



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

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Manitoba leaving money for health care, long-term care, housing and essential worker supports on the table – new CCPA National report



A new report finds that Manitoba does not have plans to spend federal money now when its urgently needed during COVID-19. Manitoba has fiscal room to do more to step up and provide needed funding and stimulate our local economy.

Canada has earmarked \$374 billion between federal and provincial governments in direct COVID-19 emergency spending. The equivalent of \$9,400 a person worth of supports are in place in Manitoba. Of that total, \$8,400 a person is federal, with the provincial government making up the

remaining 11 per cent. Supports for individuals at \$3,400 a person in Manitoba is almost entirely federally funded by the CERB, EI and CRB.

It is fitting the federal government has a lead role during this crisis given historically low interest rates and a manageable debt-to-GDP ratio. But the report finds many provinces, including Manitoba are sitting on unspent funds, and not fulfilling cost-matching requirements.

The report finds Manitoba has spent hugely with PPE at \$498 million, more

there is an alternative.

CCPA-MB
301-583 Ellice Ave.
Winnipeg, MB
R3B 1Z7

phone

(204) 927-3200

email

ccpamb@policyalternatives.ca

website

www.policyalternatives.ca/
manitoba

blog

www.policyfix.ca

twitter

@ccpamb

Total Provincial spending and cost-sharing program (including the federal component)										
	NF	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Safe Restart - PPE	\$100	\$9	\$103	\$42	\$2,161	\$1,019	\$498	\$4	\$702	\$147

than 100 times what Saskatchewan has with virtually the same population. This shows gross provincial spending on PPE by province in 2020, not yet off-set by federal dollars.

It is unclear if Manitoba is allocating PPE on its health care line in 2020/21 for current use and planning to stockpile for the future. A portion of this has been spent on PPE that cannot be used, \$50 million for faulty masks and hand sanitizer. Also of note, Manitoba announced this past December \$211 million in contracts to the private sector for PPE; these dollars are being used to stimulate the private sector. Additionally Manitoba's fiscal update shows the treasury is providing details of roughly half its total PPE expenditure, counting every expense in budgeted vs actual in 2020-21 due to COVID-19. An ongoing internal exercise with hopefully better disaggregate these numbers in the future.

We're in the middle of a global pandemic. Sitting on unspent money makes no sense. Manitoba should immediately commit to invest in the following vital areas:

Long Term Care (LTC): The epicentre of COVID has been long term care – 57 per cent of the provinces' COVID-19 deaths have occurred in residential facilities. The federal government announced \$31.6 million of federal LTC funds in November. Manitoba had no ready plan to use these funds. Provincial LTC operating funding has been frozen in Manitoba for 10 years and there are an estimated \$6 million in capital upgrades required per facility. Unions representing LTC workers have been raising concerns for years about the problems of short-staffing in LTC. Short staffing and a lack of preparedness at two privately run homes left over 80 residents dead and required emergency service responses. Since these outbreaks, the province only announced \$7.7 million dollars or approximately \$50,000 per facility as a response, a drop in the bucket. Manitoba's lack of leadership in COVID response planning in LTC means federal funds are waiting to be used with no public plan to date.

Low Wage Essential Workers: Manitoba did not access the full federal amount

available for the low wage essential worker top-up. This application-based program was rolled out in Manitoba under the name "Manitoba Risk Recognition Program" this past June. It provided up to \$1,377 to workers in health, social services, retail, transportation, and more COVID. Workers had a month to apply for the benefit. Manitoba left \$10.5 million on the table for the long term care top up, which would have covered 7,000 more workers.

Municipalities and Transit: The federal Safe Restart Agreement signed by Premier Pallister requires 50-50 cost sharing for municipal supports and transit funding. Manitoba is not honoring this agreement. A total of \$72.6 million of federal dollars was divided between Manitoba's municipalities on a per capita basis, and \$33.4 million was earmarked specifically for five municipalities with public transit systems. Mayor Bowman noted at the time that Alberta and Ontario had matched with provincial funding. Winnipeg's October financial statement shows the City is anticipating a \$32.4 million dollar deficit in 2020/21. By law the City is not permitted to run a deficit, it remains to be seen how the City deals with this.

Schools and child care: Manitoba is only contributing 28 per cent of funding, the remainder is from federal funds. This money is sorely needed. School divisions in Manitoba have been told to track PPE expenses to be reimbursed in the future by the province. The province channeled \$18 million of federal dollars to the Manitoba and Winnipeg Chambers of Commerce to start family home child care centers, a move heavily critiqued by the not-for-profit child care sector who had been calling for reverses to operating fund freezes and increased funding due to COVID.

Housing and homelessness: Manitoba did not take advantage of the federal rapid housing initiative; unlike other provinces, Manitoba did not buy existing buildings to convert to emergency housing. The Rapid Housing Initiative

has two streams – one provided Winnipeg with \$12.5 million directly. There is a second stream to the RHI that is application based, Manitoba could do as BC has done to purchase housing for those in tent cities using RHI money. Manitoba has not acted on this despite increasing numbers of homeless clustering in bus shelters in -20 weather and community cries for emergency warming centres in empty buildings.

Infrastructure spending in Manitoba is another area to watch. Manitoba budgeted \$370 a person for COVID-19 infrastructure in 2020/21. We must remember the provincial government cut \$326 million in infrastructure and highway capital spending in 2016 – 2018. Manitoba has a history of underspending budgeted money on infrastructure, most recently underspending \$323 million in 2019/20.

In the context of COVID it is particularly salient to note that this infrastructure spending is overwhelmingly in areas that are male-dominated, but will not impact other hard-hit sectors such as retail, food and accommodation, areas that are female-dominated. The “she-session” during COVID is real – in Manitoba women have lost the most jobs of any province as of December.

The provincial and federal governments should prioritize social infrastructure, which would invest in female-dominated workplaces and protect Canada against future shocks like pandemics or climate emergencies.

The federal government has announced between \$70- \$100 billion more in COVID recovery stimulus spending. This new report shows that provinces are willing to “call the bluff” of the federal government in the case of matching spending. In order to maximize the impact of the stimulus, Manitoba needs to step up to the plate, cost-match and use the fiscal capacity we have to ensure a just recovery for all.

The full report, Picking up the Tab: A complete accounting of federal and provincial COVID-19 measures in 2020 tracks which level of government picked up the tab for any COVID-19 program announced by Dec. 31, 2020, that will be implemented in the 2019-2020 to 2021-22 fiscal years.

David Macdonald is the author of Picking up the Tab: A complete accounting of federal and provincial COVID-19 measures in 2020 and Senior Economist at CCPA National. Molly McCracken is the Manitoba director of CCPA.

Federal dollars left on the table in Manitoba:

- \$62 million in federal funds received that aren't in the budget to be spent (training for ECEs, training in hard hit sectors) (Table 5)
- \$59 million in federal funds that could be applied for but haven't been (essential workers, safe long-term care fund, RHI hotel purchase) (Table 6)
- \$105 million that the province didn't match in supports for municipal op/transit budgets

Total: \$226 million

continued..

CCPA-MB
301-583 Ellice Ave.
Winnipeg, MB
R3B 1Z7

phone

email
(204) 927-3200

website
ccpamb@policyalternatives.ca

[www.policyalternatives.ca/
manitoba](http://www.policyalternatives.ca/manitoba)

twitter
www.policyfix.ca