government as a partner committed to supporting families and children.

#### 2020/21 Budget Implications

We begin by assuming that all estimated dollars will actually be spent. Then, we reassign the \$2.1 million Child Care Centre Development Tax Credit Program away from large private corporations and to charitable and not-for-profit associations. Second, we reverse the risky use of \$18 million on unmonitored and unregulated care, and spend this on improving subsidies in the regulated sector.

We restore four years of frozen operating grants, and go further. To do this, we follow the MCCA recommendation to increase unit funding by 47 per cent:<sup>24</sup> this will ensure that facilities have the supply-side funding they need to meet program costs, including paying market-competitive salaries to early childhood educators without triggering parent fee increases. This also permits increases to the Inclusion Program to help children with additional support need. Our budget restores the full complement of public servants at Manitoba Early Learning and Child Care, to serve those working in the sector alongside the citizens and children who use childcare. Finally, we cancel the corporate

**TABLE 2 Manitoba Early Learning and Child Care Expenditures**

	Actual 2018/19 \$000	Estimate 2018/19	Estimate 2020/21 \$000
Salaries and Employee Benefits	4,571	5,384	5,384
Other Expenditures	264	700	700
Financial Assistance and Grants	169,972	178,977	263,096
<b>Total Expenditures</b>	<b>174,807</b>	<b>185,061</b>	<b>269,180</b>

contract with KPMG, at a cost-savings that is currently unknown.

We note that Manitoba can count on receiving \$15 million in 2020/21, and likely more go-

ing forward from the federal Multilateral Early Learning and Child Care Agreement, and so this reduces the 2020/21 cost to Manitoba to \$254,180.

*Total Expenditure: \$254M*

<sup>1</sup> Unless otherwise stated, current data about Manitoba's childcare system is drawn from the Manitoba Families *Annual Report, 2018–2019*. Retrieved from [https://www.gov.mb.ca/fs/about/pubs/fsar/fsar\\_2018-2019.pdf](https://www.gov.mb.ca/fs/about/pubs/fsar/fsar_2018-2019.pdf)

<sup>2</sup> Family homes have received a small funding increase. Since 2017, homes have received policy preference and priority over centres — a paradoxical focus, given that they serve less than one in ten children using licensed care in Manitoba, and public opinion polling finds 75% of parents prefer centre-based care (Manitoba Child Care Association, 2016).

<sup>3</sup> Prentice, S., Sanscartier, M., & Peter, T. (2016). Home sweet home? An evidence-based analysis of family home childcare in Manitoba: Working paper.

<sup>4</sup> Friendly, M., Larsen, E., Feltham, L., Grady, B., Forer, B., & Jones, M. (2018). *Early childhood education and care in Canada 2016*. Toronto: Childcare Resource and Research Unit. p. 70.

<sup>5</sup> Ibid. p. 146.

<sup>6</sup> Macdonald, D. (2018). *Child care deserts in Canada*. Toronto: Canadian Centre for Policy Alternatives. p. 10 and 48.

<sup>7</sup> Flanagan, K., & Beach, J. (2016). *Report of the commission on early learning and child care*. [https://www.gov.mb.ca/fs/childcare/childcare\\_news/pubs/final\\_report.pdf](https://www.gov.mb.ca/fs/childcare/childcare_news/pubs/final_report.pdf) p. 47.

<sup>8</sup> Cleveland, G. (2018). *Affordable child care for all: Making licensed child care affordable in Ontario*. <http://www.edu.gov.on.ca/childcare/affordable-for-all-en.pdf> Toronto: Cleveland Consulting.

<sup>9</sup> Miller, C. C. (2020, January 17). Why mothers' choices about work and family often feel like no choice at all. *The New York Times*. Retrieved from <https://www.nytimes.com/2020/01/17/upshot/mothers-choices-work-family.html>

<sup>10</sup> Commission/EACEA/Eurydice/Eurostat, E. (2017). Sweden: Overview. Retrieved from <https://webgate.ec.europa.eu/fpfs/mwikis/eurydice/index.php/Sweden:Overview>

<sup>11</sup> Flanagan, K., & Beach, J. (2016). *Report of the commission on early learning and child care*. [https://www.gov.mb.ca/fs/childcare/childcare\\_news/pubs/final\\_report.pdf](https://www.gov.mb.ca/fs/childcare/childcare_news/pubs/final_report.pdf) p. 14.

<sup>12</sup> Prentice, S. (2000). *A decade of decline: Regulated childcare in Manitoba, 1989–1999*. Winnipeg: Canadian Centre for Policy Alternatives-MB.

<sup>13</sup> We model all three families with preschool-aged children

<sup>14</sup> LICO are often referred to as the 'poverty line.' Source: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110024101>

<sup>15</sup> Source: Stephen-Wiens M. *Letter to Centre Directors: Subsidy Eligibility Tool*. Winnipeg: Early Learning and Child Care, Department of Families; 2019 March 21.

<sup>16</sup> Cleveland, G., & Krashinsky, M. (2009). The non-profit advantage: Producing quality in thick and thin child care markets. *Journal of Policy Analysis and Management*, 28(3), 440–462.

<sup>17</sup> Penn, H. (2009). International perspectives on quality in mixed economies of childcare. *National Institute Economic Review*, 207(January), 83 - 89.

- 18 Canadian Press. (2019). Manitoba PCs pledge child-care subsidy, while NDP says waitlists grew under Tories. *CTV News*. Retrieved from <https://www.ctvnews.ca/canada/manitoba-pcs-pledge-child-care-subsidy-while-ndp-says-waitlists-grew-under-tories-1.4555206>
- 19 Manitoba Families. (2019). A guide to the child care centre development tax credit program. Retrieved from [https://www.gov.mb.ca/fs/childcare/resources/centre\\_dev\\_tax\\_credit.html](https://www.gov.mb.ca/fs/childcare/resources/centre_dev_tax_credit.html)
- 20 Capital grants through the MELCC Building Fund have not been disbursed for several years, and no announcement has been made about a call in 2020.
- 21 Government of Manitoba. (2019). *Speech from the throne: At the opening of the second session of the 42nd legislature*. Retrieved from Winnipeg: <https://www.gov.mb.ca/thronespeech/index.html>
- 22 Minister of Families. (2019). *Shared priorities, sustainable progress: A 12-month action plan for Manitoba families*. Retrieved from Winnipeg: <https://www.gov.mb.ca/fs/pubs/shared-priorities-sustainable-progress.pdf>
- 23 Government of Manitoba. (2019). Manitoba creates new early learning consultation table to increase options for families [Press release]. <https://news.gov.mb.ca/news/index.html?item=46440>
- 24 MCCA. (2019). *2019–2020 early learning & child care recommendations*. Retrieved from <http://mccahouse.org/wp-content/uploads/2019/10/Recommendations-to-Government-2019-20.pdf>

# Child Welfare

## Background and Context

Canadian child welfare services are provincially and territorially funded and legislated, with the exception of federally funded services to First Nations peoples living on reserves. In accordance with individual agreements negotiated between First Nations communities, provincial/territorial governments, and the federal government, an increasing number of First Nations are delivering child and family services in accordance with provincial and territorial child welfare laws. In addition, there are a host of community-based organizations providing prevention supports to children and families.

The child welfare system in Canada has long been criticized as an oppressive system that focuses far too much on apprehension over prevention. In Manitoba, upwards of 90 per cent of children in care are Indigenous. Most recently the colonial nature of child welfare across the country was highlighted in the Truth and Reconciliation Commission of Canada report (2015)<sup>1</sup> and *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls* (2019).<sup>2</sup> Specific to Manitoba, the (1984) report by Justice Edwin Kimelman, *No Quiet Place*;<sup>3</sup> the 1991 Aboriginal

Justice Inquiry report by A.C. Hamilton and Justice Murry Sinclair;<sup>4</sup> and Justice Hughes' *Legacy of Phoenix Sinclair: Achieving the Best for All Our Children Inquiry into the death of Phoenix Sinclair* (2014)<sup>5</sup> provided detailed and scathing analyses of child welfare in Manitoba, emphasizing its damaging colonial design and delivery.

*No Quiet Place* was the first government commissioned investigation into child welfare and the treatment of Indigenous children and families in Manitoba and what is now known as the '60s scoop'. In a scathing report Judge Edwin Kimelman concluded:

After reviewing the file of every Native child who had been adopted by an out-of-province family in 1981, Judge Kimelman stated: 'having now completed the review of the files... the Chairman now states unequivocally that cultural genocide has been taking place in a systematic, routine manner'.

Several years later Justice Murray Sinclair noted similar concerns. In the first page of the *Report of the Aboriginal Justice Inquiry* (AJI) Sinclair notes a denial of justice "of the most profound kind," describing Canada's legacy to Aboriginal people as being "poverty and powerlessness." The



report spoke to the interconnectedness between the justice system and the child welfare system and recommended important changes to the child welfare system. Sinclair also noted: “Historically, the child welfare system has focused on investigating and then addressing parental shortcomings or misconduct, with little emphasis on prevention and empowerment.” He called for an overhaul of the child welfare system.

In Manitoba, the most significant effort to overhaul the system began in 1994 with the Framework Agreement Initiative signed by the Government of Canada and Manitoba First Nations. It aimed to develop an Indigenous self-governance model that included child welfare. In January 2007, the AMC voted to dissolve the agreement, citing concerns about negotiations with the newly elected federal Conservative government which took office in 2006.<sup>6</sup> The recommendations outlined in the AJI report were shelved by Manitoba’s Conservative government and were not addressed until the NDP government was elected in 1999.

Given the most recent concerns raised in the TRC and the MMIWG Inquiry, it is clear that child welfare policy continues to be systemically racist. There has been some progress in Manitoba through the Aboriginal Justice Inquiry Child Welfare Initiative (AJI-CWI), launched in 2000. However, the AJI-CWI falls far short of self-governance. The existing legislation continues to give non-Indigenous control over Indigenous child welfare policy. A 2018 report from the Legislative Review Committee, *Transforming Child Welfare Legislation in Manitoba: Opportunities to Improve Outcomes for Children and Youth*,<sup>7</sup> emphasizes the need to fully implement the devolution of child welfare services in Manitoba.

The Alternative Provincial Budget (APB) acknowledges that the desired restructuring of the child welfare system has yet to be achieved and this remains the long-term objective. However, in the short term, the APB is restricted by the

existing legislative framework. As described in a 2017 report<sup>8</sup> there is much that can be done to improve supports for children and families within the existing model while working toward a governance model that “recognizes Indigenous self-determination and inherent jurisdiction over child welfare”.<sup>9</sup>

#### Manitoba: Current Policy Context

In Manitoba, under the Child and Family Services (CFS) Division and four CFS Authorities, there are 23 CFS Agencies and 4 Regional Offices that work together to deliver child and family services throughout the province in accordance with *The Child and Family Services Act*, *The Adoption Act*, and *The Child and Family Services Authorities Act*.

The four CFS Authorities that oversee services, disperse funds and ensure that culturally appropriate services are delivered by their respective agencies consistent with relevant legislation include:

- the First Nations of Northern Manitoba CFS Authority (Northern Authority);
- the Southern First Nations Network of Care (Southern Network);
- the Metis CFS Authority; and
- the General CFS Authority.

The Northern Authority is responsible for administering and providing support to 7 CFS Agencies.

- Awasis Agency of Northern Manitoba
- Cree Nation Child and Family Caring Agency
- Island Lake First Nations Family Services
- Kinosao Sipi Minisowin Agency
- Nikan Awasisak Agency
- Nisichawayasihk Cree Nation Family and Community Wellness Centre
- Opaskwayak Cree Nation Child and Family Services

The Southern Network is responsible for administering and providing support to 10 CFS Agencies.

- Animikii Ozoson Child and Family Services
- Anishinaabe Child and Family Services
- Child and Family All Nations Coordinated Response Network (ANCR)
- Dakota Ojibway Child and Family Services
- Intertribal Child and Family Services
- Peguis Child and Family Services
- Sagkeeng Child and Family Services
- Sandy Bay Child and Family Services
- Southeast Child and Family Services
- West Region Child and Family Services

The Metis Authority is responsible for administering and providing support to 2 CFS Agencies.

- Metis Child, Family and Community Services
- Michif Child and Family Services

The General Authority is responsible for administering and providing support to 8 CFS Agencies/Regional Offices.

- Child and Family Services of Central Manitoba
- Child and Family Services of Western Manitoba
- Jewish Child and Family Service
- Rural and Northern Services – Eastman
- Rural and Northern Services – Interlake
- Rural and Northern Services – Parkland
- Rural and Northern Services – Northern
- Winnipeg Child and Family Services

Fourteen of the child welfare agencies also operate as Designated Intake Agencies (DIAs) working on behalf of all four authorities to provide joint intake and emergency services, in accordance with section 21 of *The Child and Family Services Act*, to all persons in a specified geographic region of the province.

Through the Authority Determination Process (ADP), which is unique to Manitoba, families are guided to select the Authority that best aligns with their cultural values, beliefs and customs. In addition, the Province of Manitoba provides funding to non-mandated agencies including treatment centres, residential care facilities and community-based agencies and programs.

### Funding Model

Funding for mandated child welfare<sup>10</sup> in Manitoba is provided through both federal and provincial governments.<sup>11</sup> Provincial funding is provided to the 4 Authorities which then allocate funds to their member agencies. The Province funds the operations of each Authority. First Nation agencies operating under the Southern and Northern First Nations CFS Authorities are financed 60 per cent by the Province and 40 per cent by the federal government. This percentage split was based on the approximate division of Children in Care (CIC) off and on-reserve, as First Nation Child and Family Services Agencies are responsible for both. Two agencies — Animikii Ozoson Child and Family Services and the Child and Family All Nations Coordinated Response Network (ANCR) — are funded 100 per cent by the province, as are the Metis and the General CFS Authorities.<sup>12</sup>

### Federal Context

It is important to note that federal funding is for CIC on-reserve and there is a significant discrepancy in the amount received. In 2007, this discrepancy led to a complaint to the Human Rights Tribunal and the ruling in 2016 that the funding of child welfare services on reserve is discriminatory. In September 2019 the federal government was ordered to compensate First Nations children who were placed in the on-reserve child welfare system.

In October the federal government requested a judicial review.<sup>13</sup>

A Parliamentary Bill that received royal assent in June 2019 will have implications for Indigenous child welfare services. Bill C-92, *An Act respecting First Nations, Inuit and Métis children, youth and families*, “affirms the rights and jurisdiction of Indigenous peoples in relation to child and family services and sets out principles applicable, on a national level, to the provision of child and family services in relation to Indigenous children, such as the best interests of the child, cultural continuity and substantive equality”.<sup>14</sup> The new legislation came into effect January 1, 2020. It includes national standards that provincial legislation must align with. As well, it provides the foundation for Indigenous communities/groups to create laws for child and family services.

Another federal Bill, C-262, *An Act to ensure that the laws of Canada are in harmony with the United Nations Declaration on the Rights of Indigenous Peoples*, did not survive past third reading.<sup>15</sup> It would have required “that the Government of Canada to take all measures necessary to ensure that the laws of Canada are in harmony with the United Nations Declaration on the Rights of Indigenous Peoples”.<sup>16</sup> It is possible that this Bill could be reintroduced and if passed it too would have implications for child welfare policy in Manitoba.

### Provincial Funding

Funding is provided by the Department of Families through two main programs: Child Protection and Strategic Initiatives and Program Supports (SIPS). Budget 2019 provides the estimates highlighted in Tables 1 and 2 on the following page.

In addition to funding allocated for child protection, the Department of Families provides funding through SIPS. This is an important initiative as it funds non-mandated services that support children and families. For example, Ma

Mawi Wi Chi Itata Centre’s Family Group Conferencing program is in part funded through this funding envelope. Budget 2019 provides the following estimates for SIPS:

The APB agrees with the recommendations of the long list of commissions and inquiries referred to in this chapter, that there needs to be greater emphasis placed on prevention and more resources directed toward initiatives aimed at keeping children out of CFS care. In the case of services to support Indigenous children and families, the APB would continue the process of devolution — transferring resources and responsibility to the Authorities and their member agencies and to non-mandated community-based agencies. The APB will increase funding for child welfare as follows.

### **Implementation of the Child Welfare Legislative Review. \$3 million/year for 3 years**

The APB will complete the process of devolution that was started through the AJI-CWI. We aim to do so within a three-year time frame and will commit \$3 million annually to the process, for a total of \$9 million over three years. As described in the Review “Current child welfare funding models can inadvertently incentivize child apprehensions”. Implementing changes described in the review will establish a new approach to child welfare rooted in prevention, early intervention and family restoration.

*Increased Expenditure for year one: \$3M*

### **Child Protection: Closing the Gap on Funding Inequities.**

A recent study by Loxley and Puzyreva<sup>17</sup> shows that Indigenous agencies receive less funding from the Province compared with non-Indigenous child welfare. The APB increases funding to ensure that workers are paid on par with MGEU rates and to begin to address other inequities in funding. Amount: \$100 million in 2020,

**TABLE 1 Child Protection Estimates of Expenditure**

	Estimates of Expenditure 2019/20 \$ (000s)	Estimates of Expenditure 2018/19 \$ (000s)
Child Protection (1)	5,168	5,086
Salaries and Employee Benefits (2)	1,083	1,233
Other Expenditures (3)	488,117*	512,862
Authorities and Maintenance of Children	494,368	519,181
Subtotal (d)	\$208,918	-\$4,289

\* 1. Additional funding for Authorities and Maintenance of Children is provided through the Children's Special Allowances program, estimated to exceed \$30,000. This federal funding is provided directly to external Child and Family Services agencies outside of the Department of Families and no longer forms part of the Estimates of Expenditure and Revenue.

**TABLE 2 Strategic Initiatives and Program Support Estimates**

Strategic Initiatives and Program Supports	Estimates of Expenditure 2019/20 \$ (000s)	Estimates of Expenditure 2018/19 \$ (000s)
Salaries and Benefits	3,133	3,215
Other Expenditures	163	163
Aboriginal Justice Inquiry - Child Welfare Initiative (AJI-CWI)	484	484
Subtotal	3,780	3,862

with additional increases in future years to close the funding gap.

*Increased Expenditure: \$100M*

#### **Agreements With Young Adults (AWA)**

The number of CIC age 13–17 has grown and these youth require continued supports as they age out of care. The number of agreements extending supports for young adults from age 18–21 is increasing, and there have been continued calls to increase the age limit to 25 years. In addition to the above funding increase, the APB will increase the age limit and allocate additional funds to service providers to ensure this age group has sufficient financial support as they transition into adulthood.

*Increased Expenditure: \$50M*

#### **Strategic Initiatives and Program Supports (SIPS) for a Total Funding Increase of \$30 million.**

In 2020, priority will be given to increase authorities, agencies and community-based organiza-

tions' capacity to provide prevention supports by increasing funding available through the SIPS for the following:

#### *Birth Helpers: Reducing Apprehension and Emergency Placements*

Children, far too often babies, continue to be apprehended from their families and placed in Manitoba governments Emergency Placement Program. To address this issue, the Southern First Nations Network of Care in partnership with Wiji'idwag Ikwewag, the service provider, is implementing the Restoring the Sacred Bond (RSB) Initiative to support Indigenous mothers who are at high risk of having their infant apprehended. The only option for funding this innovative program was provided through the Manitoba governments Social Impact Bond (SIB) Strategy. The government has allocated \$3 million over two years for the RSB, payable to private sector investors based on performance. As required the Southern Net-

work has now raised private sector funding for the RSB program.

The APB is fundamentally opposed to the SIB approach to funding important social services. Although the existing agreement will be honoured, the RSB will be funded directly by government in future years. Recognizing the importance of Birth Helpers as a way to support mothers at risk and reduce child apprehension, the APB will provide all Authorities with funding annually to establish similar programs.

*Increased Expenditure: \$2M to each of four authorities: \$8M*

#### *Non-mandated Agency Funding Increase*

The Hughes Report spoke to the important role that community-based organizations have in providing safe and trusting environments for children and families. The APB will increase funding to non-mandated agencies to ensure they have the resources they need to support families.

*Increased Expenditure: \$10M*

#### *Family Group Conferencing*

The Province currently contributes funding to the Ma Mawi Chi Itata Centre for its innovative Family Group Conferencing program.<sup>18</sup> This program has been highly effective. Between November 2017 and March 2019, 350 children were reunified with their families and 151 children were prevented from CFS placement. The APB will increase funds to Ma Mawi Chi Itata Centre for this important program and will provide funding to other Indigenous led community-based organizations to implement similar programs outside of Winnipeg.

*Increased Expenditure: \$12M*

#### **Support for Dads**

Community-based organizations in Winnipeg recently participated in a pilot funded through the Winnipeg Boldness Project. Young fathers often don't get an opportunity to share their parenting experiences with other dads. Pro-

grams supporting young fathers are an important component of prevention. The APB will allocate funding for existing programs and will assist other community-based organizations to get similar programs off the ground.

*Increased Expenditure: \$.5M*

#### **Transition to Work and School**

CIC are at a disadvantage as they transition to work and/or postsecondary education. The Canadian Mental Health Association is an example of a community-based organization providing these supports through its Futures Forward program. The APB will allocate funds for community agencies working with youth to provide comprehensive supports for youth as they transition from foster care to work/school.

*Increased Expenditure: \$10M*

#### **Newcomers**

In April 2019, the provincial government closed the Winnipeg Child and Family Services (WCFS) Newcomer Unit that provided stability, support, first language services, and cultural navigation for newcomer families as they experienced the challenges of settling in a new country. The Newcomer Unit will be restored in the APB.

*Increased Expenditure: \$.5M*

The APB will also allocate resources for intercultural competency training for all General CFS Authority workers across the Province.

*Increased Expenditure: \$.060M*

#### **Conclusion**

An increase in funding for child and family services will not address the structural problems that lead many children and families into the child welfare system. As noted by Hughes "the social and economic conditions that render children vulnerable to abuse and neglect are well beyond the scope of the child welfare system," and that



“the responsibility to keep children safe cannot be borne by any single arm of government, or even by a single government, it’s a responsibility that belongs to the entire community”.<sup>19</sup>

Increases in income supports, access to housing, childcare, employment, education and a

host of other investments, as described in other sections of the APB, are part of a comprehensive solution.

**Total Expenditure Increase for Child and Family Services: \$194.06M**

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1 Truth and Reconciliation Commission of Canada (TRC). 2015. Honouring the Truth, Reconciling for the Future: Summary of the Final Report of the Truth and Reconciliation Commission of Canada. Available at [http://www.trc.ca/assets/pdf/Honouring\\_the\\_Truth\\_Reconciling\\_for\\_the\\_Future\\_July\\_23\\_2015.pdf](http://www.trc.ca/assets/pdf/Honouring_the_Truth_Reconciling_for_the_Future_July_23_2015.pdf)

2 National Inquiry into Missing and Murdered Indigenous Women and Girls. 2019. Reclaiming Power and Place. The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls. Available at: <https://www.mmiwg-ffada.ca/final-report/>

3 Kimelman, Edwin. *No Quiet Place*. Review Committee on Indian and Metis Adoptions and Placements. Final Report to the Honourable Muriel Smith. Minister of Community Services. Manitoba Community Services. Available at: <https://digitalcollection.gov.mb.ca/awweb/pdfopener?smd=1&did=24788&md=1>

4 <https://www.publicsafety.gc.ca/cnt/rsrscs/lbrr/ctlg/dtles-en.aspx?d=PS&i=1446357>

5 Hughes, Ted. 2013. The Legacy of Phoenix Sinclair. Achieving the Best for All Our Children. Vol. 2. Manitoba. Available at: [http://www.phoenixsinclairinquiry.ca/rulings/ps\\_volume2.pdf](http://www.phoenixsinclairinquiry.ca/rulings/ps_volume2.pdf)

6 <http://www.firstnationsdrum.com/2008/02/multi-million-self-government-initiative-dies-in-manitoba/>

7 Government of Manitoba. 2018. Transforming Child Welfare Legislation in Manitoba: Opportunities to Improve Outcomes for Children and Youth: Report of the Legislative Review Committee. Manitoba. Available at: [https://www.gov.mb.ca/fs/child\\_welfare\\_reform/pubs/final\\_report.pdf](https://www.gov.mb.ca/fs/child_welfare_reform/pubs/final_report.pdf)

8 Loxley, John and Puzyreva, Marina. 2018. Development of a New Federal-Provincial Funding Model for First Nations Child and Family Services in Manitoba.

9 National Inquiry into Missing and Murdered Indigenous Women and Girls. 2019. Reclaiming Power and Place. The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls. Page 194. Available at: <https://www.mmiwg-ffada.ca/final-report/>

10 Mandated agencies have the responsibility through legislation to ensure safety and protection of children and they have the power to apprehend children and place them in the care of a CFS agency whereas non-mandated provide prevention services and do not have authority to apprehend.

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# Education – K–12

## Key Challenges Now Facing Manitoba’s K–12 Public Education System

The Manitoba K–12 Public Education System, as of the current year, supports more than 190,000 students in roughly 700 public schools across the province. Over the past ten years, provincial public school enrolment has risen by more than 10,000 with most of that growth coming in just the past three or four years. Moreover, The Manitoba Teachers’ Society’s (MTS) projections call for sustained if not accelerating enrolment growth through the coming decade.

The responsibility of appropriately funding such growth requires long-term vision and commitment on the part of the provincial government along with educators province-wide. It is in every sense a most profound investment in our collective future.

With its three-year freeze on Operating Fund Revenue, the provincial government has stepped away from meeting its moral and constitutional responsibility to properly fund Manitoba’s fast growing public education system. More and more students are being served with fewer and fewer resources per child as government funding loses ground each year to inflation and enrolment growth.

Given significant inequities in wealth and income across Manitoba society, these effective cuts to school operating funding have had a corrosive effect on measures to mitigate unmet student needs. The loss of the K-3 class size initiative is a case in point. We would argue in fact, that gains previously made have been lost and the classroom situation is worsening.

## Funding Manitoba’s K–12 Public Education System

For 2018–19, the Financial Reporting and Accounting in Manitoba Education (FRAME) Operating Fund stood at \$2,431.9 billion. Of this, \$1,454.9 billion was received from the province. This amounted to 59.8 per cent of total operating fund revenue. The audited FRAME statement for the preceding year also reflected a provincial share of less than 60 per cent, a level we hadn’t seen since 2003–04.

We estimate the provincial contribution for the current year to have fallen further to less than 59 per cent. The trend is as clear as it is disturbing. For comparison sake, in the 2015–16 school year, the last year of the previous government’s tenure, the figure was 63.6 per cent.

Please note that the operating fund does not include Provincial Capital Grant Funding for such things as new schools. It focuses rather on the cost of operating Manitoba's K–12 Public Education System.

#### Restoration of Province's Share of K–12 Education Operating Funding

The APB reinvests in the K–12 Public School System, restoring provincial support for operating schools to at least the level/proportion previously noted. This would require a \$135–\$140 million investment over 4 years. This would allow for enhanced supports for Special Needs programming and Newcomer supports (see APB chapter on Newcomers).

*Increased Operating Expenditure year one: \$35M*

#### Sustainable Annual Funding Growth

With provincial support for the K–12 Public School System restored to former levels, predictable and sustained annual funding growth is key. Given strong student enrolment growth now approaching one per cent per annum and inflation typically running two per cent per year, a roughly three per cent increase in operating fund revenue is essential if resources per student are to be maintained. Anything below this, the system is losing ground on a per pupil basis. The increase in provincial support would amount to \$45–50 million per year.

*New Expenditure: \$45M*

#### Class Size and Composition

In addition to restoring funding lost over the past few years and providing sustainable annual funding growth on a go forward basis, the APB reinstates the cap on class sizes for students in Kindergarten to Grade three. This is to help ensure that teachers are able to give our youngest students the individualized attention they need to enhance their educational outcomes.

Starting in 2012–13, the K-3 Class Size Initiative saw the Manitoba Government commit up to \$20 million in operational funding. It also promised up to \$85 million in capital funding for additional classroom spaces. Adjusting these figures to reflect inflation and observed K-3 enrolment growth the APB provides \$25 million in additional operating funding and \$110 million in new capital to be rolled out over the four years of the government's current mandate. This is over and above the government's recently announced school construction commitment.

The rationale for additional construction dollars turns on observed enrolment growth of roughly 1,700 per year the last four years. Speaking to the government's own commitment, the Premier indicated that it would remove 11,000 students from being forced to use portables, a laudable goal which the APB supports. However, as current demographic trends suggest, enrolment growth over the ten-year span cited may well be in the range of 15,000 to 17,000. The planned building program is not enough to house anticipated increase in enrolment let alone address the space requirements of smaller K-3 class sizes.

*Increased Capital Expenditure – year 1: \$27.5M*

*Increased Operating Expenditure – year 1: \$6.25M*

#### Poverty – Establishment of a Universal Meal Program

As demonstrated above, meaningful budgetary measures are necessary in a number of key areas. The Manitoba Teachers' Society's (MTS) recommendations contained in its submission to the Province's K–12 Education Review placed taking meaningful and concrete action to mitigate student poverty among the most important. The APB establishes a universal meal program for all school-age children in the province. The program will be available for any school-age student at no cost to the student regardless of perceived need.

## Background

Existing nutrition/meal programs now operating in schools across Manitoba are often partial, oversubscribed or non-existent. Large segments of the province have absolutely nothing formal in place, often relying solely on the generosity of teachers and other staff reaching into their own pockets provide what they can. A recent MTS survey of teachers showed almost 25 per cent spent their own money to feed kids.

It is unacceptable in this day and age that many Manitoba students are food-insecure and are frequently going hungry (see the APB section on Food Security for more). As such, The Manitoba Teachers' Society advocates a province-wide funding approach to replace the current ad hoc/charitable funding model that's now covers only parts of Manitoba.

To illustrate, during the 2018–19 school year, the Child Nutrition Council of Manitoba (CNCM), the largest organization involved in school nutrition programs province-wide, were actively supporting programs in 271 schools. In their words “the programs provided 30,500 school age students with consistent, healthy snacks and meals during the school day.” Breakfast Club of Canada and President's Choice: Breakfast for Learning also collectively support some nutrition programs in another 30 to 40 schools.

While this is incredibly important work, as was noted earlier, there are roughly 700 public schools across Manitoba. If one subscribes, as the APB does, that poverty and food insecurity are to be found in all areas of the province, the obvious implication is that there remains enormous unmet student need in many locales.

## Existing Programming and Associated Costs

According to their figures, current Child Nutrition Council of Manitoba (CNCM) grants to school nutrition programs have fallen from 18 per cent of calculated food costs in 2016–17 to just over 10 per cent in the 2019–20 school year. As of 2018–19, calculated food costs were \$8,578,156.

CNCM grants were \$1,009,840. Total requests from programs amounted to \$2,434,674.

CNCM data also shows that program offerings vary greatly in many of the schools they operate in. In some, a breakfast program is offered. In others, only snacks are available. In still others, breakfast, a snack and lunch are all provided to those students who desire them. The CNCM's calculated food cost estimate cited reflects these very significant variations in what is provided in different schools. If all of them provided breakfast, snacks and lunches the food cost cited would essential double but of course there limits to what a charity-reliant model can deliver.

## Establishing a Real Province-Wide Program – Cost Implications

As a first step in working towards a cost estimate for such a program, the APB starts with some basic assumptions relating to student enrolment, the school year, the average daily cost per pupil and ultimately student uptake i.e. the proportion of students who use it on average. Here we start with the following assumptions to establish a cost estimate for just food. They are

1. Average Cost of food per student per day \$5 for snack, breakfast and lunch depending on age category. Little ones eat less; older ones more.
2. All 190,000 K–12 public school students use it (Unrealistically high estimate for sake of establishing an upper-bound)
3. Students can access this 190 days per year

On this basis, if all students participated the Total Food Cost Estimate (TFCE) would be \$5 x 190,000 students x 190 days = \$180.5M yearly.

Obvious considerations which substantially lower the cost of the program include normal student absentee rates and overall percentage of student uptake. We know that there will be students who choose not to take advantage of the program daily. Under models now in use, chari-



table donations now defray a significant amount of the overall food cost.

A quick look at data from CNCM suggests about a 50 per cent student uptake in the meal programs they help support. If one includes snacks the uptake for which is typically reported as 100 per cent. This inflates the uptake figure we believe. It is of no surprise that student uptake differs according to meal type. We believe that a more realistic total student uptake figure for a comprehensive meals program (i.e. breakfast, snack and lunch) would possibly run as high as a third of the student body. Using this to calculate an initial Total Food Cost Estimate, we get  $\$5 \times 63,333 \text{ students} \times 190 \text{ days} = \$60.166\text{M}$  yearly.

The potential need for hiring staff to deliver such programs needs to be explored i.e. so that assumption isn't immediately that teachers will do it.

As mentioned, under models now in use, charitable donations defray a significant amount of the overall costs. Whether such support can be leveraged further across the province with greater government assistance is unknown. What is known is that large areas of Manitoba have no current nutrition programs. The APB argues that the Manitoba government can and should provide school-aged children in need what charity cannot.

A universal meal program will be rolled out to all areas of the province. Meal offerings will include breakfast, a snack and lunch where need warranted. To establish such a program, the APB invests \$15 million in year one to be followed by increases of \$5 million per year thereafter until the stated goals are met. The figures cited may require adjusting if efforts to leverage resources

through, for example, charitable partnerships province-wide are more or less successful.

*Increased Operating Expenditure: \$15M*

### Summary and Concluding Remarks

This section of APB has focused on four key areas requiring the investment of significant new resources over the government's four year term. These are:

1. The restoration of the provincial share of funding for Manitoba's K-12 Public Education System to former levels
2. The commitment by the provincial government to provide sustainable annual funding growth in line with enrolment growth and inflation
3. Reinstating the K-3 Class Size enrolment cap
4. The establishment of a Universal Meal Program

The collective year one investment for the four areas cited above would require a provincial commitment as summarized below:

### Total New Operating Expenditure:

*Restoration of lost funding: \$35M*

*Sustaining operating funds: \$45M*

*Covering costs to cover inflation and increased K-3 enrolment re:*

*Expansion of class space: \$6.25M*

*Province-wide universal meal program: \$15M*

*Total: \$101.25*

### **Total New Capital Expenditure:**

*Investment in new classroom space \$27.5M*

# Social Welfare: Converting Employment & Income Assistance to Liveable Basic Needs

## Inadequacies of EIA

Employment and Income Assistance (EIA) as it currently does not meet the basic needs of the households who rely on it. This is true of all family types, and especially for single individuals. In 2019, after the provincial government cut the Job Seekers allowance, single person households on EIA are left with only \$195 per month to cover their basic needs aside from rent (which is either covered through Rent Assist or, in the case of households in social housing, is subsidized outside of EIA).

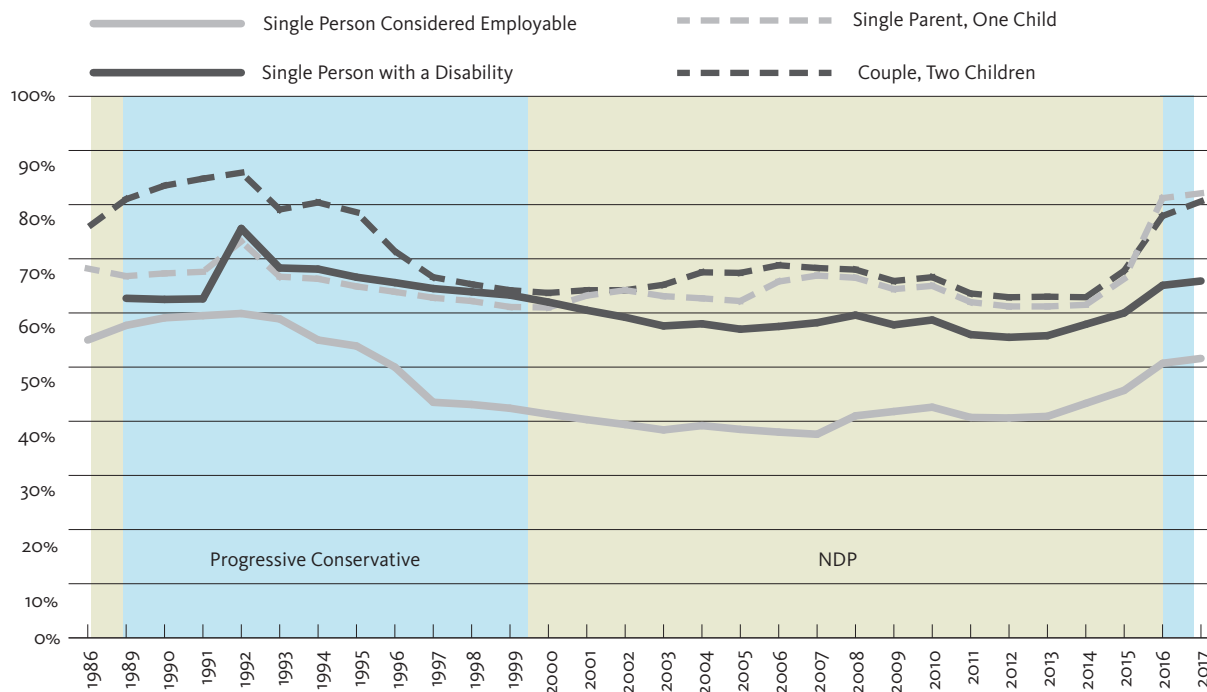
For example, based on the national standard, a nutritious food basket, being the cost of a healthy diet for a single individual in Winnipeg, comes to \$315 per month.<sup>1</sup> Food costs for those with dietary restrictions or with cultural food requirements may be even higher, as are costs for those living outside urban centres. EIA levels are so low that they force families to rely on food banks and charity simply to survive.

However, the basic needs amount covered by EIA is not only meant to pay for food. Individuals must stretch their monthly \$195 to cover transportation, communication, clothing, personal hygiene products, recreation, and all the other essential costs and bills that are part of daily life.

The graph on the next page shows total incomes of EIA recipients in Manitoba for years 1986 to 2017. Total incomes include federal child benefits, GST rebates, provincial EIA and other recurring additional transfer payments. The table includes Rent Assist, introduced in 2015. It shows that incomes for all family types on EIA have long been below the Market Basket Measure of poverty. Both the provincial and federal governments use Market Basket Measure as an official poverty line, however, it is best understood as a measure of material deprivation. It represents the cost of a basket of goods and services seen as essential to a basic quality of life in Canada.

Inadequate EIA has been continuous for all family types throughout the period, including when both NDP and Progressive Conservative governments have held power. However, there have been notable trends, in particular a steep drop in EIA total incomes during the 1990s and significant increase in relative levels after 2013 with the introduction of Rent Assist and the Canada Child Benefit. Single individuals on General Assistance have always had the most inadequate incomes, at just over 50 per cent of the MBM level in 2017. For every dollar in basic needs, individuals on EIA are 50 cents short in Manitoba.

FIGURE 1 Adequacy of total EIA incomes as percentage of MBM Manitoba, 1986 to 2017



SOURCE: Calculations based on Maytree. 2019. *Welfare in Canada, 2017. (Manitoba)*. <https://maytree.com/welfare-in-canada/manitoba/>

### People with Disabilities

People living with disabilities “are about twice as likely to live with low income”.<sup>2</sup> They have an employment rate for those who are working age (25–64 years old) of 59 per cent in comparison to 80 per cent for those without disabilities.<sup>3</sup> The disability community comprises 35 per cent<sup>4</sup> of the employment and income assistance caseload and makes up 14 per cent of the Manitoba population at approximately 170,000 people.<sup>5</sup> People with disabilities are also severely economically disadvantaged, generally at 60–70 per cent of the poverty line. People living with disabilities often struggle to survive on a day-to-day basis due to low incomes and the lack of social supports. A significant proportion of the employment income assistance caseload is comprised of people living with disabilities who rely on EIA as a means of survival.

### Punitive Claw Backs

In addition to inadequate benefits, the EIA system poses powerful barriers to those who wish

to get off of EIA. After the first \$200 earned, EIA is clawed back at rate of 70 per cent. Moreover, EIA benefits are withdrawn completely after a recipient earns 135 per cent of their basic needs amount. For many people receiving EIA, a pure cost calculation determines that they are better off not seeking employment under the current system. Because several other benefits, including health and dental benefits are tied to participation the EIA program, many cannot afford to leave. At the same time, EIA is enforcing increasingly restrictive bureaucratic and job search requirements. However, without proper job-search supports, many EIA recipients simply end up dropping off several dozen resumes each month as is required to meet requirements. This will do little to get people off of EIA.

In addition, EIA rules are inefficient and decisions are often discretionary, leading to recipients being unfairly denied benefits they are entitled to.

**TABLE 1 Liveable Basic Needs Benefit by Family Type and Income Level**

Family Type		Monthly Market Income		
		\$0	\$1,000	\$2,000
Single individual considered employable	Basic Social Assistance (BSA)	\$195	\$0	\$0
	Rent Assist	\$576	\$276	\$0
	Federal GST rebate	\$24	\$28	\$37
	Canada Workers Benefit	\$0	\$113	\$1
	Subtotal (current total income)	\$795	\$1,417	\$2,038
	MBM		\$1,535	
	75% MBM	-	\$1,151	-
	Proposed LBNB (replacing Basic Social Assistance)	\$551	\$251	\$0
	Increase in Benefits to recipient (LBNB – BSA)	\$356	\$251	\$0
	<b>Total New LBNB</b>	<b>\$1,151</b>	<b>\$1,668</b>	<b>\$2,038</b>
Single person with a disability	Basic Social Assistance	\$331	\$0	\$0
	Rent Assist	\$603	\$303	\$3
	Federal GST	\$24	\$28	\$37
	Canada Workers Benefit	\$0	\$113	\$1
	Federal Disability amount	\$0	\$58	\$58
	Subtotal (current total income)	\$958	\$1,502	\$2,099
	MBM		\$1,535	
	75% MBM	-	\$1,151	-
	Proposed LBNB (replacing Basic Social Assistance)	\$551	\$251	\$0
	Increase in Benefits to recipient (LBNB – BSA)	\$220	\$251	\$0
<b>Total New LBNB</b>	<b>\$1,178</b>	<b>\$1,753</b>	<b>\$2,099</b>	
Single parent, one child	Basic Social Assistance	\$416	\$0	\$0
	Rent Assist	\$862	\$562	\$262
	Manitoba Child Benefit	\$0	\$35	\$0
	Federal GST credit	\$61	\$61	\$61
	Canada Workers Benefit	\$0	\$195	\$125
	Canada Child Benefit	\$553	\$553	\$553
	Subtotal (Current total income)	\$1,892	\$2,406	\$3,062
	MBM		\$2,170	
	75% MBM	-	\$1,628	-
	Proposed LBNB (replacing Basic Social Assistance)	\$416	\$116	\$0
Increase in Benefits to recipient (LBNB – BSA)	\$0	\$116	\$0	
<b>Total New LBNB</b>	<b>\$1,892</b>	<b>\$2,522</b>	<b>\$3,062</b>	

Continued next page.

TABLE 1 Liveable Basic Needs Benefit by Family Type and Income Level (con't)

Family Type		Monthly Market Income		
		\$0	\$1,000	\$2,000
Couple, two children	Basic Social Assistance	\$700	\$0	\$0
	Rent Assist	\$862	\$562	\$262
	Manitoba Child Benefit	\$0	\$70	\$0
	Federal GST credit	\$74	\$74	\$74
	Canada Workers Benefit	\$0	\$195	\$125
	Canada Child Benefit	\$934	\$934	\$934
	Subtotal (current total income)	\$2,570	\$2,835	\$3,395
	MBM		\$3,069	
	75% MBM	-	\$2,302	-
	Proposed LBNB (replacing Basic Social Assistance)	\$700	\$400	\$100
	Increase in Benefits to recipient (LBNB – BSA)	\$0	\$400	\$0
	<b>Total</b>	<b>\$2,570</b>	<b>\$3,235</b>	<b>\$3,495</b>

**NOTES:**

- Federal Benefits calculated from: CRA website: [https://apps.cra-arc.gc.ca/ebci/icbc/prot/ntr?request\\_locale=en\\_CA&A37:A40A37:A41A39A37:A39A37:A40A37:A39](https://apps.cra-arc.gc.ca/ebci/icbc/prot/ntr?request_locale=en_CA&A37:A40A37:A41A39A37:A39A37:A40A37:A39)
- Rent Assist Levels calculated from: Online Rent Assist Estimator: <https://www.gov.mb.ca/fs/eia/estimator.html>
- Existing Basic Social Assistance derived from Manitoba Assistance Regulation [https://web2.gov.mb.ca/laws/regs/current/\\_pdf-regs.php?reg=404/88%20R](https://web2.gov.mb.ca/laws/regs/current/_pdf-regs.php?reg=404/88%20R) and follows methodology developed in Maytree Welfare in Canada Report <https://maytree.com/welfare-in-canada/manitoba/>

**Liveable Basic Needs Benefit**

In recognition of the inadequacy and punitive nature of Manitoba EIA system, Make Poverty History Manitoba has advocated for replacing the basic needs portion of EIA with a new Liveable Basic Needs Benefit (LBNB) that would be available for all low-income households, including those currently receiving EIA as well as low-income households not receiving EIA. The LBNB would be a financial benefit that provides sufficient resources to allow all households in Manitoba to meet their basic needs. In combination with Rent Assist and federal financial benefits such as the Canada Child Benefit, it would raise incomes of all households in Manitoba to at least Canada’s official poverty line, which is based on the Market Basket Measure. It would provide a floor to allow every Manitoban to meet her or his basic needs.

Please see the APB Poverty Paper for the guiding principles of the LBNB, the role of the feder-

al government and the importance of matching this benefit with on reserve income assistance.

**Design of LBNB**

The LBNB would be set at a level such that the maximum benefit received would be equivalent to 75 per cent of the poverty line minus financial benefits received through other universal benefit programs delivered by the federal and provincial governments. Specifically, the Canada Child Benefits, GST rebates, the federal Disability amount, the Canada Workers Benefit, the Manitoba Child Benefit and Rent Assist would all be used in calculating maximum benefit levels. The formula for calculating maximum benefits can be described as:

$$\text{LBNB (max)} =$$

$$0.75 \text{ MBM} - (\text{Rent Assist} + \text{Federal Benefits})$$

A similar methodology has been used in Manitoba Provincial Budget Papers and on the EIA website (<https://www.gov.mb.ca/fs/eia/>) and also by the Maytree Welfare in Canada reports for deter-



mining total welfare incomes. In the initial implementation of the LBNB, the maximum amount would be set to 75 per cent of Canada's poverty line. We are proposing to gradually reduce benefits as recipients earn more wage income, until the wage income replaces the LBNB. The benefit will be reduced by 30 cents for every dollar earned.

Table 1 provides an indication of how a LBNB would affect households of different family types and at different levels of market income. The LBNB replaces the basic needs benefit from EIA. To pay for this, we use general revenue and tax increases on top income earners (see Fiscal Framework chapter).

### Impact of the LBNB

The LBNB brings up incomes substantially. A single person considered employable would receive \$356 more per month and if they earned \$1,000 per month this would be topped up by \$251 per month.

A person with a disability would receive \$220 more per month and if they earned \$1,000 they would receive \$251 per month. Parents with children would also receive more per month if they worked for pay — if they earned \$1,000 per month single parents would be topped up to \$112 per month and couple parents \$400 per month. This creates incentives for all household types to seek available employment. This along with a higher minimum wage will enable those able and interested in working to transition to the workforce.

The LBNB brings down poverty rates substantially, cutting the percentage of Manitobans below the LICO — AT level of poverty from 10 per cent to 5.8 per cent. The number of single parents will be cut in half from 34.1 per cent to 15 per cent. The rate of adult couples in poverty will be almost cut in half. The rate of two parent couples and single couples will be reduced by a third.

### Threshold Cut Off for Benefit

Our model bases eligibility for the benefit on family size, type and income. For example, the eligibility cut off for a single person household would

be an annual income of \$22,400 after tax. For a household of four the eligibility cut off would be \$28,800 after tax. In the future, the end goal of this program is to increase the LBNB to a level equivalent to 100% MBM with federal support.

*Caveat:* this model is a work in progress based on the information we have available to us. Taxes on market income should be considered so that the total rate of after-tax income is set at the appropriate amount.

### Supporting Transition to Work & Eliminating the Welfare Wall

The LBNB breaks down the “Welfare Wall”, which is defined as barriers and disincentives to seeking paid work or employment. Anyone, working or not, should have the resources to live decently. But everyone should also be able to choose to work so they can enjoy financial and social inclusion.

The number of people receiving income assistance in Canada is highly correlated with the employment rate. In times of economic growth, there are fewer people on assistance and in times of downturn there are more. Government has a responsibility to create a comprehensive safety net in bust and boom cycles. Income supports are reliant on minimum wage policy, health benefit programs, and free or low-cost training and education programs so that those who wish to leave undesirable low-wage market employment to improve their labour market status are free to do so.

It is important that the benefit improve quality of life and still create incentives to work for pay. A single individual would have to work 8.9 hours/ week at \$15/ hour to get to the MBM poverty line. For a person with disability, it would be 7.9 hours/ week at \$15/ hour to get them to the MBM poverty line.

Employment and Income assistance health benefits should be extended to people with disabilities who transition from EIA to Canada Pension Plan, Canada Pension Plan-disability and Old Age Security.

People currently receiving EIA receive health benefits (basic dental, vision care, pharmacare de-

ductible paid etc.). These end if they leave EIA. The health benefit can be extended for two years if participants are in the EIA Rewarding Work program. While some jobs provide similar benefits, many low-paying and entry-level jobs do not. The Alternative Provincial Budget extends health benefits to twice as many Manitobans than the status quo.

When fully implemented, anyone eligible for any level of support from the Basic Livable Needs Benefit will have access to extended health benefits provided by the government. The provincial Rewarding Work program was created to enable EIA recipients to continue to receive benefits upon transition to paid work. As a first step, the Alternative Provincial Budget doubles the Rewarding Work program from 1,380 individuals to 2,800 in one year.

Some reforms carry little cost. Complex definitions and other reporting and monitoring burdens are inefficient and make it difficult for people to manage their incomes. For example, monthly reporting and reconciliation creates an administrative burden for both recipients and the government. Recipients who are late with their paperwork face payment delays or fines. Reducing the reporting burden to once every six months, with benefits based on the previous period, would reduce the burden without creating the risk of overpayment. Recipients whose circumstances

improve between reporting periods would not have to “pay back” benefits already received, while those whose circumstances worsen can retain the option of reporting the changes and having their payments adjusted immediately.<sup>6</sup>

People with disabilities must prove eligibility on a regular basis, placing onerous expectations on individuals and requiring time from the health system and doctors to complete required paperwork to prove eligibility. The APB will work with the disability community to update the process for accessing disability supports to be less onerous and expensive for the health care system to administer.

A small and relatively costless change would involve greater use of digital services to make access simpler. Similarly, complicated definitions, regulations and requirements should all be re-examined and eliminated unless they contribute to the larger goals of improving quality of life and helping people transition into work if they so choose.

#### Total Expenditure Increase

*Cost to increasing the number of people in Rewarding Work from 1,380 to 2,800—\$2.6M*

*Cost of implementing the Liveable Basic Needs Benefit: \$1,029M*

**Total: \$1,031.6M**

<sup>1</sup> Based on the cost of the 2011 Nutritious Food Basket (Winnipeg average) multiplied by the change in Statistics Canada consumer price index for food purchased in stores (Manitoba). Colleen Rand et al. 2012. “The cost of eating according to the ‘nutritious food basket’ in Manitoba (May 2011)”: [http://www.wrha.mb.ca/extranet/nutrition/files/Professionals\\_Reports\\_FoodBasketReport.pdf](http://www.wrha.mb.ca/extranet/nutrition/files/Professionals_Reports_FoodBasketReport.pdf); Statistics Canada. Table 18-10-0004-13, *Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife and Iqaluit*.

<sup>2</sup> Prince M, & Petters Y., (2014). *Disabilities Poverty, Enabling Citizenship* Retrieved from the Council of Canadians with Disabilities: [http://dpec.ccdonline.ca/links/pdf/dpec\\_book\\_v02.pdf](http://dpec.ccdonline.ca/links/pdf/dpec_book_v02.pdf)

<sup>3</sup> Morris S, Fawcett, G., Brisebois, L., & Hughes L. (2018) *Canadian Survey on Disability 2017. A demographic, employment and income profile of Canadians with disabilities aged 15 years and over, 2017*. Retrieved from Statistics Canada <https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2018002-eng.htm>

<sup>4</sup> Manitoba (2018) Department of families 2017/18 annual report. [https://www.gov.mb.ca/fs/about/pubs/fsar\\_2017-18.pdf](https://www.gov.mb.ca/fs/about/pubs/fsar_2017-18.pdf) retrieved on August 10, 2019,

<sup>5</sup> Barrier Free Manitoba. *Disabilities in Manitoba* Retrieved from <http://www.barrierfreemb.com/disabilitiesinmb>

<sup>6</sup> This is currently the case with some federal benefits based on income during the previous year, such as GIS and CWB. Similarly, the CCB can be paid within 6 weeks of the birth of a child.

# Food Security

All Manitobans should have consistent access to the resources and knowledge necessary to enjoy a healthy diet, and have the right to purchase, grow, harvest, and eat food that is sustainable, ethically produced and culturally appropriate.

## Household Food Insecurity

Household food insecurity means not having enough food to eat. People who experience food insecurity are more likely to experience malnutrition, infection, chronic disease, difficulty learning, social exclusion, and mental illness and depression.<sup>1,2</sup>

There is a high incidence of food insecurity in Manitoba:

- Nearly 1 in 7 households in Manitoba experience household food insecurity<sup>3</sup>
- More than 1 in 5 Manitoba children experience household food insecurity<sup>4</sup>
- Since 2008 there has been a 58% increase in food bank use<sup>5</sup>

Household food insecurity data are collected through the Statistics Canada Canadian Community Health Survey (CCHS). This survey excludes individuals experiencing homelessness as

well as individuals living on-reserve in Canada where it has been estimated that an average of 47 per cent of households with children are experiencing food insecurity.<sup>6</sup> Indigenous people, people of colour, recent newcomers, lone-parent households, people with disabilities, those on social assistance, and those with low-paid and unstable work are more likely than others to be food insecure.<sup>7</sup>

Nearly two-thirds of food insecure households rely on employment as their main source of income.<sup>8</sup> Minimum waged employment does not pay enough to meet basic needs, particularly in households with children.<sup>9</sup> Someone who works full time at minimum wage takes home little more than \$1625 per month after taxes. Feeding a family of four a sufficiently nutritious diet costs \$880 per month.

Manitoba Employment and Income Assistance (EIA) benefits only cover about half the cost of recipients' food needs. A family of four receives \$480 for food through EIA, well below the \$880 needed. A single EIA participant receives \$117 per month for food, far short of the \$296 needed to eat well.<sup>10,11</sup>

Individuals experiencing food insecurity do not have poor budgeting or food skills compared



Newcomer nutrition



Grow North Event – Food Matters Manitoba

Food Matters Manitoba

to food secure households: the issue is financial,<sup>12</sup> so increasing food or budgeting skills will not reduce food insecurity.<sup>13</sup> However, when food insecure households have more money, they use it on basic needs like food, housing and clothing.<sup>14</sup>

### Recommendations

Federal income benefits such as Old Age Security and the Canada Child Benefit have had positive, if limited, impacts on food household security.<sup>15,16,17</sup> These federal programs demonstrate how important government transfers are, especially when they are augmented with provincial supports. The recommendations in the EIA and K-12 Education chapters will improve food security for hundreds of Manitoba families and individuals.

### Regional Inequity

The high cost of food in Northern communities and gaps in the federal Nutrition North subsidy program led to the establishment of Manitoba's Northern Healthy Foods Initiative (NHFI) in 2004. NHFI seeks to increase food security in Manitoba's North by encouraging local food production and self-sufficiency. Local initiatives

include building greenhouses, establishing community gardens and freezer loan programs.<sup>18</sup> The provincial government has also introduced the Affordable Foods in Remote Manitoba (AFFIRM) program to provide reduce costs of milk, fresh fruits and vegetables for retailers which is then passed along to community members. There are two Manitoban communities eligible for this subsidy (Churchill and Pukatawagan).<sup>19</sup>

Despite these investments, much more needs to be done. Colonization has caused great harm to Indigenous peoples, lands and food systems. Indigenous communities are continuing to be challenged by environmental contamination of the food supply, changes in animal migratory patterns, decreased density of species and lack of resources to cover hunting and fishing expenses as well as legal and policy barriers to accessing, sharing and consuming traditional and country foods.<sup>20</sup>

The cost of healthy eating for a family of four is 46 per cent higher in Northern Manitoba than in Winnipeg, while in some parts of Southwestern Manitoba food costs are 15 per cent higher than in Winnipeg.<sup>21</sup> The most recent Nutritious Food Basket data from 2017 has yet to be made available to the public.





Northern Greenhouse

An increase in resources, changes in legislation, and local leadership are needed to enhance access to and availability of nutritious, culturally appropriate foods in Northern and Indigenous communities.<sup>22 23</sup>

**Recommendations**

- Increase funding for the Northern Healthy Foods Initiative from 1.247 million<sup>24</sup> to 5.45 million dollars in order to provide adequate resources needed to enhance the capacity of Northern communities to produce, harvest and process more foods locally,<sup>25</sup> increase land-based learning, and initiate economic development opportunities.
- Work with the federal government to remove policy barriers that limit the ability of Indigenous people to harvest and distribute country foods.
- Survey the cost of food throughout the province every two years and make these

data available to the public. Commit \$50,000 every two year to collecting and publishing these data.

*Expenditure:*

*Northern Healthy Foods Initiative Increase: \$4.203M*  
*Food Cost Survey: \$.05M*

**Nutrition and Diet-Related Disease**

Changes to how we eat have led to increased diet-related disease costing the province billions of dollars annually. The cost of diabetes — considered to be a largely preventable disease — was estimated to be \$498 million in 2010 and is expected to reach \$639 million by 2020.<sup>26</sup>

Although many Indigenous people in Manitoba are reclaiming traditional diets and cultural practices, there is much work to do to address environmental racism and policies that restrict the harvesting and sharing of country foods.<sup>27</sup>

Newcomers experience dietary acculturation when they begin to take on the diet and



eating habits of their new place of residence and many also experience pressure to do so. This leads to a decline in health after only a few years of arriving.<sup>28</sup>

Peer-led and culturally appropriate programs can improve knowledge of healthy eating but they are not adequately funded and there exist many gaps and barriers to their use. For example, traditional Indigenous land-based learning opportunities are resource intensive and out of reach for urban Indigenous people, while Newcomer food and nutrition programs tend to be centred in Winnipeg, especially in the North End.<sup>29</sup>

According to preliminary research, young people in Manitoba are consuming less calcium, vitamin D and fibre than recommended, and are they are consuming more than double the recommended level of sodium. Approximately 90 per cent of youth may not be eating enough vegetables and fruit.<sup>30</sup>

The Child Nutrition Council of Manitoba (CNCM) delivers over 4.5 million meals and snacks to approximately 28,000 students across 259 programs with funding from the Manitoba government. However, the approximately \$1,000,000 funding only covers a fraction of the needs and was only about half of what was requested by the CNCM. Many schools rely on existing staff, volunteers and the charitable sector to deliver meal and snack programs to hungry children.<sup>31</sup>

### Recommendations

- Work with the federal government and the other provinces to create a universal K–12 school food and nutrition program, as per the recently created Food Policy for Canada. The cost of delivering this program in the province of Manitoba should be shared between the federal and provincial governments.<sup>32</sup> This program should teach food growing, nutritious food preparation and provide culturally relevant and land-based learning opportunities for

youth in northern, urban, and rural areas such as in the Farm to School model.<sup>33</sup> This program would provide every student with good nutrition and ensure food literacy competencies are included in the school curricula.<sup>34</sup> See the APB chapter on K–12 Education for more details and increased expenditures.

- Contribute \$500,000 per year to developing programs and investing in infrastructure that enhances community members opportunities to grow, prepare, store and share traditional and country foods.

*Increased Capital Expenditure: \$.5M*

### Generating Revenue

#### Recommendations

- Implement a tax on all sugar-sweetened beverages. Using the city of Philadelphia — with a population size similar to that of Manitoba, as an example, the province could generate over 75 million annually by implementing a sugar sweetened beverage tax.<sup>35</sup> Sugar sweetened beverage taxes have also reduce consumption of these products<sup>36</sup> and are expected to reduce the prevalence and cost of diseases like Type 2 diabetes.<sup>37</sup> Because sales taxes have a greater negative impact on people with low incomes, the revenue generated should be used to subsidize northern food prices and other programs such as the universal meal program highlighted in the Education K–12 chapter.

Please see Poverty Paper D for more on the health and financial impacts of poverty reduction measures.

*Increased Revenue: \$75M*

**Total Operating Expenditures: \$4.25M**

**Total Capital Expenditures: \$.5M**

**Total Revenues: \$75M**

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# Conservation and Climate Change: Steps Toward a Green New Deal

This generation's greatest challenge — confronting climate change and transitioning off of a carbon-dependent economy — cannot be accomplished if we maintain a separation between programs for economic growth and job creation, on the one hand, and environmental action on the other. We need a plan that integrates the priorities of maintaining a habitable planet, and providing decent, stable livings for working people. This integration has most recently been captured in the notion of a Green New Deal. (See Budget Paper A.) Manitoba can't produce a Green New Deal on its own. This requires a massive push from the federal government, and innovative financing to help create the green jobs and infrastructure we need to build. However, the provincial government does have the capacity to begin, at our local level, to do our share to fight climate change while putting Manitobans to work in good jobs.

**Funding Transition: A Carbon Pollution Levy**  
In 2018/19, the “Made in Manitoba Climate and Green Fund” was allocated \$39.9 million within the \$203 million Sustainable Development budget. In 2019/20 this was \$40 million and was directed to fund Climate and Green Plan im-

plementation and the recommendations of the Expert Advisory Council. The anticipated emission reductions in the current Carbon Savings Account amount to a woefully inadequate target of less than 1 megatonne cumulative in the first 5-year period.

In order to fund a more ambitious and appropriate objective, the APB maintains and supplements this with funding from a carbon pollution levy. Manitobans are already subject to the carbon pricing of the federal Pan-Canadian backstop of \$30/tonne in 2020, rising to \$50/tonne in 2022 with 90 per cent of revenues rebated tax free to Manitoba households, and only 10 per cent directed to climate-mitigating investments. We recommend the province instate its own carbon pollution levy to replace the federal levy, and significantly increase the targeted investment portion.

A carbon pollution levy is an essential part of a comprehensive approach to combating climate change. It is most effective and fair if it increases over time in a predictable manner to enable planned responses and innovation and if it is applied uniformly and consistently across jurisdictions. While challenging to fossil-fuel dependent activities in the short term, it is essen-





3 photos: Global Climate Strike, Manitoba legislature September 27, 2019

tial for a timely transition to a cleaner economy and economically beneficial over time.

Carbon pricing has an important structural role:

- It recognizes that when we burn fossil fuels we contribute to the harms and costs of climate change
- It imposes a “polluter pays” environment
- It levels the playing field to make cleaner alternatives more competitive
- It provides a pool of funds to compensate impacted families and for clean tech and infrastructure that facilitate less-polluting alternatives and behaviour
- It gives incentive for emitters to change behaviour and invest in ways to reduce their emissions and fossil fuel consumption.

The APB replaces the current federal back-stop with an equivalent Manitoba-controlled carbon pollution levy. At \$30/tonne for 2020, the tax should yield approximately \$300 million in revenues. These carbon pollution levy revenues will be separately and transparently accounted for.

*Total New Revenue: \$300M*

#### Protecting Low- and Middle-Income Households

The APB allocates one third of carbon pollution levy revenues (\$100 million) to mitigate the impact of the levy on lower- and middle-income individuals and households through direct payments to preserve or enhance social equity. The Eco-fiscal Commission estimates that 12.5% of carbon pollution levy revenues can offset the





impact on households in the lowest four income deciles.

*New Expenditure: \$100M*

### Building a Green Economy

Fighting climate change is not only — or even primarily — about getting a price on carbon. Just increasing the individual costs of getting around, staying warm and putting food on the table isn't enough, and it impacts low-income families and households more than others. The low-income dividend built into the APB means that this effect is moderated or reversed. But a robust climate policy means building new energy systems, new food systems, and new ways of getting around and — in Manitoba — keeping warm.

That's a challenge that many governments around the world are taking on, but so far, in Manitoba, we are lagging. There are many cities, states, and provinces that are moving forward much more quickly to build the low-carbon and climate-resilient infrastructure that will be needed in the decades to come. We know that spending on greenhouse gas mitigation is fiscally pru-

dent as well. Government funding for reducing the likelihood of hazards like increased flooding or wildfires resulting from climate change pays off at an estimated rate of 6:1, relative to paying for the costs after-the-fact.<sup>1</sup> Failing to meet this challenge costs us all in the long run.

The Pallister government's "Manitoba Works" program consists of a tried-and-failed model of reducing taxes and deregulating, in the hopes that private capital will flock to the province and create jobs — of whatever quality, doing whatever work the private sector deems profitable — with the wealth then trickling down to the rest of us. This is an economic model that has never worked for working people. And in the context of a climate emergency, we urgently need to put people to work building a new, green economy. We have local leaders in the business community taking this challenge on, we have a social enterprise sector with expertise in creating green jobs — including training and preparing individuals who face various labour market barriers, and we have workers with the technical skills and expertise to build the new economy. Putting all of this into ac-

tion and scaling it up requires support from the public sector.

A climate policy in which Manitoba does its part to keep the planet below 1.5 degrees of warming means getting more Manitobans to work on building low-carbon energy, transportation, public buildings, and housing — as well as reinvesting in green jobs in the public sector, like health care workers and educators.

### Bang for the Buck: High-Impact Initiatives

The Alternative Provincial Budget focuses on public spending that can make the biggest difference in terms of reducing our greenhouse gas emissions and creating good jobs in an equitable way: supporting green local economic development and community priorities, transforming transportation infrastructure, and a substantial building retrofit program.

#### **Buildings Retrofit: (with Efficiency Manitoba)**

About 21% of Manitoba's greenhouse gas emissions came from stationary combustion sources in 2017, much of which is from heating residential, public, and commercial buildings. Old housing stock and cold Manitoba winters make for high energy use, and we can make a substantial reduction in this through home, farm, and public building retrofits, while putting thousands of Manitobans to work in good jobs. Housing and building retrofits are labour intensive, offering good employment benefits (see APB chapter on Community Economic Development and chapter on Northern Development and Training). The APB allocates, in addition to Efficiency Manitoba's funded budget (from Manitoba Hydro) of \$70 million, \$546 million over five years to incentivize energy retrofits of homes, apartments, and to pay for retrofits of social housing, schools, universities and colleges, hospitals, and other public buildings. This is 20% of what Ontario had initially budgeted in its Climate Change Action Plan

for the same purpose — so it's twice as ambitious given the size of our economy and population.

Funds would be used to upgrade and replace heating, cooling, and ventilation equipment, replace natural gas furnaces and boilers with low-carbon alternatives, and to increase the energy efficiency of building envelopes. Efficiencies could be gained, for example, by subsidizing the upfront capital costs of non-fossil fuel heating systems like heat pumps and geothermal installation. We estimate that this will generate 3500 high-quality jobs for Manitobans,<sup>2</sup> before re-investment of energy savings, and the public building retrofits alone will reduce greenhouse gas emissions by 100 kT of CO<sub>2e</sub> per year.<sup>3</sup> Home and apartment retrofit incentives will be modeled on the City of Toronto's successful Home Energy Loan Program and the High-Rise Retrofit Improvement Support Program.

*New Expenditure through Efficiency Manitoba: \$109.2 million*

Furthermore, the province will dedicate \$5 million through Economic Development and Training to supplement the federal government's promised \$100 million in retrofit job training<sup>4</sup> to ensure that there are sufficient, trained workers to undertake retrofits and audits. These provincial funds will be geared specifically toward targeting job training for individuals facing labour market barriers, working with Manitoba social enterprises, and will dovetail with a restored Co-op Promotion Board and an enhanced Co-op Loans and Loans Guarantee Board to promote cooperative formation (see APB chapter on CED and Northern Development and Training).

*New Expenditure: \$5 million*

Government procurement policies should target services from social enterprises and ENGOS to deliver retrofits and provide education, demonstration, awareness and social marketing to promote sustainable choices (see Budget Paper C for more on Procurement).

### **Green Transportation Infrastructure and Operations (with Municipal Relations)**

Working with municipal relations, the APB would begin moving Winnipeg and other municipalities toward smarter, climate friendly transportation systems. Winnipeg in particular needs a build-out of multi-modal transit that works for everyone. Pouring ever more money into fixing a sprawling car-based transportation infrastructure doesn't work for anybody — including people who will continue to be dependent on cars. Winnipeg has a massive infrastructure deficit, thanks to decades of neglect and a sprawling footprint relative to population growth. A climate-friendly and efficient transit system moves people, not automobiles. With about one-third of Winnipeg's GHG emissions coming from residential vehicles, and another 18% coming from commercial vehicles, the city could make a substantial dent in its emissions by getting more people moving in different ways. All of this requires a substantial investment in transportation infrastructure, and ensuring that the operating funding is in place to make use of it. The federal contribution to this, starting in 2019, is \$546 million over 10 years for public transit. The APB chapter on Municipal Relations provides more detail on this topic.

The APB would first of all restore the targeted funding lost through the Pallister government's scrapping of the 50–50 cost sharing agreement in place since the 1970s. The City of Winnipeg estimates that this would return about \$8.3 million in annual operating funding. The APB would bolster this with a further investment in public transit, funded annually at \$25 million, to help develop a Frequent Service Transit Network as envisioned in the CCPA 2018 Alternative Municipal Budget, to support the low-income bus-pass, and to aid in the implementation of the Winnipeg Transit Master Plan. Using the employment impacts of investment in public transit capital and operations generated by the American Public Transport

Association, we estimate that this will generate about 700 good jobs in construction and transit operations.<sup>5</sup>

The APB also invests \$5M in transportation for communities outside of Winnipeg. Many were hit hard by the loss of the Greyhound Bus service, and those in remote communities experience hardship in shopping and getting to medical appointments.

*New Expenditure: \$38.3 million*

The Winnipeg Transportation Master Plan also identifies several other areas of investment required to encourage a modal shift and to make the capital's transportation system more sustainable. While investment in active transportation (AT) infrastructure has increased, there are critical gaps in the active transit network that make walking or biking more difficult, less safe, and therefore less accessible. In particular, shared and AT-only river and rail crossings were identified as a means of integrating the Winnipeg AT and multi-modal network. The CCPA's 2018 Alternative Municipal Budget recommended the fast-track completion of AT crossings, downtown separated bike lanes, the development of "cycling spines" or super-corridors for cycling that link key nodes in the city, and the construction of neighbourhood greenways. The APB would allocate \$3.1 million for new AT infrastructure — 50% of the estimated cost. This would not only encourage modal shift for transportation, but provides a host of other health-related cost savings.

This expenditure is also discussed in the Municipal Relations section of the APB.

*New Expenditure: \$3.1 million*

### **EV and E-Bus Incentives:**

The APB would allocate \$7 million in an interest-free loan to Winnipeg transit for the purchase of 20 electric buses, as an initial boost to the transit fleet. The buses are projected to pay themselves off through a Pay As You Save model, based on lower operations costs, over 6 years.

Budget Paper A has more background information on this topic.

*New Capital Expenditure: \$7M*

Winnipeg transit, though, accounts for a tiny 0.8 per cent of the city's transportation-related greenhouse gases, and while getting people out of single-occupant cars is key, accelerating the purchase of EVs also offers a way to bring down our emissions. The APB would follow the path of the "CEVs for BC" program, offering \$3,000 for battery, fuel-cell, and longer-range plug-in EVs and \$1,500 for shorter-range plug-in hybrid Electric Vehicles (EVs). A population-proportional fund of \$5 million for Manitoba (BC's has \$27 million) would be established for this purpose. These provincial rebates would supplement the new federal Zero Emissions Vehicle (ZEV) payments of up to \$5,000 for qualifying cars.<sup>7</sup> Efficiency Manitoba would be mandated to mount a marketing campaign to create awareness and knowledge of EVs, incentive programs, and growing charging infrastructure like Plug-In BC, Ontario's Plug 'n Drive, and Quebec's Running Electric.<sup>8</sup> These measures complement the Expert Advisory Council on Sustainable Development's (EAC) recommendations (i) to require builders to incorporate EV charging stations in all new residential and commercial projects (and major renovations) and (ii) to consider requiring a ZEV quota for new vehicle sales from dealers.<sup>9</sup>

See Budget Paper A for more.

Ramping up EV ownership will have positive economic returns for Manitoba Hydro and the Province from a massive shift in fuel purchases from Alberta gasoline and diesel to Manitoba hydroelectricity. Carbon pricing adds to the benefits for EV owners, accelerates the payback and enhances the uptake of electric vehicles leading to an earlier transition to a thriving, low-emission economy based on Manitoba's energy. Any initial costs of promotion, incentives, building out vehicle charging infrastructure, or foregone fuel tax revenues (for a 5-year ramp, followed by another form of road tax) should be regarded as

investments that will pay a positive return for Manitobans (see Municipal Relations section for more), Manitoba Hydro and the provincial treasury over time. In the meantime, the carbon pollution levy can provide funds to make these investments.

*New Operating Expenditure: \$5 million (Efficiency Manitoba)*

### **Rebates for Heavy-duty Truck Efficiency Retrofits:**

Efficiency measures create a net benefit to the trucking sector higher than their retrofit costs and the carbon pollution levies they pay. With more efficient equipment, Manitoba truckers become more competitive in other jurisdictions too. EAC estimates an incredible \$200 positive return for every tonne of GHG reduction from heavy duty vehicle efficiency.<sup>10</sup> The APB would continue funding this program at current levels (\$5.9 million over three years, matched by federal funding from the Low Carbon Leadership fund).

### **Supporting Manitoba Climate Innovation and Jobs:**

The APB would repurpose the existing Innovation Growth Program (IGP) to target small and medium sized enterprises, public entities including crown corporations, and social enterprises whose business models assist with greenhouse gas reductions here. The IGP currently provides a non-repayable grant of up to \$100,000 to cost share the development and commercialization of innovative products or processes, on a 50/50 cost shared basis. The APB would raise the grant maximum to \$350,000 and prioritize climate and job generation by tying the value of the grant and the cost-share proportions directly to greenhouse gas reductions and new jobs.

The IGP is currently funded at \$2.148 million. The APB would increase the available funding to \$7 million in 2020–21. Subsequent years' allocation would be subject to a review of the intake and program evaluation focusing



on greenhouse gas reductions and local employment creation.

See APB chapters on Community Economic Development, Northern Development and Training and Budget Paper C for more.

*New Expenditure: \$4.852M*

Private finance is important for energy transition, but it is not moving anywhere close to quickly enough into green and sustainable projects.<sup>11</sup> The public sector can have an appropriate role in helping incubate innovative private sector projects, but they need to have a demonstrable public benefit. Rather than de-risking the costs of product and process development without regard to the social benefit, the APB proposes to index the eligible grant size to the contribution of the innovation to greenhouse gas reduction, and to job creation, turning it into a Climate and Jobs Innovation Program. Job creation is currently listed as one of the selection criteria for the IGP, but the APB tightens the link and makes the value of the grant contingent on its employment effects.

The APB would also remove restrictions that currently exist in the IGP which block non-profit social enterprises, crown corporations, municipalities, towns and cities, or other organizations owned by these entities from accessing the funding. Climate emergency is an all-hands-to-the-pump situation.

See APB chapters on Community Economic Development, Northern Development and Training and Budget Paper C for more.

Additionally, existing ED&T tax credit programs like the Small Business Venture Capital Tax Credit, the Community Economic Development Tax Credit, and the Employee Share Purchase Tax Credit, designed to improve Manitoba businesses' access to equity, would be enhanced to reflect the APB's green-jobs focus. Currently, these programs offer a 45% credit to Manitoba investors in Manitoba businesses. The APB would increase this to a range from 20% to 80%, linked to local job creation and greenhouse gas reductions.

### **Manitoba Community Climate Fund**

Modeled on California's Transformative Climate Communities program, the APB would allocate \$12 million for a 3-year pilot project focusing on the development and implementation of climate mitigation projects in low-income urban, rural, and northern communities. Community-proposed projects designed to reduce GHGs and to meet other, identified needs (housing, transportation, health and safety, employment, health, skills training) would be funded on a competitive basis. Eligible to community-based organizations, local governments, nonprofit organizations, philanthropic organizations and foundations, coalitions or associations of nonprofit organizations, community development corporations, and Indigenous authorities.

*New Expenditure: \$4M*

All projects receiving provincial government funding would be subject to provincial project labour agreements.

**Total New Revenue:**

*Carbon levy: \$300M*

**Total New Operating Expenditures:**

*Low and middle income rebates: \$100M*

*Building retrofits: \$109.2M*

*Skills training: \$5M (Economic Development and Training)*

*Transportation: \$46.4M*

*[Transit and Active Transport Infrastructure grants and Operating: \$41.4M (Municipal Relations)*

*EV Acceleration: \$5M (Efficiency Manitoba)]*

*IGP: \$4.852M (Economic Development and Training)*

*Community climate fund: \$4M (Economic Development and Training)*

**Total: \$269.5M**

**Total New Capital Expenditure:**

*Interest free loan to City of Winnipeg for purchase of electric buses: \$7M*



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  - 5** American Public Transport Association. 2014. Economic Impact of Public Transportation Investment: Update. Washington, DC: APTA. <https://www.apta.com/wp-content/uploads/Resources/resources/reportsandpublications/Documents/Economic-Impact-Public-Transportation-Investment-APTA.pdf>
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  - 7** <https://www.tc.gc.ca/en/services/road/innovative-technologies/list-eligible-vehicles-under-izev-program.html>
  - 8** <https://pluginbc.ca/>, <https://www.pluginbc.ca/> and <https://www.roulonselectrique.ca/en/>
  - 9** [https://www.gov.mb.ca/asset\\_library/en/eac/eac\\_carbon\\_savings\\_report2019.pdf](https://www.gov.mb.ca/asset_library/en/eac/eac_carbon_savings_report2019.pdf), p. 36
  - 10** [https://www.gov.mb.ca/asset\\_library/en/eac/eac\\_carbon\\_savings\\_report2019.pdf](https://www.gov.mb.ca/asset_library/en/eac/eac_carbon_savings_report2019.pdf), p. 52.
  - 11** International Energy Agency (IEA). 2019. World Energy Investment Report. Paris: IEA. <https://webstore.iea.org/world-energy-investment-2019>; OECD. 2019. Financing climate objectives in cities and regions to deliver sustainable and inclusive growth. Paris: OECD.

# Growth, Enterprise and Trade

## Labour and Regulatory Services

The current government has weakened programs and services for workplace safety and health, labour relations and employment standards through the introduction of legislation that is hostile to workers. Removal of card check, *The Public Service Sustainability Act*, being contested in the courts by the Manitoba Federation of Labour<sup>1</sup> (this act freezes public sector wages); amendments to the *Workplace Safety and Health Act* and proposed amendments to *The Labour Relations Act* are just a few examples.

The APB reflects workers' position that *The Public Service Sustainability Act* impedes workers' legal right to collective bargaining and should be abandoned. The APB sets aside a fund to support any wage increase arising from the reinstatement of standard collective bargaining practices. Details are provided in the Revenue section.

## Conciliation and Mediation Services

Bill 18: *The Labour Relations Amendment Act*<sup>2</sup> would privatize Conciliation and Mediation Services. The government has not withdrawn this legislation even though the Labour and Manage-

ment Review Committee unanimously opposed dissolution of publically provided services.

Although the Bill is stalled, the office has been reduced to one employee who works with few resources. The APB restores the Conciliation and Mediation Services office to its original state and, in doing so, provides support to good jobs and economic development by preventing and reducing labour disputes.

*New Expenditure: \$.8M*

## Worker Advisor Office

This provincial office provides free and confidential help to workers (and their families) who are dealing with the Workers Compensation Board (WCB). Navigating the WCB system while sick or injured can be confusing and stressful. The Worker Advisor Office provides valuable advice and support to workers when they need it most.

Unfortunately, the current government has not been filling positions, leaving the office under-staffed. The APB funds three new staff so the office can better fulfill its mandate.

*New Expenditure: \$.275M*

Workplace Health and Safety Inspectors  
A dwindling of inspectors means that the department cannot properly fulfill its mandate to carry out “targeted enforcement activities of workplaces and industries throughout the province in order to

ensure high risk hazards are effectively managed”.<sup>3</sup>  
The APB funds the hiring of six new inspectors.  
*New Expenditure: \$.8M*

***Total New Operating Expenditure: \$1.875M***

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<sup>1</sup> Kusch, Larry. 10/7/2019. “Pallister government seeks adjournment in public-sector wage trial.” *Winnipeg Free Press*. Available at: <https://www.winnipegfreepress.com/local/pallister-government-to-examine-constitutionality-of-its-public-sector-wage-law-562476782.html>

<sup>2</sup> <http://web2.gov.mb.ca/bills/41-4/b018e.php>

<sup>3</sup> <https://www.manitoba.ca/labour/safety/enforcement.html>

# Health Care

The effect of health care on public finances is considerable: it makes up for approximately 1/3 of the total Manitoba budget, with proposed operational expenditure in the 2019 budget in the amount of \$6.188 billion.<sup>1</sup> Adding to health care's high profile is the impact the current system overhaul is having on patients and staff, ensuring that access to health care continues to be a top issue for Manitobans.<sup>2</sup>

Health care is often the first area cut as governments try to contain overall spending. In fact, the current government underspent budgeted lines in 2018 by approximately \$247 million, despite receiving an increased portion of health care funding from the federal government through the health transfer. More specifically, Manitoba received \$1.410 billion in federal health transfers in 2018/19, \$1.471 billion in 2019/20, amounting to approximately 9.7 per cent of total budgeted provincial expenditure and 23.8 per cent of the provincial health expenditure.<sup>3</sup> The health transfer for 2020/21 will be \$1.521 billion. Starting in 2016–2017 annual increases to federal health transfers were lowered to 3 per cent from 6.33 per cent.<sup>4</sup>

The health transfer is intended to go towards health care costs, however, no firm accountability

framework is in place. While the Canada Health transfer should be used as a mechanism to ensure provinces uphold the Canada Health Act's five pillars of universality, comprehensiveness, portability, accessibility and public administration, transfers are rarely, if ever withheld when provinces do not uphold the pillars. Furthermore, with no mechanism to track how funding is used, it is difficult to conclusively determine if it is going towards health care. Additionally, the shift to block funding — intended to allow for greater flexibility for provinces and territories — also shifts accountability from the federal to the provincial government. As a result, it is the provincial government that Manitobans tend to hold accountable for health care funding, despite the primary role the federal government plays.<sup>5</sup>

As part of the signing of the bilateral health agreements, the federal government attempted to attach strings to mental health and home/community care supports. Manitoba signed on April 16, 2017 and will see \$182 million over five years for mental health and home/community care supports and services. Manitoba is expected to receive close to \$400 million in total over the 10 years for mental health and home/community care supports.<sup>6</sup>

Health care costs will continue to increase due to a variety of factors including changing demographics, inflation and population increase.<sup>7</sup> While we acknowledge that the federal government must increase their financial support to the provinces, it is imperative that leadership resonate from the province.

An alternative budget cannot possibly address all the challenges our health care system faces, many of which stem from the complexities arising from two levels of government sharing funding, with only the province delivering services. The recommendations contained in this chapter relate to the dominant areas of concern expressed through public consultation, and seek not to just maintain the system, but to make it better.

The key areas of consideration include mental health and addictions funding, investment in medical staff, increases for community-based care, seniors care, and considerations of ecological and social determinants of health. A comprehensive approach to dealing with these key areas will improve Manitobans' overall health while reducing the cascading effects of inaction on poor health.

### Mental Health and Addictions

In March 2018, the Manitoba government received the final report on mental health and addiction services in Manitoba. The report entitled 'Improving access and coordination of mental health and addiction series: a Provincial Strategy for all Manitobans' commonly referred to as the 'Virgo report' contained a broad range of recommendations to improve access to services and programs for people living with mental health and addictions, however, the government has been slow to implement them in favour of cost savings and cutting exercises.<sup>8</sup> The Virgo report clearly states that Manitoba's funding for health care is falling far behind other provincial jurisdictions, making it increasingly difficult for people to access treatment.<sup>9</sup> The historical

lack of investment in mental health and addictions has resulted in a growing number of people addicted to meth at the same time as there is a shortage of resources to help them. In order to begin to tackle this area, meaningful investment is needed.

Expert research supports the many benefits of harm reduction programs, including safe consumption sites.<sup>10 11 12</sup> The 2019 State of the Inner City Report "Forest for the Trees: Reducing Drug and Mental Health Harms in Winnipeg's Inner City" found a correlation between low income and colonization and increased risk of drug and mental health harms, with no policy framework or programs to respond to this need.<sup>13</sup> It has been well documented by first line service providers and people seeking help for mental health and/or addictions the resources are not there.<sup>14 15</sup> The consequences of continued delays will result in continued needless suffering of Manitobans, burnt-out frontline staff and drug use as a means to address mental health issues, leading to further increases in health care costs stemming from a cascade of medical issues, such as syphilis.<sup>16 17</sup>

If we are serious about addressing mental health and addictions, we must put the investments into tackling this growing health care crisis. To this end, it is recommended that the Manitoba government follow the Virgo report's call for a total investment of 9.2 per cent of its total health care spending in mental health and addictions support to address both historical gaps in funding and provide much-needed supports and services for Manitobans.<sup>18</sup> The distribution of these funds must take into consideration regional needs and must ensure that all services are not concentrated inside the perimeter of Winnipeg. Investment must include culturally appropriate mental health supports for Manitoba's newcomer community. We spread this investment over three years.

In addition to the above increase, we have transferred \$12M from Justice (as a result of di-



vestment in the Justice department) and added it to harm reduction spending.

*Increased Cost for First Year: \$211M*

### Senior Care

In Manitoba the percentage of the population that is 65 years of age or older is 15.6 per cent,<sup>19</sup> so it was unsurprising that an area that was repeatedly discussed during consultations was senior care. In fact, people were very clear that the government needed to make more meaningful investments in senior care including in, long term care facilities (LTC) which are publicly operated and provide professional health and nursing services; home care which is supportive care provided in the home to assist with meeting daily needs; and, personal care homes (PCH), which are residential homes for seniors who need assistance with daily living.

The shortage of spaces in PCH and LTC will be exasperated as baby boomers age. Additionally, multiple reports indicate that the reliance on home care and age-in-place policies, while allowing seniors to age in their home longer, carry with it often overlooked challenges.<sup>20 21</sup> One such challenge is that seniors who stay in their homes longer often require additional and more complex care (for dementia, for example) once they move into LTC facilities.<sup>22</sup> Such residents require more staff time to address their needs, however, the standard staffing ratio of 3.6 care hours per patient, per day falls very short of what is needed.

PCH staffing guidelines were first created in 1973, with amendments in 1993, and 2007.<sup>23</sup> The current staffing ratio of 3.6 paid hours of care per resident per day does not provide adequate time for staff to attend to individual patients,<sup>24</sup> especially because not all paid hours are necessarily dedicated directly to patient care.

Paid care hours include: direct care hours, indirect care hours, and time paid but not worked (for example breaks or sick leaves). Re-

search indicated that the time dedicated to the direct care of the resident falls below safe and quality levels of care.<sup>25 26</sup> The call from many groups — from labour to community groups and echoed in consultations — is to increase the number of staff in LTC homes and increase in the mandated ratio of patient-to- staff time at long term care facilities in the province. The recommendation is to have direct care ratio at a minimum of 4.1 care hours to ensure patients get the time and care they need, and that staff is not overly stressed.<sup>27</sup>

Our public consultations revealed the need to increase hours for those receiving home care so individuals can stay in their homes for as long as possible.<sup>28</sup> The allowable maximum amount of hours for attendant services is 55 per week, but it is argued that the maximum should be increased.<sup>29</sup> It is recommended that the government invest in a comprehensive study examining seniors care in the province specifically identifying how to comprehensively address senior care, including how to increase home care and alleviate the strain on caregivers.

*Increased Expenditure: \$100,000*

### Staffing – Retainment and Recruitment

#### Community Care

The health care overhaul has been met with mixed reactions across the province, from the government which maintains the overhaul's necessity and success, to frontline workers who are working more overtime, to the average Manitoban who is now unable to access care in their neighbourhood or who has had negative experiences in the health care system. The result is confusion about what is needed to improve our system of care. One area, however, where improvement is clearly needed is the retainment, recruitment and increased hiring of medical professionals.

Public feedback from consultations consistently highlighted the need to increase the num-

ber of medical specialists such as psychiatrists and frontline staff. While recent annual reports from the College of Physicians and Surgeons of Manitoba highlighted that Manitoba's jump in the number of physicians licensed in Manitoba<sup>30</sup> was the largest in Canada, but that increase is not necessarily translating into increased access to a primary care physician for Manitobans.

Many who participated in our consultations had accessed our health care system recently. They reported seeing too many stressed-out and over-worked staff, including nurses, health care aides and professional technicians. Understaffing leading to worker burnout negatively affects patient care. Difficulty retaining health care professionals in the north and in rural areas means that understaffing is having a disproportionate impact in remote communities.

It is recommended that the province recruit more health care professionals, with particular focus on the northern and rural Manitoba. It should also increase the number of training positions in colleges and universities nursing programs. It is further recommended that the government increase the use of nurse practitioners. As part of the increase to staffing, it is recommended that intercultural competency training and increases to interpreter services in all health regions be prioritized so newcomer and Indigenous communities receive the care they need.

Consultation participants voiced clear opposition to the closure of local Quick Care Clinics, including users of the St. Boniface Medical Centre. It is recommended that the government reinvest in Quick Care Clinics, mobile clinics, and access centres in conjunction with the expansion of medical professionals.

**Increased Expenditures:**

*Increase nursing staff by 500: \$41M*

*Nurse practitioners, including those with specialties in high need areas such as psychiatry: \$60M*

*Reopen four Quick Care Clinics at \$900,000 per year (personnel and rent): \$3.6M*

*Three mobile clinic vans to be deployed in Northern Manitoba, rural Manitoba and in high-needs urban areas*

*Operating: \$.48M*

*Capital: \$.435\**

*Intercultural competency training: \$.15M*

*Increase Interpretation services: \$1M*

*Total Operating Expenditure: \$106.23M*

*Total Capital Expenditure\*: \$.435M*

**Social Determinants of Health**

It takes investment in health care to treat and care for Manitobans in the here-and-now, however, we are not addressing the underlying causes of poor health outcomes. Health care spending will exponentially increase without decisive leadership on the social and ecological determinants of health.

The social determinants of health are defined as “the conditions in which people are born, grow, live, work and age”.<sup>31</sup> The ecological determinants of health refer to the resources essential for health and well-being such as adequate amounts of oxygen, water and food.<sup>32 33</sup> Taken together the social and ecological determinants of health are the building blocks of overall health and well-being. The APB chapter on the Green New Deal includes recommendations to protect our environment.

Without addressing these core drivers of health outcomes there will be higher demand to treat people's failing health. The lack of investment to end poverty, refusing to meaningfully address climate change, to invest in affordable housing, or to address the racism imbedded in our institutions will further exasperate the strain on our health care system.

This budget also recommends changes to social housing, food security, labour market training, childcare, how we support Manitoba's most marginalized, including those living with disabilities and child and family welfare. These changes, combined with our recommendations to reduce greenhouse gases and measures to increase pub-

lic transportation Improvements will, in the long term, bring down spending on health care.	<i>Increased staffing and training: \$106.23M</i> <i>Restoration of healthcare coverage for International Students: \$3.1 M</i> <i>(see Postsecondary Education for details): \$3.1M</i> <i>Total: \$320.43M</i>
Total Operating Health Care Expenditure Increase	<b>Total Capital Health Care Expenditure Increase</b>
<i>Mental health and addictions treatment: \$211M</i> <i>Seniors care study: \$0.1M</i>	<i>Three new mobile clinics: \$.435M</i>

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# Housing

The future of social and affordable housing in Manitoba is at risk. In 2016, the Province commissioned KPMG to conduct a fiscal performance review of social housing in Manitoba which recommends that the government begin to privatize its housing portfolio to help address escalating costs.<sup>1</sup> The Province's 12-month action plan for Manitoba Housing confirms its plans to follow up on KPMG's recommendation.<sup>2</sup> The APB is concerned that this approach will increase housing insecurity and homelessness in Manitoba as it has in other jurisdictions, and takes steps to ensure that all Manitobans can access safe and affordable housing.

Safe and affordable housing is a fundamental human right. It is also the necessary first step in solving homelessness and poverty-related problems. It is a foundational part of the solution to many related social challenges such as crime, addiction, child apprehension and social exclusion. Safe housing is an essential part of any plans to address violence against Indigenous women, girls, and 2SLGBTQIA (Two Spirit, Lesbian, Gay, Bisexual, Trans, Queer, Questioning, Intersexual, and Asexual).<sup>3</sup> Stable access to safe and affordable housing improves mental and physical health, while providing a foundation

from which all Manitobans can participate in their community and access education, training, employment and social services.

Ensuring all Manitobans can access affordable housing is not only the right thing to do, it also makes good economic sense. Investments in affordable housing reduce costs related to homelessness and poverty. For example, a study of homelessness in four Canadian cities found that on average, the annualized cost of institutional responses to homelessness, such as the costs of prison and psychiatric hospitals, can be as high as \$120,000 per person. The annualized cost of emergency shelters can be as high as \$42,000. In contrast, supportive and transitional housing costs up to \$18,000, and providing affordable housing without supports costs up to \$8,000 annually.<sup>4</sup>

In Manitoba, tens of thousands of individuals and families are homeless (Table 1), in core housing need (Table 2), or precariously housed. Those in core housing need do not have access to housing that is an appropriate size for the household, that is in good condition, and/or that costs less than 30 percent of household income. Those who are precariously housed are at risk of homelessness because of a missed paycheque, an illness, or an unexpected expense. It is difficult,



TABLE 1 Minimum Estimates of Homelessness in Manitoba<sup>5</sup>

Location	Homeless People
Winnipeg	1519
Thompson	130
Brandon	121

TABLE 2 Percent and Number of Households in Core Housing Need in Manitoba<sup>6</sup>

	Percent	Number
Manitoba	11.4	51,130
Winnipeg CMA <sup>a</sup>	12.1	35,760
Brandon CA <sup>b</sup>	7.7	1,755
Steinbach CA	11.7	690
Thompson CA	9.1	440
Portage La Prairie CA	8.9	485
Winkler CA	6.7	670

<sup>a</sup> CMA is Census Metropolitan Area

<sup>b</sup> CA is Census Area

if not impossible, to know how many households are precariously housed. However, we do know that renters are more likely than owners to be in core housing need or precariously housed.

Manitoba has been without a provincial housing strategy for nearly four years. The Province plans to release a housing strategy after finalizing a bilateral agreement that it signed with the federal government under the National Housing Strategy in June 2019. The 10-year agreement invests a cost-shared \$450.8 million into social and community housing. Housing advocates believe this money should be targeted at a multi-pronged approach that provides an adequate supply of low-cost housing and makes existing housing more affordable for low-income tenants through rent subsidies.

### What We Heard

A consultation on housing policies and spending was held in June 2019 in Winnipeg. As well, participants in the APB consultations in Winnipeg and Brandon talked about housing. Par-

ticipants identified several demographics with distinct housing needs, including women, older adults, larger families, Indigenous people, people with disabilities and people who are unhoused. Participants discussed housing quality and security, the increasing cost of housing, the need for additional supports and services, and the relationship between housing, food security, safety, and employment, among other issues. There was some disagreement over whether it is more important to build quality housing, or simply to provide shelter, but overall, the comments expressed strong support for low-cost and social housing — that is, housing that is subsidized. Participants indicated that the Province should preserve and support existing social housing, increase the supply to address ongoing demand, and ensure that tenants have access to resources to support security of tenure.

### Recommendations

Our recommendations draw on the input from the consultations, as well as the work of the Right

to Housing Coalition (a Winnipeg-based coalition that advocates for quality, affordable housing for low-income people in Manitoba). The recommendations include:

**1) Increase the supply of social and affordable housing by funding the construction of new units built by the public, non-profit, and/or co-op housing sectors**

The private market is unable to offer rents that are affordable to Manitoba's most vulnerable residents. Social housing, where rents are geared to tenants' incomes, and affordable rental housing play an important role in housing low-income households. However, there is insufficient social housing to meet demand. Manitoba Housing, for example, had a waitlist of 8,449 applicants in September 2019, an increase of close to 1,600 applicants since January 2019.<sup>7</sup> Increasing the supply of social housing must be a priority.

Manitoba began increasing investments in the construction of social and affordable housing in 2009/10. Between 2009 and 2014, the NDP government committed funding for approximately 790 new social housing units, 710 affordable housing units, and 710 new units with rents geared to income. In 2014, it committed to creating an additional 500 units each of social and affordable housing over a three-year period.

Since the Conservative government was elected in spring 2016, the Province has not committed funding for a single new unit of social housing, and as of October 2017 had committed funding for just over 100 affordable housing units.

New social and affordable housing builds must be prioritized in geographic communities with the greatest need. Vacancy rates have improved for some Manitoba communities, including Winnipeg (2.9 per cent) and Thompson (7.6 per cent). But cities like Brandon, Steinbach, and Winkler continue to have low vacancy rates (1 per cent, 1.3 per cent and 0.8 per cent respectively).<sup>8</sup> As well, vacancy rates are significantly

lower, and housing much harder to find, at the more affordable end of the spectrum. In Manitoba in 2018, the cheapest quartile of rental units had a vacancy rate of 2.3 percent, while the most expensive quartile had a vacancy rate of 4.5 percent.<sup>9</sup> Bachelor suites renting for less than \$500, which meet the needs of single individuals experiencing homelessness, had a 0.7 percent vacancy rate.<sup>10</sup>

New builds must also accommodate the distinct needs of specific demographics. Those experiencing gender-based violence or sexualized violence and exploitation require housing that is designed to optimize their safety (see Municipal Relations chapter for more on gender-based violence), and that is accompanied by trauma-informed supports. Persons with disabilities require housing built to high standards of accessibility. People experiencing homelessness require access to housing with tenancy supports. Youth aging out of the child welfare system require transitional housing with supports that enable them to move into permanent affordable housing. Those leaving the criminal justice system need a proper place to live (see APB section on Criminal Justice) Many large low-income families, including Indigenous, immigrant and refugee families who live with extended family and friends, require housing with three or more bedrooms (see APB section on Newcomers). The Calls for Justice from the National Inquiry into Missing and Murdered Indigenous Women and Girls call for new builds that meet the housing needs of Indigenous women, girls, and 2SLGBTQIA people by providing housing that is safe, appropriate to geographic and cultural needs, and available wherever they reside, whether in urban, rural, remote, or Indigenous communities.<sup>11</sup> All of these housing types are in short supply.

The APB invests \$75 million in the construction of 300 net new social and affordable units annually, including low-barrier transitional and permanent supportive housing, and housing for

newcomers and people with disabilities. New units will be built in a variety of neighbourhoods to offer choice, and near essential services.

*New Capital Expenditure: \$75M*

**2) Maintain the existing supply of social and affordable housing by addressing expiring operating agreements and the aging housing stock.**

As social housing operating agreements expire, subsidies to non-profit and cooperative housing providers also expire. The subsidies in these agreements have enabled housing providers to offer rent-geared-to-income (RGI) and affordable housing. When the subsidies are gone, owners of low-cost units, especially RGI units, often must raise rents to cover costs. Manitoba needs a plan to ensure that there is no net loss of RGI units due to expiring agreements. This should include planning assistance along with a rent subsidy and operational cost supplement program, financed by multiple levels of government, to support the sustainability of non-profit and cooperative housing providers, as well as the RGI units owned and operated by Manitoba Housing. While many agreements have already expired, matters will become a great deal worse after 2020 when the majority of RGI units are threatened by expiring operating agreements. The Community Housing Initiative, part of the National Housing Strategy, includes funding for this purpose. As of March 31, 2019, there were 15,882 RGI social housing units and 663 RGI Urban Native social housing units in Manitoba.<sup>12</sup>

The APB spends \$7.5 million to match CMHC National Housing Strategy funding, to maintain the March 31, 2019, number of social and community housing units. These funds will also increase the capacity of social housing providers as they transition out of their operating agreements. This ensures there is no net loss of RGI housing units due to expiring federal operating agreements.

*New Operating Expenditure: \$7.5M*

**3) Maintain the existing supply of social and affordable housing by preserving the public housing portfolio.**

Manitoba Housing has started to transfer management and ownership of its housing portfolio to the private and non-profit sector rather than invest in costly repairs caused by years of deferred maintenance. It is expected to ramp up transfers in the coming years. However, without ongoing subsidies, giving up ownership creates a risk that the affordability of the housing will not be maintained.

The threat of lost RGI and affordable units is more significant in the private sector than the public and non-profit sectors, as the latter have a social mandate that includes an affordability component. The UK began a process of privatization in the 1980s only to have an all-time high waitlist for public housing and shockingly high rates of homelessness decades later.<sup>13</sup> Likewise, Canada's ongoing housing crisis is linked to the federal government withdrawing from public housing in the 1990s and leaving it to the private sector to fill the need.<sup>14</sup>

*The APB will not sell public housing assets to the private, non-profit, or co-op sectors.*

The quality of Manitoba's public housing stock must be improved to maintain the existing supply and to ensure that it is more comfortable, safe and energy efficient. Manitoba needs a plan for ongoing investments in capital upgrades to roofs, windows, heating and ventilation systems, water and waste efficiency upgrades, major renovations and overall site improvements. These investments also lower Manitoba's greenhouse gases (see section on climate change). These investments help prevent tenants from being exposed to toxic substances and other problems associated with mould, insect infestations, and inadequate heating and insulation. The Province also needs a dedicated strategy to address bed bugs and other pests. Contracting community-based social enterprises who train and employ low-income people produces additional benefits

from Manitoba Housing investments. (See Budget Paper C for more).

Capital repair investments peaked at \$120M in 2015/16 following an extremely conservative 2009 estimation of the need for a \$1B investment over ten years (about \$100M annually) to address the current and deferred capital repair requirements in public housing. Since 2015/16, annual investments have declined each year to \$25.6M in 2018/19. To make up for underspending in this area in previous years, investments of a minimum of \$130M annually are required to meet the estimated need for capital repairs by 2020. Also needed is an estimate of annual investments required beyond 2020. Finally, all public housing must be retrofitted to maximize energy efficiency (saving the province in energy costs) and reducing GHG emissions.

See the APB Conservation and Climate Change chapter and Policy Paper A for more.

The APB invests at least \$130 million annually in capital repairs and maintenance to public housing.

*New Capital Expenditure: \$130M*

#### **4) Maintain programs that provide supports for repairs to private dwellings.**

Until spring 2019, low-income homeowners had access to programs funded jointly by the federal and provincial governments that provided financial support for home repairs. Landlords could also receive financial support for repairs in return for keeping rents at a lower level. In addition to helping restore homes to minimum safety standards, these programs supported seniors and people with disabilities to make modifications that would allow them to remain safely in their homes for longer. This is ethically important, and cost-effective. The 2019 cuts to these programs, which were available to all Manitobans, have strained the remaining home repair programs, which are offered by the City of Winnipeg and available only to people living in designated Winnipeg neighbourhoods.

The APB invests \$6 million to reinstate the home repair and modification programs that were eliminated in 2019 including: the Manitoba Emergency Repair Program for Homeowners; the Homeowner Renovation Assistance Program; the Residential Adaptations for Disabilities Program; the Residential Housing Improvement Program; the Rooming House Assistance Program; and the Shelter Enhancement Program.

*New Operating Expenditure: \$6M*

#### **5) Make the existing supply of housing more affordable through income supports.**

While vacancy rates have increased in some areas of the province, units renting for lower rates are still relatively scarce. This means that most of the housing that is available is unaffordable to very low-income households. For example, a person on Employment and Income Assistance receives \$771 a month to pay for all of their expenses including rent in the private market. With the average cost of a bachelor suite at \$692, a single person spends 90 percent of their income on rent. This does not come close to meeting the needs of Manitoba's homeless or low-income population. The Province has also increased the cost of living in social housing since 2016, with tenant contributions to rent going up from 25 percent of household income to 30 percent.

The Rent Assist income benefit was introduced in 2014 to help low-income people afford rents in the private housing market. Despite this significant investment, Rent Assist still does not provide enough support to enable very low-income Manitobans to afford private market housing. Program changes since 2016 have resulted in many Rent Assist recipients receiving reduced benefits and paying higher rents as well as fewer households being eligible for the program. This kind of demand-side strategy for improving the affordability of housing must ensure that income supports, and subsidies are large enough to alleviate the high private-market rents paid by low-income Manitobans.

The APB spends \$8 million to reinstate the tenant contribution rate in social housing to 25 percent of the household's income.

*New Operating Expenditure: \$8M*

The APB spends \$10 million to reverse changes to the Rent Assist program that have resulted in reduced benefits and eligibility, including returning the regulatory formula for deductible levels to pre-2017 numbers for all Rent Assist recipients. It also uses the National Housing Strategy's Canada Housing Benefit to top up the Rent Assist benefit.

*New Operating Expenditure: \$10M*

**6) Ensure that tenants' security of tenure is protected through strong rent regulations and education.**

Rent regulations are a way of managing the residential rental market to ensure affordability and security of tenure for tenants. They provide procedures and limits for most rent increases; processes for evictions; and options for mediating the relationship between landlords and tenants.

To ensure that tenants are aware of their rights under the Residential Tenancies Act, the Residential Tenancies Branch must support tenants' advocacy networks and tenant education.

The APB provides \$300,000 of funding for the Residential Tenancies Branch to enhance development, distribution and advertising of educational materials about the rights and responsibilities of tenants and landlords. It also provides \$700,000 of funding to enhance the capacity of community-based Tenant Advocates, including education programs for tenant rights and responsibilities.

*New Operating Expenditure: \$1M*

**7) Ensure Manitoba Housing tenants have access to tenant-driven resource centres that offer comprehensive supports on site or nearby.**

A consistent request from Manitoba Housing tenants is for Manitoba Housing to establish a resource centre in each complex. Resource centres offer resources, supports, and capacity-building opportunities for local residents. Evidence shows that resource centres in Manitoba Housing complexes help tenants meet basic needs, provide a meeting place in the community, and enable tenants to learn about and access programs and resources that can lead to new opportunities.<sup>15</sup> Starting with 30 resource centres makes it possible to offer programming across the province, and to develop best practices for establishing more resource centres in future years.

The APB invests \$4.5 million to establish and maintain 30 resource centres in or near Manitoba Housing complexes across the Province.

*Increased Operating Expenditure: \$4.5M*

Total New Operating Expenditures:

*Addressing expiring operating agreements: \$7.5M*

*Maintain program for private housing repairs: \$6M*

*Income supports to increase affordability: \$8M*

*Reverse changes to Rent Assist: \$10M*

*Rental education programs: \$1M*

*Manitoba Housing resource centres: \$4.5M*

**Total: \$37M**

Total New Capital Expenditures:

*Construction of net new social and affordable housing: \$75M*

*Capital repairs and maintenance of public housing: \$130M*

**Total: \$205M**

<sup>1</sup> KPMG. (2017). *Manitoba Fiscal Performance Review Phase 2 Report Business Case – Social Housing*. Retrieved from: [https://www.gov.mb.ca/asset\\_library/en/proactive/fpr-phase-2-7.pdf](https://www.gov.mb.ca/asset_library/en/proactive/fpr-phase-2-7.pdf)

<sup>2</sup> Province of Manitoba. (2019). *Shared Priorities Sustainable Progress: A 12-Month Action Plan for Manitoba Families*. Retrieved from: <https://www.gov.mb.ca/fs/pubs/shared-priorities-sustainable-progress.pdf>



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# Indigenous and Northern Affairs

Northern Manitoba constitutes 67 per cent of Manitoba's landmass, but just over 7 per cent of its population, of which 75 per cent self-identify as Indigenous.<sup>1</sup> It has some of the province's richest natural resources and tourism icons, but also has an extremely high unemployment rate (35.1 per cent in November 2019).<sup>2</sup> Unemployment in First Nations communities is even higher with it being "typically above 75 per cent".<sup>3</sup> In contrast, unemployment in Southern Manitoba is only around 7.1 per cent and 5.4 per cent in Winnipeg.<sup>4</sup>

Beyond a lack of income, the effects of high levels of unemployment are correlated with suicide, incarcerations, greater social isolation, and chronic diseases such as cardiovascular disease and diabetes.<sup>5</sup> Unemployment and poverty also costs the provincial and federal governments money in terms of loss of income tax and increased demand for social services.<sup>6</sup>

Employment in Northern Manitoba has historically been contingent on large private corporations, especially in the natural resource industry.<sup>7</sup> Once profits begin to dwindle, corporations have "no loyalty to the communities they are based in or to the workers they employ", resulting in the closure of key industries "around which infrastructure and communities have been built

and become reliant".<sup>8,9</sup> Often these corporations leave behind environmental problems that stay long afterwards, such as the toxic mine waste leftover in Lynn Lake.<sup>10</sup> Furthermore, because the economic base is smaller in these communities, it can be harder for workers to find new employment when these industries close down, resulting in more workers collecting employment insurance and/or income assistance, and some dropping out of the labour force altogether. As a result, governments often try and avoid the loss of these key companies through tax breaks, bailouts and subsidies.<sup>11</sup>

## Corporate Handouts

The paper mill in The Pas best exemplifies the precarious nature of employment in Northern Manitoba. In August of 2016, citing an inability to "keep their product prices competitive" Tolko announced the closure of the mill in December of the same year meaning that 330 jobs at the mill — the town's largest employer — and 250 additional subcontracted jobs were to be lost.<sup>12</sup> Luckily for the town's 5,500 residents, Canadian Kraft Paper Industries purchased the mill for a nominal figure in November 2016 and kept the

employees on.<sup>13</sup> However this new buyer came at a cost, notably a three-year break on municipal property taxes (totalling \$2,508,954 if they were to be taxed at the same rate as Tolko) and a three-year postponement of pension solvency payments for an undisclosed amount.<sup>14 15</sup> The provincial government stepped in to assist with the deal by giving the corporation a break on additional pension payments for three years — although the payments would have to be paid back over the following five years.<sup>16</sup> This deal would not be the first time the paper mill in The Pas has received government aid, as Tolko received millions of dollars in the early 2000s to help keep them afloat throughout the softwood lumber dispute with the US.<sup>17</sup>

This boom and bust cycle and the closure and reopening of key industries are unfortunately common in Northern Manitoba. In fact, the paper mill in The Pas has changed hands four different times in the last 50 years (not including the most recent purchase), with the provincial government even owning it for a brief stint.<sup>18</sup> Likewise, the port of Churchill closed in 2016, putting around one hundred people out of work, although it reopened in 2018 thanks to new buyers.<sup>19 20</sup> The rail line to Churchill was also flood damaged in 2017 hurting any chances of moving anything out of the Port.<sup>21</sup> However, the federal government stepped in with \$117 million to repair the rail line, while the provincial government was notably absent, maintaining that it was an issue for the federal government.<sup>22</sup>

The Vale Smelter and refinery shut down in Thompson in 2018, resulting in around 400 workers losing their jobs.<sup>23</sup> Additionally, some of these unionized jobs have been replaced by contracted workers, who “do not pay taxes to... [the] community, or contribute to... [the] local economy”.<sup>24</sup> However, Vale Manitoba has expressed interest in investing \$1 billion in a new mine along the Thompson Nickel Belt. Interest in nickel is increasing with the anticipated uptake in electric vehicles (EVs)<sup>25</sup> (see section on Climate Change

for more). Nickel mining could provide years of employment to the area and this, combined with a comprehensive strategy to develop Manitoba Hydro’s potential and train unemployed workers from Thompson and surrounding communities, could result in decent, unionized jobs for northerners. Preparing locals for these jobs is crucial, as explained later.

The days of Flin Flon’s only mine may also be numbered as it is scheduled to close by 2021, putting the status of 800 jobs up in the air.<sup>26</sup> Although this boom and bust cycle is common in our economic system, its effects are even more pronounced in Northern Manitoba due to its overdependence on key industries and its smaller economic base.

#### A Made-in-the-North Community Economic Development plan

As a result of the recent job losses and high unemployment rates, the *Look North Report and Action Plan* commissioned by the Manitoba government in 2016 describes Northern Manitoba as “a region in decline”.<sup>27</sup> However, there are potential solutions that use a Community Economic Development (CED) approach that can help remedy this ‘decline’ by building off of Northern Manitoba’s strengths such as its natural resources, its untapped worker base and tight-knit communities. The CED approach is key as it offers a solution to economic and social exclusion by allowing community members to democratically control development, and to ensure that it aligns with the community’s interests (see CED chapter for more).<sup>28</sup>

There are key short-term changes that can be made to immediately alleviate the difficult situation in the North. For example, the government should put an end to its second public review, in as many years, of the Communities Economic Development Fund (CEDF), a crown corporation serving the North headquartered in Thompson.<sup>29 30</sup> The CEDF plays a key role for many new

and small businesses, providing consulting services, community programs and loans that are often too small for banks to give out.<sup>31</sup> The CEDF is also close to "...a neutral cost to the Manitoba taxpayers" thanks in part to interest earned from loans it administers.<sup>32</sup> However, in reality the fund is probably net positive, as this estimate does not take into account the taxes paid by CEDF funded businesses and their approximately 1,216 employees.<sup>33</sup> The CEDF has administered \$214 million dollars in loans since 1973, but it has not given out a loan since the 2017/2018 year due to it being under review.<sup>34</sup> This means that for two years potential businesses have been stifled and potentially the creation of local jobs as well.

A concern that Northern Manitobans consulted for the *Look North Report and Action Plan* brought up was the amount of untapped natural resources.<sup>35</sup> As part of the response to this report, the government recently ended the Mining Community Reserve Fund (MCRF) and replaced it with the Manitoba Mineral Development Fund (MMDF) and increased the amount of money in the fund from just over \$10 million to \$20 million.<sup>36</sup> It can be assumed this increase was in part a response to the news that the mine in Flin Flon will be shutting down by 2021.<sup>37 38 39</sup>

Despite the appeal of natural resource development, it is rarely without its problems. Most mining is environmentally damaging, and natural resources are finite, meaning that they will eventually be depleted. Mining companies typically assisted the development of mining towns if the project was expected to last a decade or more. More recently mining companies used work camps that largely relied on workers from elsewhere who have no commitment to the region. Residents are thereby left out of employment opportunities and the local economy has few benefits from the significant capital expenditures and annual servicing costs of operations. A prime example of this is the new mine adjacent to Snow Lake which has already operated for over five years and is expected to

last ten or more years. Few local residents work there, so local economic benefits are less than they should be.

Northern hydro developments over the past fifty years have been hugely capital intensive, with very large workforces for five or more years and then small once the station is in operation. The work camps of most of those projects had very few Indigenous residents from the region until the past decade and created major social issues as many Indigenous women were victimized by elements of the largely male workforce from elsewhere.<sup>40</sup>

The paucity of training and decent jobs for Indigenous workers continues despite local training programs that have been attached to hydro development. Critics have identified how and why these programs haven't been successful, and what to do to fix them.<sup>41</sup>

Natural resource extraction should be structured to benefit community members — including those in First Nations. If the focus were more on job training, employment for local residents, service contracts for Northern businesses and sustainable extraction rates then there is potential for natural resource extraction to be more beneficial to northerners. One way that the government could help ensure a beneficial outcome is by requiring mining companies that draw from the MMDF to implement partnership agreement models similar to those that Manitoba Hydro has used for projects such as the Keeyask and Wuskwatim Generating Stations.

These models would require firms to train and employ locals, including many Indigenous peoples who have not had a connection with the labour market due to colonialism; lack of training opportunities and their remote location.<sup>42</sup> These projects have faced legitimate criticisms from community members and workers, such as the temporary nature of jobs and work conditions, but there are steps that can be taken to improve the agreements that would play a part in reconciliation.



Nisichawayasihk Cree Nation Shows Us How Nisichawayasihk Cree Nation (NCN) and the Wuskwatim Project Development Agreement (2006) provide an excellent example. According to Deane and Szabo:

This was the first agreement in Canada in which a First Nation entered into an equity ownership position in the development and operation of a hydroelectric project (Wuskwatim Project History, 2019). The partnership gave Nisichawayasihk a 33 percent share in the revenues from power generation at Taskinigahp Falls on the Burntwood River. It also gave the community a say in the development of the project and an on-going role in monitoring its impacts.<sup>43</sup>

Manitoba Hydro also left behind infrastructure that continues to benefit the community. The Atoskiwin Training and Education Centre (ATEC) located in NCN was originally built by Manitoba Hydro to train workers for its Wuskwatim generating station. ATEC now operates as a Labour Market Intermediary; meaning that it matches employees to employers and provides workers with the necessary trades and/or post-secondary education for jobs that are available in the area.<sup>44 45</sup> Additionally, after workers are matched with employers, ATEC stays in contact with both parties to ensure that their needs are being met, and if necessary, relocates or retrain workers. ATEC also serves an important community and cultural purpose as it provides therapy and traditional teachings to those who want it.<sup>46</sup>

NCN has benefited greatly from these investments, to the point that it is leading community development for First Nations across the county. Not only is it training community members for local jobs, it is training First Nation residents from across the North at their ATEC Centre and creating more jobs by building much-needed energy-efficient housing for the harsh northern climate. NCN is also creating backward and forward linkages so that construction materials are

manufactured in the community, creating even more jobs.<sup>47</sup>

### Diversification

Although natural resource extraction can be done in a way that is more beneficial to the community, it is also increasingly important for Northern Manitoba to diversify its economy so that it doesn't remain over dependent on natural resources. The provincial government recently committed to ensuring "the private sector is held accountable for environmental damage, and that remediation measures are rapidly implemented".<sup>48</sup> Knowing that there is clean up to be done in particular in orphaned mines and wells, the government could begin training workers in this field and create jobs. The provincial government has spent more than \$200 million on cleaning up orphan mines closed over the past fifty years.<sup>49</sup>

Another way that Northern Manitoba can diversify its economy is by growing its tourism industry. The current government recently pledged to increase its funding 25 per cent.<sup>50</sup> One way that this money could be put to good use is by creating a training centre similar to ATEC, whose goal is to train Northerners interested in working in the tourism industry.

These training centres could also double as important culture and community hubs by hosting art or dance classes, or by hosting healing programs to re-connect residents with traditional practices. This incorporation of arts could be a good way to combat the tragically high levels of suicide in Manitoba's North (see chapter on Arts for more).

Government procurement, as explained in Budget Paper C, can also play a larger role in Northern Manitoba. The indigenous owned Aki Energy is a good example of how government collaboration can be used to help social enterprises tackle several different problems simultaneously. Manitoba Hydro provides Aki Energy with contract work to install geo-thermal energy

in homes in First Nation communities, thereby reducing GHGs.<sup>51</sup> Aki also serves another important function as it trains workers — who are often multi-barriered — with key industry skills in the process.<sup>52</sup> Recognizing the importance and success of social enterprises, it makes sense to continue offering support through the CEDF. The goal should be to set up what the *Look North Report* dubs an “Enterprise Eco-system of Support”, where enterprises can grow and find the necessary connections to be successful.<sup>53</sup> This should include support for the Social Enterprise sector, as highlighted in the Social Enterprise section of the APB.

Ultimately, these changes would help lower unemployment, which has broader effects such as better health outcomes, lower rates of suicide and incarceration and would help create a more equitable Northern Manitoba.<sup>54</sup> Additionally, these changes would help the government fill some of the 168,700 job openings between 2018 and 2024 with the trades industry itself needing around 21,600 new workers and work towards their goal of creating 40, 000 private sector jobs.<sup>55 56</sup> Finally, a lower rate of unemployment would save the federal and provincial government money by reducing the amount of people collecting employment insurance and benefits and increase their tax revenue.

### Investing in Manitoba’s North

The APB increases the amount of CEDF money available for the 2020/2021 year include the amount of money set aside for the previous two years that it was under review. In other words, the APB recommends that the budget be increased three fold from its annual average of 2.99M for one year to make up for the funds that were not available in the previous two years.

*Increased Expenditure: \$9M*

The APB provides training dollars to First Nation communities interested in adopting a similar model as ATEC. Funds could, for example, complement money borrowed from the CEDF for environmental clean-up, training in traditional arts, or for work in the tourism industry.

*Increased Expenditure: \$5M*

### Restorative Justice

As explained in the Justice chapter, Indigenous-led, self-determined restorative justice is an important part of reconciliation. The APB dedicates funding from the divestment of funding in the Justice department to restorative justice programming in the North.

*Increased Expenditure: \$20M*

***Total Increased Operating Expenditure: \$34M***

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# Infrastructure

The reductions in infrastructure spending by the Manitoba government has been particularly harmful to growth prospects, given infrastructure's strong local and regional economic spin-offs. The previous government had embraced an anti-austerity approach to spending and investment in large scale public infrastructure projects that boosted the construction sector and economic growth. Earlier projects included green energy and climate change mitigation projects such as expansion of the Red River Floodway, the construction of the Wuskwatim generating station and the building of the new Manitoba Hydro headquarters.

These, along with more conventional investments in roads and highways and projects such as the Winnipeg Richardson International airport terminal, provided significant countercyclical economic stimulus during and in the aftermath of 2008–2009 global economic crisis (see the Indigenous and Northern Affairs section for more benefits from this investment). This allowed Manitoba to weather the storm well relative to many other provinces.<sup>1,2</sup> The government continued to ramp up infrastructure spending in the early 2010s, financed through an increase in the PST and sizable deficits. Growth rates in

Manitoba were higher than the national average four out five years between 2012 and 2016, with average annual growth rates 0.4% higher than Canada as a whole.<sup>3</sup>

Major infrastructure projects initiated later by the previous government such as Manitoba Hydro's Bipole III and the Keeyask dam and generating station have reached or are nearing completion, with the current provincial retrenchment leaving a significant gap that the private sector has not been able to fill.

## The Infrastructure Deficit

Investing in infrastructure makes even more sense considering the province's \$11B infrastructure deficit.<sup>4</sup> This means that \$11B has to be invested just to bring the province's infrastructure into good repair, never mind any new infrastructure that is required for a modern economy to operate efficiently.

## Investment in Infrastructure: A Win-Win Strategy

Supporting infrastructure spending in Manitoba's cash-strapped municipalities would also

deliver great benefit, as explained in the APB's Municipal Relations chapter. And the benefit to investing in green infrastructure so we can transition off of fossil fuels and create good jobs are incalculable. The APB Green New Deal chapter and Policy Paper A provide details.

Businesses, the environment and citizens benefit from proper infrastructure (think roads, health care infrastructure, schools) and, as explained above, the economic spin offs from building it are tremendous. According to the Conference Board of Canada, infrastructure investment had the following effect on Manitoba's economy in the 2014–15 fiscal year:

The \$1.04-billion investment lifted gross domestic product (GDP) by \$1.31 billion, and employment rose by 9,755 person-years across the economy, with increases of over 4,000 in

the construction industry and nearly 3,000 in the commercial services sector. The core infrastructure spending also helped boost provincial exports by \$699 million and household consumption by \$539 million. The industrial sectors construction, manufacturing, and transportation and warehousing registered the largest output gains.<sup>5</sup>

### Putting Manitobans Back to Work

Given the clear social and economic benefits to investing in Manitoba's infrastructure, the APB reverses last year's \$5M decrease in highway spending, and boosts spending to reverse the infrastructure spending cut from the year before.<sup>6</sup> We invest in highways, transportation and water management.

**Total Capital Expenditure Increase: \$200M**

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# Justice

## Introduction

The most effective and lasting routes to public safety must be guided by a principle of solidarity with those who are being criminalized. This runs counter to many people's common-sense understandings of a clear division between "criminals" (who should be punished) and "victims" (who should be supported). In reality, many (if not most) people who are criminalized (surveilled, arrested, charged, or convicted of a crime) have also been victims of crime.<sup>1</sup> This is because many of the conditions that lead to criminalization are the same conditions that lead to victimization — lack of access to housing, employment, transportation, or adequate community and health services. This is the case for Aboriginal women, who are the fastest growing jail population in Manitoba.<sup>2</sup> Since the early 2000s, the number of women in jail has increased 450 per cent,<sup>3</sup> and the proportion of those women who are Aboriginal was 82 per cent at last count.<sup>4</sup> One of the central assertions of *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls* is that Indigenous women are made vulnerable to violence by a range of systems that limit their choices and undermine their ability

to keep themselves safe in ways of their choosing.<sup>5</sup> The criminal justice system is a major instigator of violence and insecurity in the lives of the most vulnerable Manitobans. This is why it does not make sense to imagine that the solutions to crime and violence are different from the solutions to social and economic exclusion.

Many criminal justice strategies and social policies that claim to respond to "safety" concerns in fact interfere with vulnerable people's efforts to keep themselves safe. For example, in the face of lack of access to stable homes, quality employment, and adequate medical care, people may sleep in public, sell drugs, trade sex, or gather in warm public and semi-public spaces like skywalks, food courts, parkades, and libraries. In Manitoba, we have seen increasing surveillance, hostility, and harassment of poor people through a widening net of police, cadets, biz patrols, and private security; and a shrinking of access to public spaces and public services. Public safety policy should focus on enhancing people's efforts to keep themselves safe, not intensifying the criminalization of those efforts.

The expertise collected in *Reclaiming Power and Place* also reminds us that social service and rehabilitative responses to violence and harm

are not necessarily the opposite of criminal justice responses. They both often rely on the idea that the person being targeted for intervention doesn't know what is best for them. In contrast, the most effective public investments will furnish people with the resources and capacities to pursue safety in ways that work in the varied and unique contexts of their lives. This means formal commitments to Indigenous self-determination over Indigenous land and livelihoods, as well as investment in foundational social supports for everyone — like food, housing, health, and transportation — rather than new forms of control and intervention by social service agencies and police.

To this end, an alternative budget must be informed by the evidence-based principle that divestment from criminal justice and investment in social support is the most realistic, comprehensive approach to improving people's lives and achieving justice.<sup>6</sup>

## Context

While the federal government is responsible for making and amending criminal laws and running federal prisons, provincial governments are responsible for the “administration of justice” which means provinces make decisions about the operation and funding of provincial courts, jails, and police services. Despite adhering to the same criminal code, there is significant variation between provinces in the rates and conditions under which people are policed, held on remand, granted bail, charged, prosecuted, sentenced, jailed, released, and tracked under criminal justice supervision in their communities. The vast majority of people serving time across Canada are under Provincial supervision.<sup>7</sup>

Since 2000/2001, the provincial justice budget has almost doubled, from \$304.2 million in 2000/2001 to \$602.9 million in 2016/2017 (adjusted for inflation).<sup>8</sup> While crime and violence are significant concerns for Manitobans, this

unprecedented increase in funding for criminal justice has not led to decreased crime rates.<sup>9</sup> This is because the range of harms that are grouped into the category of “crime” — including domestic violence, problematic substance use, impaired driving, theft, property damage, and illegalized forms of work like sex work and drug selling — are behaviours that require vastly different forms of attention and are not resolved through policing and imprisonment.

Increased criminal justice spending does, however, increase the harms associated with criminalization. Criminalization entrenches class, racial, and gendered hierarchies. Even a short stay in jail can have a deeply destabilizing impact on someone's life by restricting their access to health care, compromising their housing and employment, and making them more vulnerable to harm and further criminalization.<sup>10</sup> Indigenous people are significantly more likely to be criminalized than non-Indigenous people in Manitoba.<sup>11</sup> This is especially true of Indigenous women and Indigenous youth. Indigenous people are also more likely to be victims of crime and violence.<sup>12</sup>

Among all Canadian provinces, Manitoba holds the shameful designation of having the highest adult incarceration and probation rates,<sup>13</sup> the highest youth<sup>14</sup> incarceration rate, the highest proportion of Indigenous female prisoners, and the second-highest proportion of Indigenous male prisoners.<sup>15</sup> From 2007/2008–2017/2018, there was a 60 per cent increase in the rate of Indigenous male admissions to custody, and a 139 per cent increase in the rate of Indigenous female admissions to custody.<sup>16</sup> Broadly speaking, this is due to an over-emphasis on justice spending combined with an under-emphasis on social spending, which has led to an accumulation of stress and surveillance in the lives of the poorest Manitobans over the past two decades.

In 2018, the current government announced a *Criminal Justice Modernization Strategy*<sup>17</sup> geared toward increasing ‘efficiencies’ in the criminal

justice process, in large part by aiming to reduce the number of people who end up in court and in jail. They have overseen an 11 per cent reduction in the jail population and they recently announced that they will be closing the provincial jail in Dauphin, which has a 61 person capacity. While the closure of jail beds is a positive step away from ineffective<sup>18</sup> responses to crime, it is part of an austerity agenda that does nothing to provide stabilizing services like housing or health care to vulnerable people. Reducing the harms of criminalization by reducing incarceration rates is an important short-term goal. However, the goal of finding overall cost savings by making cuts to criminal justice without reallocating funding to alternative responses to violence and harm will leave many important community needs unmet.

Despite an overall austerity agenda, the current government has expressed a commitment to increased policing. They have indicated that they plan to invest \$10M in a downtown Winnipeg safety strategy which centers on increased policing of poor people through targeted evictions and cracking down on panhandling.<sup>19</sup> They have also invested \$1.9M in rural policing, while failing to address rural municipalities' demands for funding for basic infrastructure.<sup>20</sup>

### Principles for Justice Reforms

In provincial consultations for the APB, Manitobans expressed concern about a range of injustices within the justice system: the lack of access to publicly funded legal services, overcrowding in provincial jails, the privatization of phone services in jails, high rates of prisoners being held in remanded custody, little to no access to social support after finishing a sentence, and racism at all levels of the justice system across Manitoba — an issue which cross-cuts all of these issues.

An evidence-based approach to building safe communities for all requires pursuing the following three goals together:

- divestment from policing and imprisonment in order to reduce the harms of criminalization;
- investment in the foundational social supports that make health and safety possible like food, housing, and economic security (see APB chapters on Food Security, Housing and Economic Development and Training);
- investment in a range of resources that individuals, families, and communities can access to respond to violence, mental illness, addictions, and trauma in ways that are tailored to their needs, and not connected to the threat of criminalization. (See the APB chapter on Health Care).

### Spending

#### ***Total divestment from Manitoba Justice in 2020–2021: \$65M***

The proposed divestment from Manitoba's criminal justice system will target current spending on adult custodial corrections (ie. jails). It will be achieved through decarceration and shifting correctional workers into other public sector work. Every dollar divested from criminal justice will be reinvested in social spending on good union jobs in other sectors. No jobs will be lost in this shift in spending, however workers currently employed in corrections will need to transition to other public sectors and in some cases re-train.

Custodial corrections is the most appropriate target for immediate divestment for a number of reasons:

- **The most significant increases in justice spending over the past twenty years have been in custody corrections.** Even though 75 per cent of people serving time in Manitoba are serving it in the community (on probation, not in jail), 11 per cent of the operating expenditures for Provincial corrections go to community supervision



services, while 87 per cent of operating expenditures go to custodial services. From 03/04 to 17/18, spending on custodial services increased 231 per cent.<sup>21</sup>

- **Jailing does more harm than good.** Imprisonment does not reduce or prevent crime; it significantly disrupts people's lives and makes them more vulnerable to criminalization and victimization; and it eats up valuable public money that could be used for meaningful community supports. A primary goal of corrections reform should be to eliminate the use of imprisonment so that people's basic needs and needs for healing can be met in the context of communities that support and love them.
- **Most people could be let out of jail tomorrow without risk of harm to their communities.** Seventy per cent of people who are currently jailed in Manitoba are waiting for trial and are legally innocent.<sup>22</sup> Decisions about who will be jailed while they wait for trial, and who will be let out of bail have been called "unnecessarily risk-averse" by the Canadian Civil Liberties Association, who have also noted that this decision making "disproportionately penalizes — and frequently criminalizes — poverty, addiction, and mental illness."<sup>23</sup> In Manitoba, there has been a 78 per cent increase in the remand population (from 03/04 to 17/18)<sup>24</sup> — within that population, there has been a 117 per cent increase in Aboriginal people being held in remanded custody, and only a 15 per cent increase in non-Aboriginal people being held in remanded custody.<sup>25</sup> There is ample evidence that the pre-trial detention system is racist, classist, and ableist.

Reducing spending on all forms of corrections must be met with investment in the spaces and institutions that sustain strong communities. In

the short term, releasing people from remanded custody into their communities will free up resources for reinvestment in social and community supports. In the longer term, this shift in social spending will increase community capacity to house, support, and problem-solve in order to continue to reduce the number of people under correctional supervision into the future.

To this end, the APB recommends shifting \$131M of funding out of Manitoba justice into evidence-based community health and safety strategies overseen by other branches of government. Most of this operating funding is salary spending, therefore a significant portion of redirection of funds will go toward job creation in other sectors across the province so former correctional workers will be able to continue to live in and contribute to their home communities.

This cut to justice spending represents a return to 2003/2004 levels of operating spending on custodial services (\$56M in current dollars).<sup>26</sup> In that year, the average number of adults in custody was 1231. To return to those levels would require an 874-person reduction in custodial population from its current levels, which would mean releasing 40 per cent of the current custodial population.

Returning to 03/04 levels of correctional staffing would require shifting 617 employees<sup>27</sup> out of corrections into other sectors which will require retraining, to be funded through reallocation of funds detailed below. This budget accounts for a six-month paid retraining period, which means that after the first 6 months there will be the equivalent of \$65M in labour capacity to redistribute to other sectors.

### Retraining

Retraining of correctional service workers will be funded by cutting the annual operating funding of the Winnipeg Police Service helicopter, which currently costs the Province \$1.9M per year<sup>28</sup> and has no impact on crime rates or levels of violence.

It will cost approximately \$1.3M to retrain 617 employees over a six-month period at a rate of \$2200/employee (average 1.2 year tuition at the University of Manitoba). The remaining \$0.5M will be redistributed to employees who are required to temporarily relocate in order to retrain.

#### Where Will the \$65M Go?

*Investments in alternative routes to justice: \$47M*  
(See chapters on Municipal Relations, Indigenous and Northern Affairs and Health Care)

*Investments in foundational social supports: \$18M*

#### **Investments to Reducing our Reliance on the Criminal Justice System**

##### **Legal aid: \$10M**

In order to clear people from remanded custody, access to legal aid needs to be significantly expanded. Lack of access to legal aid funding keeps people in jail. It is currently severely limited by accessibility requirements, a shortage of legal aid staff, and inadequate compensation for private lawyers who take on legal aid cases.

*Current spending: \$31M<sup>29</sup>*

*Proposed spending: \$10M*

##### **24-hour safe spaces across the province: \$5M**

Based on the West End 24-hour safe space model, it costs approximately \$150K/year to run and staff a 24-hour safe space where community members can sleep, eat, and connect.<sup>30</sup> These safe spaces save lives. This budget proposes to establish 25 new 24-hour safe spaces across the province, distributed according to population needs (at \$200K/year in order to account for higher costs of delivering programming in remote areas).

*Proposed spending: \$5M*

##### **Harm reduction: \$12M**

Using models provided by the Manitoba Harm Reduction Network (MHRN) and Street Connections, this budget proposes a \$12M investment in

harm reduction initiatives across the province. These initiatives reduce the harms associated with use of criminalized substances, and provide public education and advocacy led by drug user peer advisory teams. This investment would be broken down as follows:

- \$5M to expand the reach of MHRN (currently operating in Winnipeg, Brandon, Eriksdale-Ashern, Flin Flon, Portage la Prairie, Powerview-Pinefalls-Sagkeeng, Selkirk, Swan River, Thompson)
- \$5M to establish and operate Street Connections in cities across the Province, according to need (currently delivered by the WRHA at a cost of \$500K/yr)<sup>31</sup>
- \$2M to research and establish a model for the delivery of a safe supply of criminalized substances and safe consumption sites and to establish Manitoba's first safe consumption site.

##### **Indigenous-led self-determined restorative justice programming: \$20M**

A transfer of funds from Manitoba Justice, distributed across the Province toward the development of Indigenous-led restorative justice programming as defined by the communities in charge of it, as per the recommendations of the report of the inquiry into MMIWG.

**Total: \$47M**

#### **Investments in Foundational Social Supports**

Investments in Health, housing, transit, and EIA, are all safety and security investments. For example:

- Stable housing is a more reliable and sustainable investment in safety than jail beds. Access to affordable, stable housing reduces problems associated with using criminalized substances, and it offers people options when trying to reduce their risk in violent relationships or otherwise violent living situations. (See section on Housing).

- Community-based mental health services and supports for people with mental health can reduce the risk of criminalization associated with mental illness.
- Increased EIA rates and elimination of punitive sanctions for breaches of draconian EIA protocols will reduce the vulnerability to victimization and criminalization of Manitoba's poorest community members (see APB section on EIA).
- Access to affordable inter- and intra-city transit is a significant safety issue, particularly for Indigenous women and young people who need to travel between remote areas. Intra-city transit increases autonomy, flexibility, and access to employment which significantly increases safety. (See APB section on Municipal Relations)

## Conclusion

Different kinds of problems require different kinds of solutions. Policing and jailing are not the solution to any of them. There is not a one-to-one alternative to police or jailing for the same reasons that police and jailing aren't effective — they are blunt and damaging instruments that do not attend to the contexts that give rise to harm, and often cause more harm themselves. Safety is produced by social stability, not punishment and social exclusion. This is why skyrocketing investments in criminal justice have not resulted in safe and healthy communities. If we are to see a return on our investments, we must invest in people's capacities to survive and thrive in ways of their choosing, and divest from systems that routinely and perpetually control, destabilize, and harm communities.

### **Total Divestment**

(\$65M less \$10M to Legal Aid): \$-55M

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# Municipal Relations

## **A: Infrastructure**

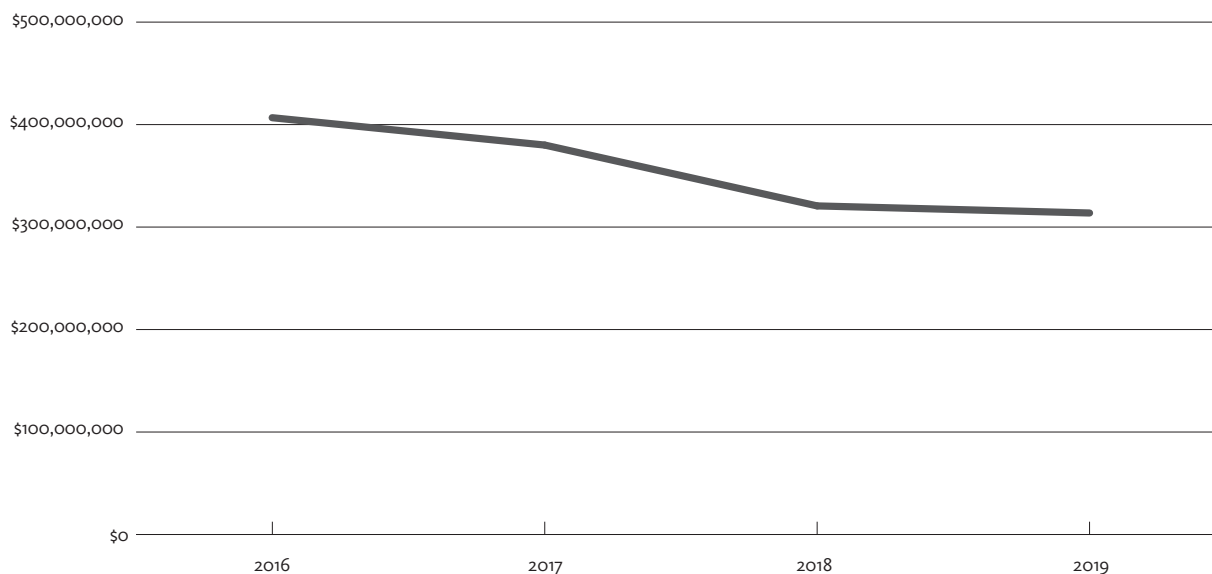
It's no secret that the relationship between Manitoba's provincial government and the City of Winnipeg has hit a low point. Perhaps unsurprisingly, the souring of municipal-provincial relations is the result of budgetary difficulties, largely arising from disputes over cost-sharing agreements between Winnipeg and the provincial government. What began as financial issues quickly devolved into open conflict between the two levels of government. This deteriorating relationship, however, is not exclusive to Winnipeg. Other cities throughout the province have felt the impacts of provincial cuts and have found that their concerns are going left unheard in the provincial government. In 2018, Thompson Mayor Dennis Fenske said that "the north is truly hurting" and that he was unable to secure a meeting with the premier to discuss Thompson's economic woes, and Mayor of Winnipeg Brian Bowman echoed similar concerns that the inaccessibility of the provincial government was hampering the city's relationship with the province.<sup>1,2</sup> The present situation need not be this dismal. Restoring the relationship between Manitoba and its municipalities requires the provincial government to restore the funding agreements that towns and cities across

the province rely on, to give municipalities stable transfer payments from various revenue streams and to leverage federal funding, while also providing municipalities with new revenue sources so as to increase their financial health and autonomy.

## How Did We Get Here?

Relations between the province and the City of Winnipeg began to decline in 2017 when the province froze its funding for Winnipeg Transit at 2016 levels. Prior to the freeze, the city and the province had a cost-sharing agreement that saw all operating costs not covered by fares split evenly between the municipal and provincial governments. The freeze effectively ended this 50/50 agreement, thus making the city wholly responsible for the inflationary and operating cost increases of Winnipeg Transit. The relationship truly took a turn for the worse in early 2019, when the city decided to delay the release of its annual budget because the province had yet to confirm its funding levels for the city.<sup>3</sup> The conflict intensified when the city claimed that the province would not release \$82 million of infrastructure funding for projects from the previous year, while also seeking to redirect \$34 million for upgrading the North End Water

FIGURE 1 Financial Assistance to Municipalities, 2016–2019, in 2019 dollars



SOURCE: Compiled from data from Province of Manitoba Budgets: 2016; 2017; 2018; 2019<sup>7</sup>

Pollution Control Centre to other infrastructure projects. These redirected funds account for a minuscule portion of the total \$1.8 billion required for the project. Both sides accused the other of being misleading and placed the blame for the funding shortfall squarely on each other.<sup>4</sup>

In response to the city’s financial concerns, the premier released a statement saying that Winnipeg has the “most generous funding agreement enjoyed by any city in Canada” and that he trusts Manitobans can “separate fact from fiction”.<sup>5</sup> Analysis conducted by the CBC goes great lengths to separate fact from fiction and demonstrates that this funding has in fact “been in decline or levelled off” in Winnipeg and that it is not the most generously funded city in Canada.<sup>6</sup> Moreover, financial assistance to municipalities across the province from Manitoba Municipal Relations has been steadily dwindling since 2016. This funding provides vital assistance for municipalities’ operating and capital budgets, and when adjusted for inflation, has decreased by 24.11 percent since 2016 as the graph below demonstrates. Cities across the province rely on this type of funding

for major capital projects, such as rapid transit and bridge construction, as well as crucial day-to-day services like policing and water systems.

To further add fuel to the fire, the province has declined to provide Winnipeg with \$40 million in road funding as part of a five-year, \$250 million road renewal program initiated by the previous provincial government in 2014.<sup>8</sup> The program saw \$50 million released to the city annually for road renewal, but only \$10 million made it to the city’s coffers in the final year of the program. In a letter to Mayor Bowman, Municipal Relations Minister Jeff Wharton wrote that “bus rapid transit — a \$92-million-dollar payment — is now counted by the province as roads funding”.<sup>9</sup> The fallout of this funding gap is enormous, as the city was forced to reduce its residential roads budget from \$60 million to \$21 million, thus making the city unable to pay for any residential road repairs in the upcoming year.<sup>10</sup>

Similar uncertainties have had negative consequences in municipalities across the province. In 2018, the provincial government cut funding for the Municipal Road and Bridge Program

from \$14 million to \$2.25 million. This program helps municipalities build vital infrastructure they might otherwise be unable to afford, leading the mayor of Thompson to note that “roads carry the lifeblood of municipalities across Manitoba, and as a northern hub for transportation and heavy industry, Thompson’s businesses depend on them to thrive”.<sup>11</sup> This funding was so crucial to small towns across Manitoba that “a total of 102 Manitoba municipalities — a record number — have co-sponsored a resolution calling on the province to fully reinstate the program’s former funding levels”.<sup>12</sup> The collective action of the Association of Manitoba Municipalities successfully secured the restoration of equivalent funding levels for the Municipal Road and Bridge Program in 2019. Although the funding was ultimately restored, the initial shortfall caused both significant stress and uncertainty for the municipalities that rely on such funding to afford much-needed infrastructure.

Despite numerous budgetary issues, the province has not taken the federal government up on its various funding offers to help pay for vital infrastructure in cities across the province. Winnipeg South MP Terry Duguid noted that “the federal government is making a record amount of funding available for environmental infrastructure, but neither city hall nor the province has applied for any of it to offset the costs associated with billion-dollar sewer upgrades”.<sup>13</sup> Duguid is referring to the \$1.4 billion upgrades to the North End sewage treatment plant mandated by the province in 2003 to reduce phosphorous pollution, which has enormously detrimental effects on the health of Lake Winnipeg. Despite being an issue of significant provincial importance, the provincial government has refused to help the city cover the costs of the project.<sup>14</sup> Federal funding could be leveraged by the province to assist the city in upgrading the treatment plant while increasing infrastructure funding for the city simultaneously. Similarly, the province refused to distribute \$5 million from the federal government generated by the carbon tax

for environmental projects at schools across the province.<sup>15</sup> Although the money will instead be transferred to municipalities, universities, and schools by the federal government, the province’s reluctance to accept funding raises questions about its commitment to the growth and development of Manitoba’s municipalities. The budgeting uncertainties caused by program cuts and the refusal of federal support place undue financial stress not only on Winnipeg, but on small towns across the province. Resolving these uncertainties requires the province to restore funding levels, to provide municipalities with more stable funding sources, and to give municipalities additional powers to generate own-source revenue.

### The Policy Options

Manitoba’s municipalities are the foundation of the provincial economy. Winnipeg alone accounts for nearly two-thirds of the province’s population, while the city makes up 70 percent of the provincial gross domestic product.<sup>16 17</sup> As such, getting the province’s finances in order does not involve stifling public expenditures in Manitoba’s cities — it requires investing in them. An environmentally conscious, fiscally equitable, and inclusive economy requires a provincial budget that recognizes and affirms the economic importance of Manitoba’s municipalities. In order to rebuild the relationship between the province and its municipalities, a provincial budget must:

- 1) Begin by restoring funding agreements**, such as the transit cost-sharing agreement and the five-year road renewal program. These agreements constitute a significant part of municipal operating budgets, and any uncertainty with this funding makes it extraordinarily difficult for municipalities to plan for their future. This is true of both small and large municipalities, which all require infrastructure to grow and develop. Winnipeg has been hit especially hard by these cuts, considering the city was forced to hike transit fares and delay

necessary road repairs for the foreseeable future. Reducing funding for transit disproportionately impacts low-income individuals, while simultaneously hampering the city's climate change mitigation efforts based on shifting transportation usage towards public transit. The negative impact of transit service cuts is especially true for Thompson, where municipal bus service has been sporadic since October 2018 when Greyhound ceased operating in Western Canada<sup>18</sup>. Additional provincial assistance must be provided to the northern hub to ensure that residents have equitable access to public transit in the wake of Greyhound's exit from the market. Achieving progressive policy outcomes requires close financial cooperation between the provincial and municipal governments, and this cooperation requires the restoration of funding and cost-sharing agreements.

Accordingly, as explained in the Steps Toward a Green Deal (Conservation and Climate Change chapter) in this APB, we restore the province's operating grant to Winnipeg Transit, invest in a Frequent Service Transit Network, in Active Transportation infrastructure and in an inter-community transportation network to compensate for the loss of the Greyhound bus service.

**Increased Expenditure as Costed in Conservation and Climate Change section:**

*Restore Winnipeg Transit 50/50 operating grant: \$8.3*

*Grant to City of Winnipeg re*

*Frequent Service Transit Network,*

*Support for the low-income bus-pass,*

*Support for the completion of the Eastern rapid transit corridor: \$25M*

*Grant to City of Winnipeg for*

*Active Transportation: \$3.1M*

*Grant to other municipalities for*

*Inter-community transportation: \$5M*

**Total Infrastructure Support Grants: \$41.4M**

**2) Provide municipalities with stable transfer payments from a variety of provincial revenue**

**streams and leverage federal funding support.**

An ideal place to start would be for the province to provide municipalities with a portion of the federal cannabis excise. Of this excise, 75 per cent is transferred to the provinces from the federal government, "with the expectation that the provinces will then hand over 25 per cent of the total to municipalities" to help cities cover the costs associated with legalization, such as policing and zoning changes.<sup>19</sup> Manitoba has levied an additional 6 per cent on cannabis sales, but the provincial government has not confirmed whether it would share this revenue, or the federal excise revenue, with municipalities. Moreover, once the province develops a sufficient carbon pricing system, as the APB has, rather than having the federal government impose its own on the province, a portion of provincial carbon pricing revenue should be transferred to municipalities to assist them with their efforts at curbing climate change (see APB section on Climate Change, and Policy Paper A). For example, the City of Winnipeg would be able to use provincial carbon pricing revenue to shift its fleet entirely towards electric buses, alongside other climate resiliency policies the city aims to implement. As explained in the Green New Deal chapter, this APB provides the City of Winnipeg with a \$7M interest-free loan to invest in electric buses.

Additionally, the province should leverage available federal funding to support municipal budgetary needs. This would both improve the fiscal health of Manitoba's municipalities while simultaneously saving the province money — both of which are major goals of the current provincial government.

**3) Equip municipalities with additional own-source revenue generation mechanisms.**

One of the biggest challenges facing towns and cities across Canada is their reliance on both the property tax and provincial grants for their operations and service provision. While the property tax is generally a stable revenue source, it does not serve the social policy function of a tax in that it does

not alter behaviour or counteract negative economic externalities, nor does it grow perfectly in proportion with the economy. The province's rationale in reducing funding for municipalities appears to be that the provincial government believes them to have a "spending problem," as Finance Minister Scott Fielding said in an interview this year.<sup>20</sup> One way to increase the municipalities' financial health is to provide them with a mix of additional own-source revenue streams. For example, a commuter fee would allow municipalities to charge those who commute from outside the city for work and therefore do not contribute to the property tax base. Moreover, a sales tax of one percent (equivalent to the amount recently repealed by the provincial government) would better connect municipal tax revenue to economic activity, thus generating more revenue as the economy grows.<sup>21</sup> In 2003, Kitchen & Slack argued that Winnipeg would receive \$93 million annually if the province allocated one percent of an eight percent provincial sales tax to the city.<sup>22</sup> While the province may be unlikely to transfer one percent of its provincial sales tax to Winnipeg, allowing the city to collect one percent in addition to the existing provincial sales tax rate instead would substantially improve Winnipeg's financial situation without reducing provincial tax revenue.

## Conclusion

If the provincial government wants Manitoba's municipalities to get their fiscal books in order, it needs to give them the tools to do so. Starting with restoring the funding programs that are so vital to municipal operations, the province should also begin to share revenue from sources in which municipalities have a direct policy interest, such as carbon pricing and the cannabis excise. As cities deal with the costs of climate change, legalization, and other pressing issues, they need policy mechanisms that both generate revenue and serve a positive public policy goal. Ultimately, as the province wants Manitoba's municipalities to be-

come more self-reliant, it must provide them with the means to do so. The ability to generate its own stable revenue that has positive policy outcomes and that simultaneously grows with the economy is the key characteristic of a financially healthy and responsible municipality. If the province wants to improve its own financial situation, it must recognize that this process begins with Manitoba's economic foundation: its municipalities.

The APB dedicates \$5M for a study on how the province can generate more revenue to fight climate change, including helping municipalities generate their own-source revenue as discussed above. This expenditure will be allocated in 2020 for the above recommendations and the research, planning, consultation, and initiation of structural changes highlighted in Budget Paper A.

*Increased Operating Expenditure: \$5M*

## **Total Increased Operating Expenditure as Costed in Green New Deal Chapter:**

*Infrastructure Support Grants: \$41.4M*

*Municipal Own-source Revenue Study: \$5M*

*Total: \$46.4M*

## **B: Community Development**

### Role of Community Development Sector

In Manitoba, community development has been largely conducted by community-based organizations (CBOs) who have led important work to address complex community challenges, to strengthen our province's communities, and to revitalize local economies that benefit everyone. Development has been most effective and sustainable when it is community-led.

Many CBOs support people in inner city, urban, rural, and Northern communities who are marginalized by economic, social, and environmental issues that are a "manifestation of government policy". Often, CBOs end up being the only resource left for many who are most acutely impacted by this exclusion.<sup>23</sup>



These organizations do much more than provide band aid solutions or charity. CBOs are working on alternative development models built on local prosperity, community economic development, local ownership, and healthy communities.

For example, a collective impact evaluation of Neighbourhood Renewal Corporations (NRCs) found that “Manitoba has one of the most unique and promising models for community development in North America. Under the Neighbourhoods Alive! strategy, Manitoba developed a long-term community-led development model that empowers communities to take the lead in making their own communities the best place to live through the established [NRC] in their designated area”.<sup>24</sup>

CBOs in Manitoba “are interested in knowing and understanding the outcomes of their programs but would like to include a broader analysis that doesn’t focus so narrowly on cost-efficiency.”<sup>25</sup> Community development, led and supported by CBOs, has the long-term power to create stronger communities across Manitoba and change systems for the better. The Manitoba government plays an important role in supporting community-led development in all communities, including those facing multiple economic and social barriers.

### Role of Community Development Sector in Manitoba’s Economy

CBOs are also an important part of our economy with a high return on investment, both economically and socially. Imagine Canada, a voice for charities and non-profits across the country, argues that “even though it is mission-driven and provides many services for free or at non-market prices, the charitable and nonprofit sector is an integral and important part of Canada’s evolving economy.”<sup>26</sup>

The share of the gross domestic product of Manitoba’s charitable non-profit organizations is higher than the national average, hovering around

5% in 2017.<sup>27</sup> NRCs have helped create 1226 jobs through direct employment, pre-employment volunteer opportunities, training, social enterprise development and local procurement practice.<sup>28</sup> Further, nearly \$9,000,000 has been invested in housing and nearly \$31,000,000 has been leveraged in affordable housing via NRC programs.<sup>29</sup> CBOs across Manitoba have led important local economic development work in urban, rural, and Northern communities.

### Challenges Facing the Community Development Sector

CBOs in Manitoba are impacted by macro and local challenges to their community development work.

Growth in the economy that “is not equitable, inclusive and environmentally responsible increases the demand for the social and environmental services the charitable sector provides.”<sup>30</sup> Income inequality, an aging population, changing volunteer and giving patterns, growing transitional needs of newcomers and refugees, and the impacts of climate change are also contributing to an increased demand.<sup>31</sup> With these forces in mind, Imagine Canada discusses “an inability of charities to meet the social, cultural and environmental needs of Canadians and as a slow but perceptible erosion of Canadians’ quality of life.”<sup>32</sup>

As Local CBOs work to address these macro issues, they are experiencing greater precarity in funding. A 2018 Winnipeg Foundation report found that “while the commitment and passion is strong, the charitable sector as a whole is currently stressed and stretched,” in part stemming from “uncertain funding arrangements [that] make planning difficult and have a negative impact on organizational effectiveness.”<sup>33</sup>

The 2017 State of the Inner City illustrates this issue, finding that “... many of the marginalized populations that [CBOs] work with have a low level of trust for governmental agencies

... Community-based agencies, however ... are able to develop a sense of trust with those who need their services. They also noted however that this trust can be quickly eroded when staff turnover occurs and/or programming is cut due to lack of funds.”<sup>34</sup>

Non-profits are also affected by a trend toward greater precarious employment, particularly for young people and other marginalized workers who have found employment within the sector.<sup>35</sup>

### Current Situation and What’s Needed to Address Challenges

Community development funding for CBOs is housed in the Department of Municipal Relations. Historically, Manitoba has had numerous community development funding streams and programs, generally targeted at different regional, geographic, or population groups.

In Spring 2019, the Manitoba government embarked on a process to develop a new strategy for the non-profit community development sector, meant to “build capacity and promote sustainability” and “guide future provincial investment and inform transformation in community development programs and policies.”<sup>36</sup> The Province released a discussion paper, and has undergone a consultation process in different centres across Manitoba.

Given the importance of CBOs socially and economically as well as the macro and local challenges they face, a non-profit strategy is needed for Manitoba. This strategy should be co-created with community stakeholders so the expertise of community is utilized to create an effective, targeted strategy. This allows community and government to work together toward common goals in community development and supporting CBOs.

Funding challenges remain a key concern for CBOs in Manitoba. Manitoba’s community development sector requires core, multi-year, predictable funding that is tied to reasonably evalu-

ated outcomes, administered through a simple, accessible application and reporting process. Successful, effective projects in targeted communities should receive long-term support, particularly neighbourhoods, rural communities, and Northern regions that face multiple barriers.

On April 4, 2019, the Province announced significant changes to community-led development funding, combining seven funding streams into the Building Sustainable Communities Program (BSC). Budgeted spending over the 2019-20 year is promised at \$7.9 million, consistent with spending on the seven legacy programs.<sup>37</sup>

BSC will not fund projects beyond two years. It will not fund salaries or other employment costs, which are required to run key community development programming. Funding is available up to \$75,000, and proponents must demonstrate 50 per cent of project costs funded from other sources, with a minimum of 10 percent from non-governmental sources. It does not fund administrative costs beyond 2.5%, when the charitable sector standard for administration costs is 10-20%. This set of factors compels CBOs to develop other funding sources, and potentially rely on precarious fundraising campaigns to fund proven, long-term projects. The evaluation or measurement of qualification remains very broad.

While BSC streamlines funding applications into a one window application process, it now is open to any non-profit, charity, or municipality competing for dollars to meet the very general criteria of helping “to build thriving, sustainable communities.”<sup>38</sup> The BSC Program now includes two funding streams, namely the Neighbourhood Renewal Fund and the Community Initiatives Program, that were previously part of the Neighbourhoods Alive! (NA!) program and available to NRCs and other CBOs in designated communities. While these NA! programs previously targeted low-income communities, now CBOs in these areas must compete for general dollars available to municipalities, charities, and other non-profits across the province, leav-

ing them in jeopardy of receiving less targeted support. While core funding for NRCs is stable until 2021, the NA! program has been otherwise eliminated.<sup>39</sup> Further, the objectives of place-based community development under the NA! program are threatened by having simply one general funding stream. Other programs for specific community development funding for rural, Northern, and other communities have been subsumed by the BSC program.

The changes in funding criteria as well as a less targeted program purpose outlined above, compared against the previous NA! criteria, means that more affluent communities will have an edge over poor communities with less capacity and access to volunteer and financial resources.<sup>40</sup>

Significant changes are needed if the Building Sustainable Communities (BSC) Program is to properly support the sector. Notably, this includes reinstating a targeted community development approach, supporting long-term, successful projects, adequately funding program, staff, evaluation, and administrative costs, and strengthening the predictability of public funding.

#### APB Improvements

The Department of Municipal Relations should co-create and co-implement its Non-Profit Strategy for Community Development with community organizations and their relevant networks, considering strengths and challenges of the sector.

The Department of Municipal Relations should renew and restructure the Building Sustainable Communities program for community-led development with multi-year, streamlined funding, with the following characteristics:

- a. A targeted approach with a clear mandate and outcomes for community development across Manitoba, including a focus that identifies and invests in key neighbourhoods and communities in the greatest need of physical, social and economic revitalization.

- b. Fund multi-year agreements to a maximum of five years for eligible CBOs, including core funding commitments to NRCs. Funding should include administrative, program, and project costs, including funding for program salaries, evaluation and outcome reporting, and cost of living increases. Long-term, effective NRC projects (previously funded by the Neighbourhood Renewal Fund) should be brought into core funding agreements.

- c. Effective communication channels between the Province of Manitoba and CBOs by reducing red tape and the administrative burden for application, renewal, and reporting, and renewing reporting and outcome measuring mechanisms in collaboration with CBOs.

- d. Predictability of provincial funding, helping CBOs leverage funding from other non-government sources and enabling more organizational stability and sustainability.

- e. Support for CBO capacity building services to promote effectiveness, professional development, sustainability within the sector, and an 'ecosystem' approach to the community development network in Manitoba.

In order to implement the above, funding will be increased by \$2.1M. The increase should include the cost of bringing NRF into core NRC funding, more multi-year funding for re-organization, cost of living increases, and salary costs. It should also include funding for 24-hour safe spaces across the province, as discussed in the Justice chapter.

*Total New Expenditure: \$2.1M*

#### **C: Gang Prevention-Exit Strategy**

Manitoba and Winnipeg consistently have among the highest levels of crime and youth gang ac-

tivity when compared to other provinces and cities in Canada. Despite the tireless work and advocacy of groups like the Gang Action Inter-agency Network, the Government of Manitoba has not formulated or implemented any coordinated gang prevention or gang exit strategy or program. The APB would have the Government of Manitoba act as a leader in addressing gang violence in our province through investing in the creation of a coordinated gang prevention/exit strategy and program, which would involve tailored programing targeting for at-risk newcomer and Indigenous youth.

*Increased Operating Expenditure: \$1.71M*

### **D: Gender-Based Violence**

Gender-based violence (GBV) is an epidemic that cuts across all demographics — race, class, age, ability, sexual orientation and gender identity. It is not a new issue facing communities, but it has been a difficult one to both address and resolve. Because it is accompanied with shame and stigma, this violence often goes unreported. Low investigation rates and even lower conviction rates continue to be deterrents for women to come forward.

While it is possible for anyone to be a victim of violence, women, transgender, Two-Spirit and gender non-conforming people are at a much more significant risk. Across Canada, women are at a 20 per cent higher risk of violent victimization than men, and Manitoba in particular has the second highest rate of gender-based violence among the provinces.<sup>41</sup> Indigenous women in Canada are killed at six times the rate of non-Indigenous women.<sup>42</sup> Between 2009 and 2014, 342,000 women in Canada were victims of intimate partner violence (IPV).<sup>43</sup> Despite the fact that this number is already high, it is well known that much of the intimate partner violence that occurs — approximately 70 per cent — is still not reported to police.<sup>44</sup> Given this fact, the true numbers of women experiencing violence are

staggering. When we apply an intersectional lens to GBV data, we see that trans women are twice as likely as cis-gender women to experience intimate partner violence, a risk that increases if they are also people of colour, Indigenous, and/or youth.<sup>45</sup> Immigrant and refugee women are also overrepresented among victims of intimate partner violence.<sup>46</sup>

In 2012, Manitoba released a Domestic Violence Prevention Strategy, articulating much of the work that needed to be invested in, in order to reduce rates of violence against women in the province. Since that time, levels of funding to the Family Violence Prevention Program have remained relatively stagnant, with funding levels to agencies providing gender-based violence supports not even keeping pace with rates of inflation. Many of the recommendations made in the report remain unaddressed. In order to truly tackle the issue of violence against women, we must increase investment in both support services and prevention.

### **MMIWG Inquiry Final Report**

In June 2019, *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls*<sup>47</sup> was released, detailing a number of recommendations resulting from the National Inquiry. Many of the Calls for Justice speak directly to changes that must be implemented in order to reduce the genocide occurring against Indigenous women, girls, trans and Two-Spirit people in Canada. Given that Manitoba has a high number of Indigenous people in the province and Winnipeg has the highest level of urban Indigenous citizens, any efforts to address GBV must be informed by the full findings of this report.

Recognizing that reporting continues to be a persistent barrier to addressing gender-based violence and that is linked to stigma and shame as well as a history of the justice system not believing victims, the MMIWG final report calls

for measures to address laws and policies as well as work on educating the general public on the issue. Key recommendations of the report are addressed here:

1.9 We call upon all governments to develop laws, policies, and public education campaigns to challenge the acceptance and normalization of violence.<sup>48</sup> Further, recognizing that in Manitoba in particular, levels of violence against Indigenous women and girls far exceeds that against non-Indigenous women and girls, efforts to support victims of violence must be Indigenous-led. While there is one Violence Against Women (VAW) shelter in Winnipeg that is Indigenous-led and operated, the remaining services are not, despite serving a high percentage of Indigenous women. All services should be required to be well trained and educated in Indigenous history and the history of colonial violence in Canada and its impact on the current genocide occurring against Indigenous women and girls. Wherever possible, centres should be led by Indigenous people and all centres should include Indigenous staff members, including Elder supports. This is reflected in the Calls for Justice:

4.7 We call upon all governments to support the establishment and long-term sustainable funding of Indigenous-led low-barrier shelters, safe spaces, transition homes, second-stage housing, and services for Indigenous women, girls, and 2SLGBTQQIA people who are homeless, near homeless, dealing with food insecurity, or in poverty, and who are fleeing violence or have been subjected to sexualized violence and exploitation. All governments must ensure that shelters, transitional housing, second-stage housing, and services are appropriate to cultural needs and available wherever Indigenous women, girls, and 2SLGBTQQIA people reside.<sup>49</sup>

## Expanding Language to Gender-Based Violence

One of the barriers to accessing support services for women experiencing violence lies in the name and the definition. VAW shelters are equipped to support women experiencing domestic violence — specifically intimate partner violence. Despite attempts to broaden this definition to include other forms of gender-based violence, often these kinds of referrals are declined by VAW shelters.

In November 2019, the provincial government took positive steps to expand the definition of violence covered under Manitoba's Domestic Violence Leave, broadening the eligibility to including what it called interpersonal violence, sexual assault and stalking.<sup>50</sup> This amendment also expanded eligibility to include instances where women did not know their assailant — a critical addition.

While this is a significant step forward in addressing gender-based violence, this broadened definition needs to now be applied to the entire sector. As long as VAW shelters continue to use a more narrowed definition when assessing eligibility for services, women will continue to be at increased risk. This will also require further investments in VAW shelters to ensure that they have staff teams that are equipped to adequately support women in varying states of trauma.

## Investments in Gender-Based Violence Prevention

### 24/7 Safe Space

While Manitoba has 10 violence against women shelters throughout the province, for many this is not the answer that is needed. Shelters have complex intake processes and specific criteria that must be met prior to a person receiving support. For many, these present barriers that are difficult to overcome and often leave them staying in unsafe situations. The current



VAW shelter system was not designed to support transgender, Two-Spirit and gender non-conforming people and while efforts are being made to make these services more inclusive, currently many people do not find safety there. In the case of women who are victims of violence and are also insecurely housed or experiencing homeless, VAW shelters are rarely an option. These women are often resistant to accessing homeless shelters, as many women have experienced violence in these shelters and are considered to be unsafe. The traditional homeless shelter model was designed around a man's experience of homelessness and the shelters in Winnipeg have not applied an intersectional gender-based analysis to improve their services for women. Further, these shelters lack the trauma training required to support women who have experienced violence.

*Connecting the Circle: A Gender-Based Strategy to End Homelessness in Winnipeg*,<sup>51</sup> released in September 2019, recognized this critical gap in service and made the following recommendations:

- 1.9. Ensure diverse women, trans, Two-Spirit, and gender non-conforming people experiencing housing insecurity and homelessness have access to a low-barrier safe space 24 hours a day. Support those spaces to use an intersectional gender-based analysis in the design and delivery of services that meet basic needs and connect to resources that address homelessness.<sup>52</sup>

A low-barrier 24/7 safe space that is staffed with trauma-informed workers would allow all women, trans, Two-Spirit and gender non-conforming people to access both safety and support in critical moments — at any time of day — without the restrictions often faced when accessing shelter. This could be accomplished with an increased investment in an existing women's resource centre that is currently operational during regular business hours, in order to expand operations to 24 hours. This would require an increased

investment of \$850,000 annually, to cover both staffing and operational expenses.

### **Specialized Shelter Services**

Currently women experiencing violence are often turned away from existing VAW shelters because their needs are complex. Women who use substances, women with complex mental health conditions, women experiencing violence that is not at the hands of their intimate partner and people with minority gender identities are not well supported within the current systems. These are also women who are often at higher risks of violence. This is recognized as a service gap in *Connecting the Circle*, through the following recommendation:

- 2.1 Expand the mandate of the Family Violence Prevention Program to include all forms of gender-based violence so that women, trans, Two-Spirit, and gender non-conforming people who have experienced violence can access a securely-located and gender-specific emergency shelter that offers gender-based violence supports regardless of who perpetrated the violence or where the violence took place.<sup>53</sup>

Recognizing that the current shelter system is not designed to meet the unique needs of many women, and that the two Winnipeg VAW shelters are almost consistently at capacity, investments should be made to open a new, more specialized gender-based violence shelter in the city of Winnipeg. This shelter should have a mandate to serve women who are experiencing both violence and homelessness, as they are at high risk of further violence, disappearance and death. This can also be done in partnership with the Addictions Foundation of Manitoba, as suggested in the Manitoba Domestic Violence Prevention Strategy, to ensure that proper resources are in place to support women who are using substances. The annual operating budget of a new shelter would be approximately \$1.8

million, and the capital cost of building it would be approximately \$5M.

#### **Total Operating Expenditure Increases**

24/7 safe space for women, trans, Two-Spirit, and gender non-conforming people who have experienced violence: \$.85M

New GBV shelter in Winnipeg operating expenses: \$1.8M

Total: \$2.65M

#### **Total Capital Expenditure Increase**

Capital costs of building new GBV shelter: \$5M

#### **Total Operating Expenditure for Municipal Relations:**

Study for municipal own-source revenue: \$5M

Community Development initiatives: \$7.1M

Gang Prevention Strategy: \$1.71M

Gender Based Violence initiatives: \$2.65M

Total: \$16.46M

#### **Total Capital Expenditure for Municipal Relations:**

New GBV shelter: \$5M

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# Newcomers

Manitoba is a diverse province where one in five residents is an immigrant, while more than one in three is either an immigrant or the child of immigrants.<sup>1</sup> Every year, the province welcomes on average 15,000 immigrants, ten per cent of whom are from refugee backgrounds.<sup>2</sup> The province has a strong Provincial Nominee Program (PNP), a legacy of welcoming refugees, and is an attractive option for many immigrants from all over the world.

According to the 2016 census, Manitoba was the third fastest growing province with a population growth rate of 5.8 per cent, exceeding Canada's population growth rate of 5.0 per cent. Two-thirds of that population increase was due to international migration, while the remaining one-third was due to births.<sup>3</sup> Growth in immigration has had several significant impacts on Manitoba communities, including a substantial increase in the tax base, an increase in student enrollment numbers, and a flourishing diversity that has strengthened the province. The APB recognizes the importance of having the necessary resources and supports in place to support the successful transition of newcomers into their new communities in Manitoba. (See the APB chapters on Health Care, Housing, Arts

and Culture, Justice, Municipal Relations and Child and Family Services for more).

## Settlement

The Government of Manitoba's investment of \$3.1 million in the 2019–2020 fiscal year helps organizations better meet the needs of newcomers, particularly those who are ineligible for federally-funded settlement services, including refugee claimants, international students, and temporary workers.<sup>4</sup> But more is needed to meet the increasing demand for settlement services and fill in the gaps left by restrictions of federally funded services. More funding would allow service providers to create new programs for newcomers, including targeted programs for youth, parents, and newcomers with disabilities.

Many young people have benefited from the Government of Manitoba's Urban/Home Town Green Team, "First Jobs for Youth" initiatives which give them opportunities to learn skills and gain valuable experience in the Canadian labour market. Newcomer youth have also benefited from the Government of Manitoba's Lighthouses initiative through after-school programming at various newcomer serving organizations. These



programs help keep newcomer youth engaged in pro-social activities where they can develop positive relationships with their peers and with the adults providing the programming. The APB will continue funding these programs while funding additional programs through the above-mentioned settlement funding. This funding will provide further newcomer youth employment programs and provide them with safe and supportive after-school and summer programming activities.

*New Expenditure: \$4.1 M*

### Language

Having access to language training is vital for newcomers to be able to settle and contribute to their new community. Currently, the Federal Government is the primary funder of language training instruction in Manitoba. As a result, only newcomers whose PNP applications or refugee claims have been approved or those who hold permanent residency are eligible for classes. Furthermore, in recent years the Federal Government significantly reduced the amount of stage two (Canadian Language Benchmark 5–8) classes it funded in the province. With minimal access to stage two classes, newcomers have added barriers to re-entering their profession, improving their employment opportunities, accessing post-secondary education, and connecting with their community.<sup>5</sup> There is a particularly strong need for targeted bridging programs with develop work-related language and employment skills. In early 2019, the Government of Manitoba put out a request for proposals to for Manitoba Adult Language Training Instruction funding for employment-related language training instruction. We commend the Government of Manitoba for seeing the need for the expansion of language training instruction, however, to date, there has not been a comprehensive roll out of this funding. The APB will release funding for language training

instruction and ensure that enough funding is provided for classes that meet the range of student needs for both stage two (CLB 5–8) classes for all newcomers and stage one (CLB 1–4) for those newcomers who are ineligible for federally funded classes.

*New Expenditure: \$6M*

### Employment

One of a newcomer's first priorities is finding employment. However, finding secure, meaningful and adequate employment can be very difficult. Newcomers face many barriers such as language differences, lack of Canadian work experience, lack of connections and networks, lack of mentorship and training, discrimination, and difficulties getting credentials recognized within their profession. As a result, many newcomers face unemployment, are under-employed or settle for survival jobs, making it more difficult for them to settle. This situation also reduces the tax revenue that could come from the newcomer working in their profession. Tailored programs are needed to ensure equitable employment opportunities are provided for newcomers. The Province's Refugee Employment Development Initiative (REDI) Program provides valuable language and employment skills training for refugees. The APB extends the program. It also addresses gaps in federal services, particularly for internationally trained professionals and newcomers who do not hold permanent residency.

Funding will allow service providers to provide employment information and supports for newcomers who are ineligible for federally-funded services such as paid work placements and include tailored supports for temporary foreign workers. The APB also funds bridge training programs for professionals that target occupation specific training and support for accreditation in newcomers' professions, along with services to access employment in similar high-skilled

non-regulated professions, and initiatives to reduce the systematic barriers that prevent internationally trained professionals from entering their profession in Manitoba.

*New Expenditure: \$3M*

**Total New Operating Expenditure:**

*Settlement: \$4.1M*

*Language training: \$6M*

*Employment supports: \$3M*

**Total: \$13.1M**

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<sup>1</sup> Statistics Canada. (2017). *Census Profile. 2016 Census: Manitoba [Province] and Canada [Country]*. Statistics Canada Catalogue no. 98-316-X2016001. Retrieved October 30, 2019 from <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

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<sup>3</sup> Statistics Canada. No date. *Population Size and Growth in Canada: Key Results from the 2016 Census*. Retrieved June 25, 2019 from <https://www150.statcan.gc.ca/n1/daily-quotidien/170208/dq170208a-eng.htm>; Statistics Canada. No date. *The 10 highest population growth rates among census agglomerations in Canada, 2006 to 2011 and 2011 to 2016*. Table 4. Retrieved June 25, 2019 from <https://www150.statcan.gc.ca/n1/daily-quotidien/170208/to04a-eng.htm>; CBC News. (2017, February 9). *Manitoba's Population Grows Faster Than Canadian Average*. Retrieved June 25, 2019 from <https://www.cbc.ca/news/canada/manitoba/census-manitoba-winnipeg-growth-1.3971916>

<sup>4</sup> Manitoba Government. (2019). "Province Announces \$3 Million in New Funding to Strengthen Newcomer Support Services." *New Release – Manitoba*. April 12. Retrieved October 30, 2019 from <https://news.gov.mb.ca/news/index.html?item=45205>

<sup>5</sup> Starkey, B. (2019). "MANSO Policy Resolution 2019: 2019-1 Availability of Stage 2 (Canadian Language Benchmark 5-8) Language Classes." Manitoba Association of Newcomer Serving Organizations. Retrieved November 4, 2019 from <https://mansomanitoba.ca/wp-content/uploads/2019/08/Final-MANSO-Policy-Resolution-Package-July-2019.pdf>



# Post-Secondary Education

Universally accessible public education, from childcare through to all levels of post-secondary education, is one of the most important investments governments can make in both individuals and the public good. Education is an important means to stimulate the economy, break the cycle of poverty and build a strong workforce. In order for Manitoba's post-secondary institutions to maintain standards of high quality, they require adequate and consistent funding. Guaranteed, predictable funding ensures that institutions can develop budgets that meet teaching and programming needs while developing long-term plans. Increased funding would also reduce institutions' need to rely on user fees, and would allow for the reduction and eventual elimination of tuition fees.

The Province's 2009 decision to move away from long-held principles of universal accessibility was indicative of a creeping shift toward the privatization of post-secondary education in Canada. Universal policies are overall more effective, are less costly for the number of students they assist and can also be paired with targeted measures to help specific groups of students who face greater barriers than just the high upfront cost of tuition fees.

## Funding Cuts

The past three provincial budgets saw funding to universities' operating budgets frozen (2017–2018), then cut by 0.9 per cent in 2018–2019<sup>1</sup> and finally decreased another 0.9 per cent in 2019–2020.<sup>2</sup> By restoring the roughly \$13 million cut from university operating budgets since 2016 we can restore some level of predictability for post-secondary institutions core funding and begin to reverse the trend of privatization and increasing fees and tuition in favour of universal accessibility.

*New Expenditure – restoration of operating funds: \$13M*

Public funding for colleges and universities has drastically declined over the past three decades. For example, in 1985, government funding made up 81 per cent of the operating revenue of universities; by 2015, it accounted for only 50 per cent.<sup>3</sup> In order to replace these losses post-secondary institutions have turned to the other obvious source of funding; making students pay higher tuition fees. There were massive tuition fee increases in the 1990s accompanied by a retrenchment of public funding, leaving universities and colleges worse off at the end of the day. The ex-



Canadian Federation of Students – Manitoba

perience of the 1990s clearly shows that rising tuition fees are one result of the move towards the corporatization of post-secondary education.

### Corporatization of Post-secondary Education

The gradual privatization and corporatization of Canadian post-secondary institutions is evident in how sources of funding have shifted over the past three decades. In 1985 only 2.7 per cent of university operating revenue came from ‘other [i.e. corporate or philanthropic] sources’; by 2015, nearly 10 per cent did. This difference has meant that post-secondary institutions have dedicated increasingly valuable time and resources toward the pursuit of corporate and private donations rather than addressing barriers to accessing higher education. Another result of this trend is greater corporate influence in the governance of post-secondary institutions. For example CUPE produced background on the subject details that,

an analysis of the Boards of Governors at the 18 largest universities in Ontario conducted by PressProgress found that corporate executives predominate, accounting for 33.5 per cent of board members. This was higher than the number of students, staff, and faculty (30.3%); other external members (28.1 per cent), and ex-officio presidents and chancellors (6.9 per cent). At five

universities, more than two thirds of all external appointments were from the corporate sector.<sup>4</sup>

This increased influence of corporate and private capital within post-secondary institutions has also changed incentives when developing and enhancing programs and faculties. The transformation of higher learning into a mechanism strictly for the purpose of creating specific sorts of workers to fill gaps in the labour market is another result of greater corporate influence. This was indicated most recently in Manitoba with the shuffling of post-secondary out of the purview of the Minister of Education and into the Department of Economic Development and Training.<sup>5</sup> Universities and colleges have long been centers of social, cultural, political and artistic development and growth. To reduce higher learning to its economic output is to miss the bigger picture of how the diversity of knowledge being created at post-secondary institutions affects the world around us.

### Financial Barriers

According to students and their families, financial barriers are the most common impediment they face in pursuing further educational studies. The average tuition fees for undergraduate university students in Manitoba currently sits at \$4,501,<sup>6</sup> and have risen above inflation each year since the provincial government passed “The Ad-



vanced Education Administration Amendment Act” in 2017.<sup>7</sup> That piece of legislation allows for annual tuition fee increases of up to 5 per cent plus inflation. Debt levels have a clear correlation with the level of tuition fees, penalizing lower-income and Indigenous students the most.

The 2011 National Household Survey (NHS) shows that less than 50 per cent of Indigenous women over the age of 25 have a post-secondary degree, compared to 73 percent of non-Indigenous women. Only 46 per cent of Indigenous men have a postsecondary degree, compared to 65 per cent of non-Indigenous men.<sup>8</sup> Education is an Indigenous right recognized both by local treaties as well as the United Nations Declaration of the Rights of Indigenous Peoples.<sup>9</sup> The full funding of post-secondary education for First Nations, Inuit and Métis peoples is therefore an intrinsic step in the process of reconciliation. While much of this falls on the federal government, the province can take action by restoring and doubling the ACCESS bursary funds they recently cut mid-program.<sup>10</sup> These bursaries existed to address the financial, geographic, academic and social barriers that face indigenous and rural students. The path to fully accessible post-secondary education must be equitable; this requires that all levels of government prioritize access for Indigenous people to higher learning.

### International Students

International student tuition fees remain unregulated in Manitoba and as public funding for universities has decreased over time international students have become a target for cash-strapped post-secondary institutions to make up for lost revenue. Since the deregulation of differential fees in 2002, international students have faced rapidly increasing tuition fees. Currently, average tuition fees for international students are three to four times those of domestic learners. For example, international students entering the University 1 program at the University of Manitoba

will pay approximately \$16,300 in tuition and student fees each year compared to the \$4,800 their domestic peers pay.<sup>11</sup> This figure does not include textbooks, recreation fees, housing or the cost of their UPASS. As well, due to federal regulations international students are arbitrarily limited to working a maximum of 20 hours per week, further limiting their ability to fund the ever-increasing cost of their education. Students who are caught working more hours face a revocation of current and future study permits<sup>12</sup> and deportation.<sup>13</sup>

As of 2018 the financial burden for international students was further increased following the provincial government’s decision to cut them off of Manitoba’s public healthcare system. By the government’s own estimates it cost the province \$3.1 million per year to fund international student healthcare. Yet the Province also estimates international students’ economic contribution to Manitoba as “over 400 million dollars per year”, working roughly 4,250 jobs and paying income/sales taxes for many public services they themselves cannot access.<sup>14</sup>

Access to public health care is a key incentive for international students. The decision to remove basic health care for international students raises serious concerns about what that could mean for the recruitment and retention of international students completing their degrees in Manitoba. Immigration is vital to the health and sustainability of Manitoba’s communities. It is well demonstrated that a high proportion of international students remain in Manitoba after graduation and that immigrants who arrive as students adjust more easily to life in Canada. The Manitoba Provincial Nominee Program (MPNP) nominated 1,923 international graduates for permanent residency in 2018; this figure represents 37 per cent of total nominations, the largest number in the program’s history.<sup>15</sup> To help facilitate the integration of new Canadians, a small but important step will be to bring international students back under the public health care system<sup>16</sup>

(see Health Care section for international student budget line). The long-term contributions of international students to Manitoba's social and cultural fabric must also be acknowledged; the development of dynamic and diverse communities has inherent value beyond the economic outputs that international students, and immigrants more broadly, are often reduced to (see chapter on Newcomers for more).

**Increased Operating Expenditures:**

Restore operating funds: \$13M

Convert every part of Manitoba Student Loan administration and interest relief to up-front grants: \$7.38M<sup>17</sup>

Double Manitoba Bursaries and Scholarships Initiative: \$6.77M<sup>18</sup>

Restore and double ACCESS bursaries for Indigenous and low-income students: \$3M<sup>19</sup>

**Total Increase: \$30.15M**

<sup>1</sup> Froese, Ian (2019). Manitoba's universities shackled without hike in provincial grant, tuition, budget documents say. *CBC News*. March 09.

<sup>2</sup> UM Today News, (2019, March 07). President Barnard comments on provincial budget. Retrieved October 10, 2019 from: <https://news.umanitoba.ca/president-dr-david-barnard-comments-on-provincial-budget/>

<sup>3</sup> CUPE (2019). Backgrounder No 3: Corporatization in Post-Secondary Education POST-SECONDARY EDUCATION: OUR TIME TO ACT. Canadian Union of Public Employees. Available at: [https://cupe.azureedge.net/sites/cupe/files/backgrounder\\_3\\_corporatization\\_eng.pdf](https://cupe.azureedge.net/sites/cupe/files/backgrounder_3_corporatization_eng.pdf)

<sup>4</sup> Ibid.

<sup>5</sup> Bothelo-Urbanski (2019). Pallister transfers post-secondary schooling to economic development. *Winnipeg Free Press*, October 28.

<sup>6</sup> Canadian Federation of Students (2019). Time to Be Bold, Education for all, Lobby Document 2019. Available from: <https://cfs-fcee.ca/wp-content/uploads/2019/02/Lobby-Documents-2019.pdf> PAGE 6.

<sup>7</sup> Bill 31: "The Advanced Education Administration Amendment Act" (2017). 1st Reading March 20, 2017, 41st Legislature, 2nd Session. Retrieved from the Legislative Assembly of Manitoba website: <https://web2.gov.mb.ca/bills/41-2/bo31e.php>

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Rossman, Christine. (2019). Access for all? Cuts to Manitoba post-secondary program create barrier for students who most need help. *CBC News*, May 11.

<sup>11</sup> University of Manitoba, (July 30, 2019). Tuition Fees 2019-2020 Academic Year. Retrieved Oct. 30, 2019 from: <https://umanitoba.ca/student/admissions/finances/tuition-fees.html>

<sup>12</sup> Government of Canada, Immigration, Refugees and Citizenship Canada. Study Permits: Off-campus work. Retrieved Oct. 30, 2019 from: <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/temporary-residents/study-permits/campus-work.html#conditions-work>

<sup>13</sup> Ricci, Talia (2019). Foreign students say they 'have no choice' but to work more than their permits allow. *CBC News*, June 10.

<sup>14</sup> Province of Manitoba. (March 01, 2019). Manitoba welcomes record number of international students. [Press Release]. Retrieved from <https://news.gov.mb.ca/news/index.html?item=45099>

<sup>15</sup> Ibid.

<sup>16</sup> <https://www.cbc.ca/news/canada/manitoba/international-students-health-coverage-1.5264463>

<sup>17</sup> [https://www.gov.mb.ca/asset\\_library/en/budget2019/estimate-expenditures.pdf](https://www.gov.mb.ca/asset_library/en/budget2019/estimate-expenditures.pdf) .Page 41

<sup>18</sup> Ibid.

<sup>19</sup> <https://www.cbc.ca/news/canada/manitoba/opinion-manitoba-access-programs-1.5130346>

# Budget Paper A: Planning for a Green New Deal

The APB fully costed chapter: *Steps Toward a Green New Deal* identifies 2020 climate initiatives that create green jobs as part of the APB's broader Green New Deal policy. This Budget paper outlines elements of a Green New Deal Plan for these and future initiatives.

## What is a Green New Deal?

### Canada's Pact for a Green New Deal

...is a coalition *calling for a far-reaching plan* to cut emissions in half in 11 years, in line with Indigenous knowledge and climate science; create more than one million good jobs; and build inclusive communities in the process. Its bold, justice-based vision is galvanizing thousands of people by recognizing, and working to respond to, the multiple crises we face.<sup>1</sup>

A far-reaching plan should identify goals and a vision to link them; a timeframe and metrics to define targets and mark progress, and tools and enabling conditions to promote desired changes. And, of course, without informed, competent planning, there will be no plan. Meanwhile perverse subsidies must be dismantled.

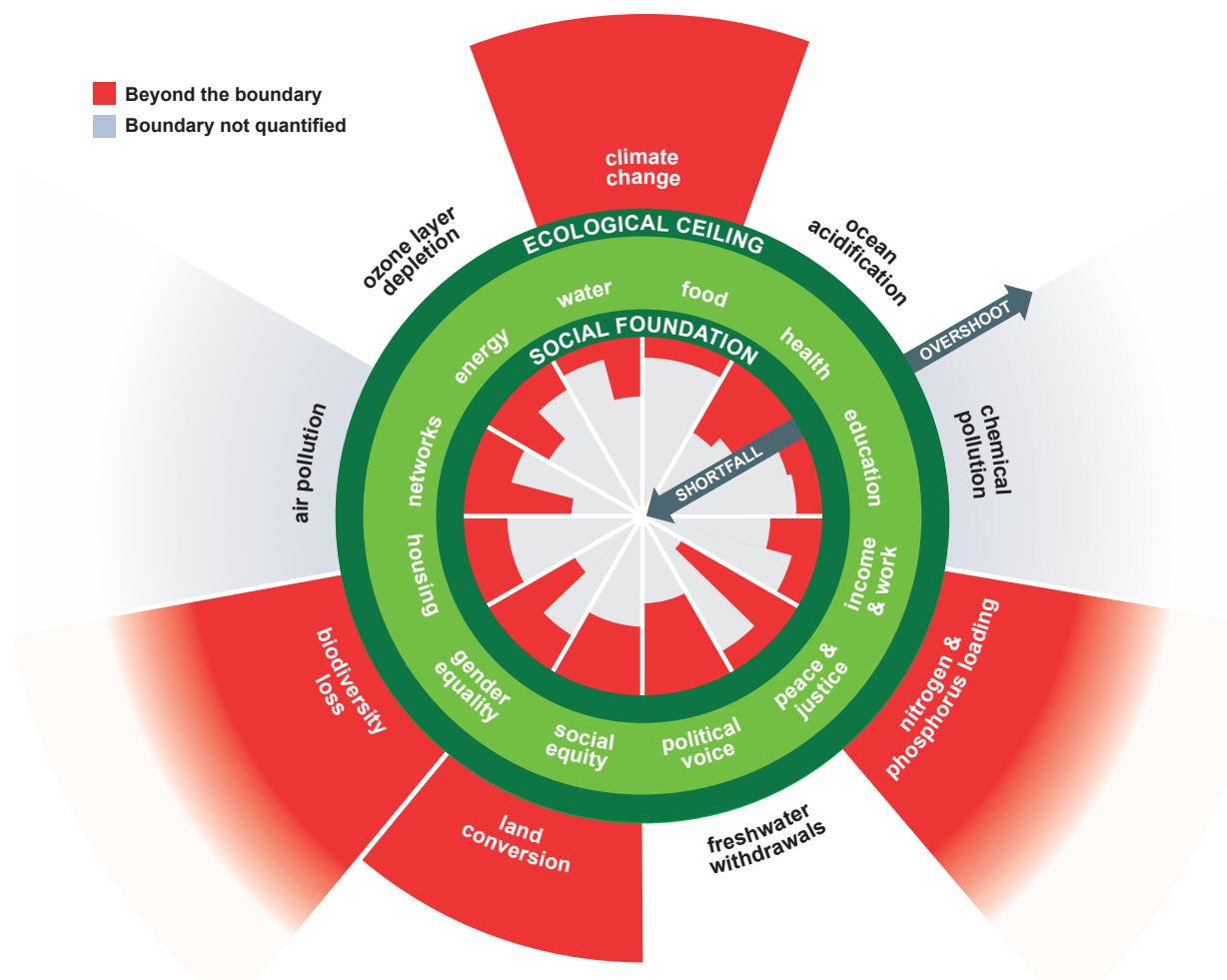
## Goals, Vision and Visualization

Green New Deal goals are very much like the United Nations Sustainable Development Goals, "a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere."<sup>2</sup>

Kate Raworth's *Doughnut of social and planetary boundaries* (Figure 1, next page) helps to visualize humanity's challenge "to meet the needs of all within the means of the planet."<sup>3</sup> The green doughnut is "an environmentally safe and socially just space in which humanity can thrive." The red sectors on the outside represent ecological overshoot. Those on the inside represent shortfalls in components of human well-being. Social policy must somehow reduce both the ecological overshoot and social shortfall together. This, essentially, is the demand of the Green New Deal for All and the policies that guide this Alternative Provincial Budget.

Raworth's Doughnut doesn't tell how to achieve these ecological and social goals, only that in pursuing each we must be mindful of the others. Policy design should seek synergies and avoid conflicts as far as possible. Although the donut identifies multiple ecological risks, for brevity we here selectively focus on the most urgent, climate change, to illustrate green and fair budgeting.

FIGURE 1 The Doughnut of Social and Planetary Boundaries (2017)



SOURCE: Raworth, K. (2017) Doughnut Economics: seven ways to think like a 21st century economist

### Timeframe and Metrics

The Paris Accord, supported by climate science, enjoins limiting the global average temperature increase above pre-industrial levels well below 2 °C and pursuing a 1.5 °C limit. This requires halving global greenhouse gas (GHG) emissions by 2030 and reaching net zero by 2040 to 2050. As a globally high-emitting jurisdiction, Manitoba’s needs to cut at least that much. We have clear metrics and a very short timeframe for action.

Likewise, the 17 Sustainable Development Goals adopted by the UN membership in 2015 have a 2030 target date for substantial achieve-

ment. Each goal has multiple measurable targets to track progress.<sup>4</sup>

The *far-reaching plan* called for by Canada’s Pact for a Green New Deal should not start from scratch. Building on Manitoba’s existing resources and assets, we can adapt well-studied examples and analyses to create 5-year, 10-year and longer action plans to achieve social and ecological goals together.

### Planning

Manitoba Hydro (MH) provides virtually emission-free electricity at one of the lowest rates in

North America. Manitobans are beneficiaries of a utility whose plans for hydro-electric generation and delivery encompass a century or more. We also benefit from award-winning Power Smart expertise and programming, now in Efficiency Manitoba (EM), which adopts a 15-year horizon for efficiency planning.

Together, MH and EM have engineering, economic, forecasting, planning, execution, and marketing capacities that are an important complement to the Climate and Green Plan's Expert Advisory Council (EAC). The EAC operates primarily with short-term planning horizons defined by five-year Carbon Savings Account periods and without the planning and operational skill sets of MH and EM. These capacities should be deployed to meet a broader mandate to decarbonize energy supply and use in Manitoba.<sup>5</sup>

**Recommendation:**

Manitoba should Provide MH and EM unambiguous mandates to support the Expert Advisory Council in short- and long-term planning to achieve carbon-neutral energy supply and use by 2045. With the help of MH and EM, EAC can formulate CSA milestones that are required for the journey to net zero emissions by 2045.

Note that MH is obliged to fund approved EM efficiency plans designed to achieve 0.75 per cent gas and 1.5 per cent electricity annual reductions, but not additional activities designed to reduce fossil fuel consumption. The carbon pollution levy provides a revenue source for carbon mitigation activities that exceed the MH-funded efficiency plan.

**Recommendation:**

Provide EM carbon pollution levy revenues to cover (i) decarbonization planning activities and (ii) fossil fuel DSM initiatives to achieve decarbonization milestones established by EAC, as included in Steps Toward a Green New Deal.

Tools for Change – The Role of Government  
Manitobans want to live greener lives but face barriers to doing so. Individuals are more likely to make sustainable choices if they are practical, convenient, safe, affordable, efficient, healthy and enjoyable or required and unavoidable. Some businesses are guided by corporate responsibility and reputational concerns, but all are driven to maintain profitability within a system of regulations and incentives.

Governments have many tools to drive a green and just transition including planning, leadership, education, incentives, regulation, enforcement, procurement, and critical infrastructure and social investments. Green budgeting built on ecofiscal policies is crucial. “An ecofiscal policy corrects market price signals to encourage the economic activities we do want (job creation, investment, and innovation) while reducing those we don't want (greenhouse gas emissions and the pollution of our land, air, and water).”<sup>6</sup>

**Green and Fair Budgeting**

More specifically, a green and fair budget promotes a more just and sustainable society by:

1. raising enough revenue to pay for needed expenditures over time;
2. making it easier and more rewarding to act sustainably;
3. making it harder and costlier to act unsustainably;
4. making critical infrastructure and social investments that enable all Manitobans to choose to live sustainably and flourish;
5. considering full-cost accounting of actions;
6. charging users and polluters for the costs they impose on society;
7. ensuring that basic human rights are not compromised and that the poor and disadvantaged are better off.

The first five criteria promote a sustainable society and the last two fairness and justice. The



last criterion implies progressive revenue sources that take account of ability to pay in providing for good government, public goods and services, and citizen wellbeing.

APB recommendations are guided by green and just budgeting principles.

### Policy and Regulation Changes

In addition to fiscal measures laid out in the APB Green New Deal chapter, the Province has policy and regulatory powers to steer Manitoba towards a green and just transition.

### Building Standards

New buildings need to be as energy efficient as possible. We should borrow Toronto and BC's incremental approach to phase-in building standards that will make Passive House-style buildings the norm by the early 2030s. Toronto has their *Zero Emissions Buildings Framework* and BC has their *BC Energy Step Code* for municipalities. Coincident with this incremental approach, we need to establish and announce a timetable for when Passive House will become the building code standard.

### Permitting

A part of BC's Energy Step Code is a permitting office. Many aspects of the design and construction of sustainable buildings have not been regularly seen by permitters or inspectors. We should have a permitting office focused on helping innovative construction project applicants be successful in getting necessary permits and passing inspections for efficient buildings.

### Building Energy Labelling

Making the performance of buildings visible is an important step to change what the market values. We should adopt the *Energuides labelling system* for residential buildings in a manner similar to Edmonton. For buildings over 20,000 square feet, Edmonton has their *Building Energy Benchmarking Program*.

### Moratorium on Expansion of Natural Gas Distribution Network

Stop expansion of the natural gas distribution system. This will incentivize densification and make sprawl less attractive. This will reduce the need and cost of expansion of other aspects of infrastructure. Also drop-in substitute biofuels and hydrogen are unlikely to reach the volumes needed to displace more fossil natural gas.

### Support for City of Winnipeg's Climate Action Plan Modal Shift Initiative

"to directly shift City residents out of single occupancy vehicles (SOVs) through sustainable transportation options with lower or no emissions (walking, cycling, public transit, carshare, and carpooling)."<sup>7</sup> Support should take the form of enhanced funding of transit services and active transportation by the Province and fixing unsustainable structural issues that favour SOV use over more sustainable alternatives. The APB allocates \$41M to public transit and the acceleration of EV use (see APB chapter Steps Toward a Green New Deal for details).

### Fixing Unsustainable Structural Issues

An economy that deviates sharply from eco-fiscal and green budgeting principles entrenches unsustainable practices, which are unfair and costly to our environment and society. A rising carbon pollution levy is only one part of the structural solutions required. Other issues remain. For example:

### Exurban Commuters are Subsidized by Winnipeggers

Winnipeg taxpayers pay for city streets used daily, at no cost, by exurban commuters. The result is a significantly lower tax burden on comparable homes for the commuters. This tax differential encourages exurban migration, which in turn increases single occupancy vehicles commuting and emissions. It also pressures the City to limit

tax increases to remain tax-competitive, with the consequence that infrastructure and services are underfunded and deteriorating. Riley Black's proposed fix — as detailed in the APB's chapter on Municipal Relations is for Winnipeg to require employers to deduct a commuter fee from the paychecks of exurban employees, which will partially restore user pay, add to Winnipeg's tax base and reduce the tax differential.<sup>8</sup>

### **Motor Vehicles are Heavily Subsidized**

Drivers do not pay the immense social costs of carbon pollution and climate impacts, policing, health impacts from emissions and sedentary lifestyles, injuries and death from accidents, their costly parking footprint, and the sprawl they enable. Moreover, the fuel tax pays only part of provincial investments in roads and property taxes used for city streets are imposed on homes but not motor vehicles. Fuel sales collect no PST to contribute to public goods like health, education, welfare and government thereby imposing a heavier tax burden on other revenue sources and/or starving public investments. These perverse subsidies distort city and provincial budgets and promote SOVs over public transit. Meanwhile, bus riders experience annual fare increases, which send the message, "Get back in your car, if you have one, and save on annually increasing bus fares. We will clear your streets, maintain your roads, fill potholes, build underpasses and bridges, and widen roadways without adding a penny to the costs of vehicle ownership or use."

An eco-fiscal alternative could implement user pay, polluter pay and a fair contribution to general revenues from vehicles through higher fuel tax + carbon pollution levy + sales tax + municipal taxes. Note for comparison that Winnipeggers pay 14 cents/litre provincial excise tax on gasoline, whereas drivers in Vancouver and Montreal, two cities noted for their commitment to sustainability and public transportation systems, pay more than 32 cents/litre in combined provincial and municipal taxes. Expected benefits would be to

reduce the distortion that increasingly favors single occupancy vehicle use over other transportation modes and provide needed funding to support greener transportation alternatives.<sup>9</sup>

### **Recommendation**

*Empower Winnipeg and municipalities to introduce mobility pricing to fund sustainable transportation initiatives and street budgets.* Legislation is required to broaden the taxing power of municipalities, as explained in the APB Municipal Relations chapter. Mobility pricing could take many forms, such as an additional fuel or sales tax on gasoline and diesel, a tax on parking spaces, extending the property tax to include vehicles, road tolls, an exurban commuter fee, or a surtax on vehicle registrations proportional to emissions. It would be up to municipalities, individually or collectively, to decide which revenue instruments to use and which sustainable transportation investments to make.

### **Recommendation**

Create a provincial sustainable tax commission to identify sustainable tax reforms that embody green budgeting principles.

### **Recommendation**

*Create a Sustainable Transportation Authority for the Metropolitan Region* like TransLink for greater Vancouver, Metrolinx for greater Toronto, and Société de transport de Montréal to coordinate, plan, build and operate sustainable transportation systems in the Metropolitan Region. This authority would require mobility pricing powers like those proposed for Winnipeg and municipalities above, supplemented by carbon pollution levy revenues with a mandate to reduce transportation emissions while enhancing affordable public and active transportation.

*The Municipal Relations chapter of the APB allocates \$5 million for research, planning, consultation, and initiation of these recommended structural changes.*

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- 1 <https://act.greennewdealcanada.ca/what-we-heard/>
  - 2 <https://www.un.org/sustainabledevelopment/development-agenda/>
  - 3 Raworth, K. (2017) Doughnut Economics: seven ways to think like a 21st century economist <https://www.kateraworth.com/doughnut/>
  - 4 <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>
  - 5 In a speech to the Manitoba Chambers of Commerce, CEO Jay Grewal made clear that MH is planning for a clean-tech future. [https://www.hydro.mb.ca/corporate/news\\_media/pdf/2019\\_09\\_25\\_mb\\_chamber\\_presentation.pdf](https://www.hydro.mb.ca/corporate/news_media/pdf/2019_09_25_mb_chamber_presentation.pdf)
  - 6 Canada's Ecofiscal Commission at <https://ecofiscal.ca/>
  - 7 <https://winnipeg.ca/sustainability/PublicEngagement/ClimateActionPlan/pdfs/WinnipegsClimateActionPlan.pdf>, p. vi.
  - 8 <https://www.policyalternatives.ca/publications/reports/high-cost-free-riding-and-how-we-fix-it>.
  - 9 <http://greenactioncentre.ca/clean-energy-environment/a-new-deal-for-winnipeg-and-transportation/>.

# Budget Paper B: Agriculture

The following policy points are presented for consideration and further development in order to further support Manitoba's farming community.

## **Improve School Food Structures**

To both require a local food component and educate students on where their food comes from. In doing so, the practice of farming will be exposed as an honest and credible occupation option for them. See Food Security Chapter in the APB.

## **Review and Improve Current Land Acts**

Like the Agriculture Land Owners Act to better serve young and new farmers. Goals include curbing land ownership by investment acquisitions and ensuring that farm land inflation rate is curbed.

## **Agriculture Crown Land**

Re-institute the point system on new Agriculture Crown Land Leases, so that new farmers and local farmers still have a say versus the highest bidder system. The time frame for renewal would be 20 years from the current change from 50 to 15.

## **Better Provincial Insurance Models**

The government would roll out a respectable Manitoba Agriculture Services Corporation

(MASC) insurance program that is more readily available to direct market farms particularly in vegetables and local food production so that loss of production to weather and extreme events will not cause passionate farmers to keep farming. In Manitoba we have one of the best provincial insurance programs in Canada but there is work that can be done to give smaller scale farmers the assurance they need that when times are tough, their initial cost of production will be paid for.

## **Farm Regulation Improvements**

Recognitions and a process would be funded to assess the range of needs required by farm types. It would focus on understanding the needs not just by type but by scale. The goal would then be to assess and address regulation concerns based on scale and true effectiveness. The goal would be to ensure safety, to keep regulation in the hands of government while realizing that smaller scale should not have the same types of regulation burdens as larger scale farms.

## **Manitoba Online Farm Training Programs**

Even though many farmers have been active and many new farmers have gained experience,

having a strong across the board training option that all farmers can access gives a better option for rural peoples who may not be able to get to large town centres. As we gain new knowledge in better farm practices that can curb climate change mitigation and adaptation, as we gain more knowledge.

#### **A Diversity of Voices**

The Government of Manitoba would amend the Agricultural Producers' Organization Funding Act to allow Stable Funding to be available to more than one General Farm Organization.

This would allow for a better diversity of voices. This act has squashed the ability for a diversity of farm voices to be heard in the farm industry by allowing only Keystone Agricultural Producers to access check-off dollars from farmers and not giving them a choice to self-fund organizations like the National Farmers Union in Manitoba through similar means.

#### **Local Food Tax Credit**

A local food credit of 2 per cent would be made available to both vendors who sell local food and farmers who produce and sell local food.



# Budget Paper C: Social Procurement

The provincial government and the broader public sector (including crown corporations, hospitals, academia, and schools) purchase significant amounts of goods and services. This purchasing is referred to as procurement. Procurement makes up a significant portion of the provincial budget. Across most Canadian jurisdictions, procurement contracts have been awarded based largely on lowest cost, without considering the potential community, social, economic, and environmental benefits of procurement dollars. However, the practice of social procurement has been trending across municipal, provincial, and federal jurisdictions in Canada, and Manitoba is already a leader.<sup>1</sup> Examples include community participation in federal infrastructure investments and other pilot projects, or social procurement policies adopted by Calgary, Toronto, Vancouver, and other jurisdictions.

Social procurement is the practice of using existing purchasing to promote community benefits and social, economic, and environmental outcomes. Possible benefits include reductions in crime, savings in health care, social services, and justice budgets, higher employment, reduced poverty, and strong local economies — all of which contribute to vibrant and sustainable communities with high quality of life.<sup>2</sup>

In Manitoba, social procurement has already been implemented in several instances. Manitoba

Housing's use of social enterprise for the maintenance and energy efficiency retrofits of Manitoba's affordable housing stock is an exceptional example of social procurement, with an explicit community benefit of creating jobs for people facing barriers to employment (see the APB section on Economic Development and Training/Climate Crisis for more).<sup>3</sup> At the same time, energy efficiency retrofits have decreased the financial burden of rising energy bills to social housing providers and low-income households, while enhancing the sustainability of our environment.<sup>4</sup>

The University of Winnipeg procures its food and catering services from the social enterprise Diversity Food Services Inc. Diversity provides meaningful employment for traditionally disenfranchised individuals, ethically procured ingredients and environmentally sustainable kitchen management. Since 2015, UWinnipeg has been recognized as having Canada's most sustainable campus food service.<sup>5</sup> The City of Winnipeg has a procurement pilot project to divert mattress from the landfill to Mother Earth Recycling, an Indigenous-owned social enterprise that provides meaningful training and employment opportunities to Indigenous people through environmentally sustainable initiatives.<sup>6</sup>

Manitoba's involvement in the Investing in Canada Infrastructure Program is a bilateral infrastruc-

ture funding program that includes community benefits reporting, particularly targeting employment for marginalized communities or purchasing from social enterprises on large infrastructure projects.<sup>7</sup>

There is an immediate, attainable, and cost-effective opportunity to scale multiple social, economic, and environmental outcomes through social procurement so public dollars can do double duty. For government, social procurement leverages existing procurement needs to address community objectives.

The Province of Manitoba can implement Social Procurement policies into all government procurement, including using the following two tools or a blend of each:

- Including points awarded to social, environmental and economic outcomes in the bid evaluation process when purchasing goods and services, through tools such as Community Benefit Agreements (CBAs). This procurement policy tool supports local investment and the rights of labour and can provide meaningful employment for people facing barriers to employment. Often, CBAs involve contracting work to social enterprises or cooperatives with social, economic, and environmental objectives that meet government objectives. CBAs are already being used in Manitoba, notably with

the provincial government's partnership with the Government of Canada the *Investing in Canada Infrastructure Program*. This stipulates that provinces, or the ultimate recipients of federal infrastructure dollars valued at ten million dollars or more, must report on community employment benefits realized through the project funding.

- Direct purchasing from social enterprises, cooperatives and/or non-profits that are dedicated to a community benefitting mission. In turn, this helps these enterprises grow in capacity, and helps governments see a greater return on investment.

Procurement in Manitoba takes place in almost all government departments, from small to very large purchases of goods and services. In the past number of years, up to \$7 million has been spent on social enterprise procurement through the Manitoba Housing example, money that would have been spent regardless to maintain Manitoba's social housing stock.<sup>8</sup> We recommend that over the next year, the Province of Manitoba learn from their own example and from other jurisdictions, with the goal of implementing social procurement policies across all government departments and spending to generate additional value through enhanced economic, social and environmental outcomes.

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<sup>8</sup> Buy Social Canada. 2018. "The Manitoba Housing Example: A Case Study of Social Procurement." Available at: [https://buy-social-canada.cdn.prismic.io/buy-social-canada%2F96eb56e0-a065-49c0-af1d-a7e891ffa79a\\_mh\\_report\\_en.pdf](https://buy-social-canada.cdn.prismic.io/buy-social-canada%2F96eb56e0-a065-49c0-af1d-a7e891ffa79a_mh_report_en.pdf)

# Budget Paper D: Poverty

*This document mirrors the Manitoba Budget Poverty paper as mandated annually by the Social Inclusion and Poverty Reduction Act. It uses comprehensive approach to summarize the various aspects of the APB poverty reduction initiatives.*

## Introduction: Some Key Aspects of Poverty in Manitoba

Poverty creates a cycle whereby people cannot participate in normal social, cultural or economic activities. As Amrita Sen explains, poverty results in the “(in)ability to be treated as a dignified being whose worth is equal to that of others”.<sup>1</sup> Poverty causes worse health outcomes and shorter lives: people in Winnipeg’s poorest neighbourhoods live 8–15 fewer years than those in its richest neighbourhoods.<sup>2</sup> Child poverty in Manitoba has been some of the highest in Canada for the past 27 years of recorded Campaign 2000 reports.<sup>3</sup>

Income inequality in Manitoba is growing — the lowest 10 per cent of income earners in Manitoba earn 10 per cent less market income today than they did in the 1970s, whereas the wealthiest 10 per cent earn 44 per cent

more.<sup>4</sup> The government of Manitoba found income inequality is on the rise: in 2016 the richest 10 per cent of Manitoban’s after tax income increased by 2.2 per cent more than the poorest 40 per cent.<sup>5</sup> After government transfers are included, the lowest income groups are still below the poverty line.

The provincial government plays a key role in directing government transfers via Employment and Income Assistance (EIA) other transfers and tax expenditures that redistribute resources, so everyone can meet their basic needs.

Manitoba requires a comprehensive approach to poverty reduction to respond to complex poverty resulting from the impacts of colonization — including intergenerational trauma — and the genocide of Indigenous peoples and discrimination against women, racialized groups and people with disabilities. Such an approach must also ameliorate years of off-loading from federal to provincial governments in the forms of cuts to government transfers and social services.<sup>6</sup>

Manitoba launched *Pathways to a Better Future: Manitoba’s Poverty Reduction Strategy* in 2019. The province is required by the *Poverty Reduction Strategy Act* to update the provincial poverty reduction strategy every five years.



Make Poverty History Manitoba press conference in response to cuts to Rent Assist

The current government's update, *Pathways to a Better Future* was released in 2019, two years past its due. The update was criticized by anti-poverty advocates for failing to seriously address poverty in Manitoba while at the same time the provincial government cut EIA and Rent Assist rates.<sup>7</sup>

*The View from Here: Manitobans Call for a Comprehensive Poverty Reduction Strategy* outlines 13 policy areas with 50 recommendations to significantly bring down poverty rates developed by a broad group of 150 front-line service organizations, faith and labour groups.<sup>8</sup> Since 2016 the provincial government has not acted on any of these recommendations and is backsliding by cutting benefits, services and failing to fund social housing, community mental health, public child care and other evidence-based approaches to reduce poverty.

#### **A. Indicators and Trends**

The following data give more detail on populations and poverty in Manitoba.

The annual report on poverty reduction in 2018–2019 notes progress on only four out of 13 indicators. The baseline year of 2015 for the strategy means that the province is including the effects of Rent Assist, which was fully implemented December 2015 (introduced by the previous government) and the introduction of the Canada Child Benefit in 2016 by the federal government to demonstrate great progress, particularly in child poverty. The target and timeline in the provincial strategy was to reduce child poverty by 25 per cent by 2025, according to 2015 levels. Due to significant investment by the federal government and the previous NDP administration, this target has already been met.

The report shows poverty remains worse for single adults, single parents/youth-led families,

**TABLE 1 Market Basket Measure (MBM) for Males and Females, Those with Disabilities, Indigenous Peoples and Immigrants, Manitoba**

	2006	2011	2016	2017
Male	14.2	11.0	9.8	8.3
Female	16.3	12.7	8.9	9.1
People with disabilities			13.2 <sup>9</sup>	
Indigenous peoples			23.2 <sup>10</sup>	
Immigrants				
Manitobans – total	15.3	11.8	9.4	8.7 <sup>11</sup>

\* Rates from 2006–2017 are from the Canadian Income Survey unless specified otherwise. Rates for Indigenous people are off-reserve.

**TABLE 2 Low-income Measure, After Tax (LIM-AT) (%) for Males and Females, Those with Disabilities, Indigenous Peoples and Immigrants, Manitoba**

	2006	2011	2016	2017
Male	14.6	13.2	13.0	13.5
Female	16.0	16.7	13.6	16.2
People with disabilities				
Indigenous peoples			29.8 <sup>12</sup>	
Immigrants			17.5 <sup>13</sup>	
Manitobans – all	15.3	14.9	13.3	14.8 <sup>14</sup>

\* Rates for 2006–2017 are from the Canadian Income Survey unless specified otherwise. Rates for Indigenous people are off-reserve.

off-reserve Indigenous peoples, people with disabilities, and women — with no target and timeline to address poverty for these groups. The following information is from the 2018-19 report. Of particular concern are the increasing numbers of youth not in the labour force or education. The indicator “Not in Employment, Education or Training” (NEET) is up from 10.7 per cent to 12 per cent in 2019/20, a 12.1 per cent increase.

Over a given two-year period, more Manitobans are entering poverty than are leaving. The poverty entry rate (the proportion of Manitobans who entered low income in the second year who were not in low income the first year) is up 2.6 per cent. The poverty exit rate (the proportion of Manitobans who exited low income in the second year and who were in low income the first year is up 1 per cent).

Also of concern is the change in the premature mortality rate (a measure of unfulfilled life

expectancy) which is up from 52.3 lost to 53.5 years of life lost.

### **B. Manitoba Government Response**

The provincial government lacks any serious vision to address poverty and is not taking any significant, comprehensive action, while simultaneously cutting key services that would improve the lives of Manitobans. Notably the Manitoba government has reduced eligibility to Rent Assist (see housing chapter), cut the \$25/ month job seeker’s allowance for single individuals and the Portable Housing Benefit of \$200/ month for 550 Manitobans.<sup>15</sup> As documented in other chapters, this government has also frozen funding to key files that impact poverty rates — child care, education, health care, funding for community-based groups and more.

The change most often cited by the current government to address poverty are changes to



the Basic Personal Amount (BPA), the floor at which we start paying taxes and indexing the tax brackets to inflation. These yearly, incremental changes will cumulatively save those in the lowest tax bracket \$53 on their taxes in 2019. The changes to the BPA are regressive as they result in higher earners getting more of a break: the upper tax bracket saves \$253 in taxes in 2019. This lost revenue to the province has not been replaced with other sources and as a result, programs and services we all rely on are being cut.

The APB eliminates the Basic Personal Exemption and allocates this revenue to substantially reducing poverty rates in Manitoba. See the EIA chapter for more details.

### **C. APB's Comprehensive Approach to Poverty.**

Poverty is costly to the public purse and leads to lost opportunities and productivity. A 2014 Saskatchewan study, a province comparable to Manitoba's population in many ways, found poverty costs Saskatchewan \$3.8 billion annually: \$420 million in heightened health care costs, \$50-\$120 million in increased spending on the criminal justice system, \$2.6 billion in lost contributions to GDP and \$720 million in increased social assistance spending.<sup>16</sup> It is more costly to not address poverty than to use a comprehensive approach to address poverty. The APB invests to prevent poverty and substantially brings down poverty rates.

The following chapters in the APB are key to a comprehensive approach to substantially bring down poverty rates. Policies must include an equity lens to address the needs of Indigenous peoples, women, LGBTQ\*, newcomers, racialized peoples and people with disabilities. They must also consider geographic equity related to urban, rural and northern peoples.

Climate change will also substantially impact low income people with increased risk of health problems, increased food costs and increased

cost of living. Action on poverty therefore must include strategies for climate resilience.

The Health chapter takes a social-determinants of health lens to provide resources to deal with upstream costs to our health care system. It provides funding for access centres to improve community-based care and mental health and addictions support.

The Child Welfare chapter of the APB includes key actions to prevent child apprehensions and support family reunifications. This includes a legislative review to establish a new approach rooted in prevention, early intervention and family restoration. The APB closes the gap on funding inequities between Indigenous child welfare agencies and brings child welfare workers on par with MGEU pay scale, supports youth aging out of care to age 25 from age 21, supports birth helpers for mothers at risk, increase funding to non-mandated agencies, provides supports for fathers, supports transitions to work or school for youth aging out of care.

The K-12 Education chapter is centred around poverty reduction as research shows that poverty hugely impacts educational outcomes. The APB establishes a Universal Meal Program in Manitoba schools to fight food insecurity. The APB also supports smaller class sizes for K-grade three and restores education funding

The Justice chapter reverses incarceration rates and introduces restorative justice approaches with wrap-around supports for those who are criminalized, helping them transition to education and work.

The Food Security chapter increases funding for the Northern Health Foods initiative to provide resources for communities to produce, harvest and process more foods locally and educational initiatives. The APB also contributes to programs and infrastructure that supports communities to grow, prepare, store and share traditional and country foods.

The Community Development (found in the Municipal Relations chapter), Community Eco-

conomic Development chapters and Social Procurement Budget Paper describe support the ecosystem of community-based supports for social inclusion, connect with programming, volunteer opportunities, training and meaningful work opportunities. The APB boosts funding to community based organizations that provide important community-based supports and breaks down funding barriers. It enables government to support social enterprises further through social procurement so that public dollars go further by supporting enterprises with a triple bottom line of social, economic and environmental justice.

The APB is in line with Make Poverty History Manitoba (MPHM)'s priority areas and to implement a comprehensive poverty reduction plan with targets and timelines to reduce poverty. The APB supports MPHM's following priority areas:

- Eliminating the \$2/ day fee for low income subsidized parents, increasing the number of parents who can access subsidized child care, reducing the wait list for child care spaces, ending the operating funding freeze for child care and improving wages for Early Learning Child Care workers
- Increasing funding for community-based mental health supports to the World Health Organization benchmark of 9 per cent of health spending
- Building 300 units of social housing, reversing the cuts to Rent Assist and investing in retrofits to maintain public housing
- The APB supports increasing the minimum wage to \$16.63/ hour over five years
- Introducing a Liveable Basic Needs Benefit to replace EIA and to support the working poor.

### Liveable Basic Needs Benefit

In recognition of the inadequacy and punitive nature of Manitoba EIA system, Make Poverty History Manitoba has advocated for replacing the ba-

sic needs portion of EIA with a new Liveable Basic Needs Benefit (LBNB) that would be available for all low-income households, including those currently receiving EIA as well as low-income households not receiving EIA. The APB provides more detail for the first time on this benefit.

### Guiding Principles

The following are some of the guiding principles used to design and create the Liveable Basic Needs Benefit (LBNB) and approach described below.

1. In fitting with the spirit of the *Manitoba Poverty Reduction and Social Inclusion Act*, public policy should work to end poverty in Manitoba
2. Income supports should improve quality of life for recipients and be integrated with comprehensive services such as, but not limited to, training & education, strong family leave policies, labour rights, universal quality public child care, affordable transportation, quality, accessible public health and mental health services and social housing
3. Income supports should promote dignity, fairness and put an end to punitive “hoop-jumping” rules and regulations of the current EIA system
4. The LBNB benefit will not replace other programs currently delivered through EIA, such as health or training supports
5. The province should support those who wish to transition into paid work of their choice, but work should not be a condition of financial support
6. Federal government support and leadership is needed to improve benefits across all provinces
7. Extended health, dental and pharmacare benefits should be available to Manitobans based on the level of their income

8. The provincial legislated minimum wage should be set at, and indexed to, a living wage
9. The Liveable Basic Needs Benefit will transform EIA in a manner consistent with principles of basic income including removing conditionality from assistance, increasing its universality and improving its adequacy.

The LBNB is a financial benefit that provides sufficient resources to allow all households in Manitoba to meet their basic needs. In combination with Rent Assist and federal financial benefits such as the Canada Child Benefit, raises incomes of all households in Manitoba to at least Canada's official poverty line, which is based on the Market Basket Measure. It would provide a floor for households to allow every Manitoban to meet her or his basic needs.

A LBNB differs from EIA in several respects. Unlike EIA, it would not be conditional on employment or job search requirements, thus removing workfare elements of EIA. Like Rent Assist it would be available for low-income households in the workforce, in education or unemployed.

However, in order to ensure that no one, particularly the most vulnerable individuals with specific health needs or barriers to employment are disadvantaged, the LBNB would not replace other benefits currently delivered through EIA, such as health or training supports.

This benefit should be matched by the federal government for Manitoba First Nations members. Federal on-reserve Income Assistance policy is to match provincial welfare rates, "amounts payable for income assistance will be equivalent to the rates of the reference province or territory."<sup>17</sup> Currently Rent Assist does not apply to this matching scheme, but there is precedence in the federal policy to match Income Assistance with provincial assistance so a transition to a LBNB matching with First Nations benefit would need to be negotiated from the provincial government along with extending Rent Assist to those on reserve.

The APB is centred around social inclusion and equity. The above mentioned policy areas will substantially improve quality of life and dignity for low income Manitobans, and unleash human potential in our province.

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