

December 1, 2020

AMO Policy Update – Federal Fall Economic Statement

Yesterday, the Deputy Prime Minister and Minister of Finance, Chrystia Freeland, delivered Canada's Fall Economic Statement titled *Supporting Canadians and Fighting COVID-19*. It outlined the government strategy for managing the ongoing COVID-19 pandemic and provided its focus for economic recovery.

The fiscal deficit for 2020-21 is to reach \$381 billion with the expectation that it could climb with the severity of the second wave and associated lockdowns. Much of the economic statement reiterated ongoing support programs put in place to help Canadians weather the pandemic while committing to nearly \$100 billion over three years in stimulus to target a post-pandemic economic recovery.

New announcements of interest for municipal governments include:

- In 2021-22, the government will provide additional funding of \$299.4 million through the Reaching Home: Canada's Homelessness Strategy to help shelters to prevent the spread of COVID-19.
- New investments for long-term care include committing up to \$1 billion for a Safe Long-Term Care Fund, which will help provinces and territories protect people in long-term care and support infection prevention and control.
- The government has committed to establish a Federal Secretariat on Early Learning and Child Care to support development of a national system. In addition, previous investments in early learning and child care will be sustained into future years and it will provide funding to provinces and territories to support attraction and retention of workers in support of the Early Childhood Educator Workforce Strategy.
- Starting in 2021-22, an additional \$12 billion is proposed for the Rental Construction Financing Initiative to support new lending over seven years which includes municipalities.
- Building on investments through the COVID-19 Resilience Stream, the government proposes to provide \$150 million over three years, beginning in

2020-21, to improve ventilation in public buildings and help reduce the spread of COVID-19.

- The government indicated that it plans to outline the next steps on public transit that include efforts to electrify public transit systems and provide permanent public transit funding with the provinces and territories.
- To tackle gun crime, the government proposes to provide dedicated funding of \$250 million over 5 years beginning in 2021-22. This will target municipalities, community-led initiatives, and Indigenous communities to support anti-gang programming.
- To support small and regional airports make critical investments in health and safety, the government is proposing to provide an additional \$186 million over two years for the Airports Capital Assistance Program (ACAP) which will begin in 2021-22.
- Starting on 2020-21, the government proposes to provide \$2.6 billion over 7 years to help homeowners improve their home energy efficiency by providing up to 700,000 grants of up to \$5,000 to encourage energy-efficient improvements to homes.
- The government proposes to accelerate previous investments in recharging and refueling infrastructure along highways and communities to encourage Canadians to choose zero-emission vehicles. Beginning in 2021-22, the government will provide \$150 million over 3 years.

AMO is pleased to see a number of key investments within the Fall Economic Statement including additional support for long-term care, homelessness, a path toward a national system for child care, energy retrofits, and further investments in the infrastructure to support zero-emission vehicles.

For more information, please visit the [Government of Canada website](#) to access the full [Fall Economic Statement](#).

AMO's [COVID-19 Resources](#) page is being updated continually so you can find critical information in one place. Please send any of your municipally related pandemic questions to covid19@amo.on.ca.