

Daily Bread Food Bank – Formal Submission for consideration in advance of the 2024 Federal Budget

February 9th, 2024

Summary of Recommendations

Recommendation 1: That \$10-12 Billion be allocated annually to fund the Canada Disability Benefit (CDB) pending eligibility criteria. This assumes between 800,000-1 million eligible recipients receiving \$800-\$1,000 monthly on average with regional variation.

Recommendation 2: The CDB should be non-taxable, portable, paid monthly, and indexed to inflation. The CDB should not be administered through the Disability Tax Credit (DTC).

Recommendation 3: That people who have already gone through the onerous process of “proving” their disabilities for other federal and provincial/territorial disability benefits such as Canada Pension Plan-Disability, DTC, and social assistance programs, should not have to replicate this process to receive the CDB.

Recommendation 4: We urge the government to consider barriers to access for low-income people and we recommend a dedicated 24/7 telephone line for the CDB for people to call or text with questions or in need of support with their application in a language of their choice, to provide clarity and ensure that they submit a successful application the first time.

Recommendation 5: Create a new Groceries and Essentials Benefit by restructuring and expanding the Goods and Services Tax/-Harmonized Sales Tax rebate.

Recommendation 6: In partnership with Canada Mortgage Housing Corporation (CMHC), develop and fund a non-profit acquisition strategy to enable non-profit, co-op and land trust organizations to purchase at-risk rental buildings when they come onto the market.



February 9th 2024

The Honourable Chrystia Freeland, P.C., M.P. Deputy Prime Minister of Canada and Minister of Finance

Finance Canada

James M. Flaherty Building

90 Elgin Street Ottawa, Ontario K1A 0G5

Dear Deputy Prime Minister Freeland,

On behalf of the Daily Bread Food Bank, our clients, and our partner organizations, we are pleased to provide you and the Department of Finance with our formal submission in advance of the 2024 Federal Budget. We thank you for the opportunity to participate in this process as you plan and roadmap the next steps of the country's economic recovery from the lingering aftershocks of the COVID-19 pandemic and soaring inflation.

By means of brief background, Daily Bread Food Bank works towards long-term solutions to end hunger and poverty and runs innovative programs to support individuals living on low incomes and experiencing food insecurity. Daily Bread distributes fresh and shelf-stable food and fresh-cooked meals to 132 member agencies and 207 meal programs across Toronto. Through research and advocacy, Daily Bread advances meaningful policy change to realize the right to food in our communities.

Last year was incredibly straining for our organization and many of our partners. As we highlighted in our [Who's Hungry 2023 report](#), with the rising costs of housing and food putting a strain on many, we saw 2.53 million visits – a 51% increase from the year before. We've gone from 1 in 20 Torontonians accessing food banks to 1 in 10. We know the Federal Government is preoccupied with affordability measures and addressing housing supply across the country and to that end we are supportive of any and all programs that may ease strain on those struggling with these challenges.

Research evidence shows that income support programs, like the Canada Child Benefit (CCB) and expanded senior's benefits have reduced the severity of food insecurity in Canada for these groups. Thus, income-based solutions are essential to eliminating food insecurity because they ensure that people can afford their basic needs and realize their right to food. While the Canada Disability Benefit (CDB) is intended to help reduce poverty among low-income working-age with disabilities in Canada, it also has the potential to reduce, and even eliminate, food insecurity.

As a result, we as an organization, along with a coalition over 40 organizations and the City of Toronto, are working hard to ensure every Canadian knows about the potential benefits to the country with the forthcoming rollout of the CDB. We believe if implemented and funded appropriately, this benefit would lift nearly a million Canadians out of poverty. In the last few months, we have been fervently meeting with Government departments and Parliamentarians of all stripes in driving home the need for this program to be robust and maximally impactful for those it aims to serve. Supporting our overview and requests on the CDB, we have also rounded out the document with two additional suggestions regarding the ongoing issues regarding food costs and housing affordability.



Per the timelines enshrined in Bill C-22, with certain parts of the framework needing to be enshrined by June 2024 in advance of fully coming into force by June 2025, we at Daily Bread Food Bank make the following recommendations for your consideration for inclusion in Budget 2024-2025:

Recommendations

Recommendation 1: That \$10-12 Billion be allocated annually to fund the Canada Disability Benefit (CDB) pending eligibility criteria. This assumes between 800,000-1 million eligible recipients receiving \$800-\$1000 monthly on average with regional variation.

Per [the Parliamentary Budget Officer's report](#) released in November that mapped models and scenarios for the CDB's rollout that ranged, pending eligibility and uptake, from \$2.5 billion to \$20.5 Billion.

The Federal Government has seen the benefits of investment in our country's social programs. Investments, including enhancements related to the Canada Child Benefit, have lifted [over half a million children out of poverty](#) since its 2016 inception, and the return of OAS eligibility to 65, as well as newer programs like \$10 a day childcare and expanding dental care have all benefited the most vulnerable. The impacts of those social programs in the lives of Canadians are meaningful.

The CDB has the opportunity to continue this legacy by supporting Canadians living in deep poverty. The money spent through this program will go towards helping people with disabilities afford their most basic needs, such as food, shelter, and transportation. People with disabilities experience disproportionately high rates of poverty: while [22% of Canadians live with a disability, they make up 41% of those who live in poverty](#), making substantive investment all the more critical.

The passage of C-22 last June combined with the tireless efforts of Minister Qualtrough and now Minister Khara and those in the disability community should drive home that if this Government policy is to be successful with the stated goals of this legislation, which is a reduction of poverty among working age individuals with disabilities, it needs to be fully funded in a matter beneficial to all recipients. In close consultation with our partner organizations, we recommend a range of \$10-12 billion be allocated to the CDB to achieve the stated legislative goals and broader mandate of poverty reduction while leaving room for evaluation and growth.

Recommendation 2: The CDB should be non-taxable, portable, paid monthly, and indexed to inflation. The CDB should not be administered through the Disability Tax Credit.

Per our initial conversations with your office and relevant officials over the past few months, it has been revealed that, at least as of now, the intention is to roll out the CDB as an extension of the existing Disability Tax Credit (DTC) for the sake of simplicity and to avoid negotiating with the provinces/territories.

While we understand the difficulty in bilateral negotiations of these agreements, the Federal Government has shown tremendous aptitude in doing so with regards to childcare, health care, the Housing Accelerator fund, and numerous others in the recent life of this Government. We believe the CDB is worthy of similar time and effort given the large number of Canadians it stands to benefit. We also understand there is concern, real or not, that provinces/territories would use the introduction of the CDB to reduce the benefits of their own provincial/territorial supports or stop indexation to inflation, which

we recognize as a valid concern, and commit to working with our partners across the country to ensure does not become reality.

Provincial and territorial clawbacks to the CDB would undermine the original stated intent of the benefit, which is to reduce poverty among working age people with disabilities. Failure to implement this critical first step will only serve to pad provincial and territorial governments' bottom lines while denying recipients the full impact of income security that is necessary to live a life of dignity. Agreement from the provinces and territories for the harmonization of legislative frameworks to prevent the clawback of these disability benefits is crucial. It is imperative that the CDB serve as a supplement — not as a replacement — to existing provincial and territorial benefits. Negotiations must require provinces and territories to add the CDB as exempted income under their disability support program policy directives, like they have done with the Canada Child Benefit and the Canada Workers Benefit, to ensure the CDB is not clawed back from social assistance recipients.

Lastly on this point, if the DTC is used as the vehicle to deliver the CDB, it will not achieve the legislative objective of reducing poverty among working-age persons with disabilities. This is because the CDB is meant to target low-income people with disabilities, whereas the DTC targets those with higher incomes because it is a tax credit. Most food bank clients are not receiving the DTC because of low incomes that do not necessitate a tax credit, and due to the restrictive definition of disability that excludes many people from qualifying.

Moreover, the Canada Revenue Agency (CRA) is the adjudicator of DTC claims and eligibility although it has no institutional expertise in disability policy, research, or stakeholder engagement, as compared, to the Office of Disability Issues (ODI) in Employment and Social Development Canada (ESDC) – which we recommend the government to utilize in development, implementation, and administration. Alternatively, we the government can explore whether there are efficiencies from delivering the CDB through the provinces/territories.

Recommendation 3: That people who have already gone through the onerous process of “proving” their disabilities for other federal and provincial/territorial disability benefits such as Canada Pension Plan-Disability, DTC, and social assistance programs, should not have to replicate this process to receive the CDB.

As highlighted in our submission to ESDC and Minister Kherra's office in December - The definition of disability used for eligibility should be grounded in the lived experience of disability, focused on function rather than diagnosis, and inclusive, to allow access to the program for all who need it. The Canada Disability Benefit Act references the Accessible Canada Act (ACA) which states, “disability means any impairment, including a physical, mental, intellectual, cognitive, learning, communication or sensory impairment — or a functional limitation — whether permanent, temporary or episodic in nature, or evident or not, that, in interaction with a barrier, hinders a person's full and equal participation in society.”

This definition is a strong starting point to determine eligibility because it acknowledges specifically that disabilities can be episodic and/or invisible in nature, and it acknowledges that societal barriers cause and exacerbate disabilities. We recommend that this same definition also be used for the eligibility criteria. Ideally, the federal government should work towards a definition of disability for the CDB that is also

based on an understanding of lived reality and functional impairment, rather than the medical model of disability reflected in current federal programs which we believe places an onerous barrier on those who already must go to strenuous lengths to prove their disability/eligibility for existing programs.

Furthermore, individuals who will qualify for the CDB will be individuals with disabilities living in poverty and facing significant financial challenges. The CDB should be grounded in the principles of dignity, inclusion, and respect. People who have already gone through the onerous process of documenting and proving their disability to qualify for federal and provincial/territorial disability support programs such as CPP-D, DTC, and social assistance programs should not have to do so again. These individuals should automatically qualify. We also recommend that there be an application process for those who are not currently receiving existing programs.

Recommendation 4: We urge the government to consider barriers to access for low-income people in the rollout of the Canada Disability Benefit and we recommend a dedicated 24/7 telephone line for people to call or text with questions or in need of support with their application in a language of their choice, to provide clarity and ensure that they submit a successful application the first time similar to the hotlines available for businesses during the initial rollout of the COVID-19 Support programs.

It is important that this hotline be staffed by trained individuals who are not only fluent in the benefit processes, but who also understand the lived experiences of people with disabilities in poverty. Ideally, these individuals would be at arm's length from the actual decision-makers so that people are not intimidated to ask questions.

Recommendation 5: Create a new Groceries and Essentials Benefit by restructuring and expanding the Goods and Services Tax/-Harmonized Sales Tax rebate.

Food bank use, and food insecurity more broadly, is driven by a [lack of income](#). Increases in food and shelter prices have outpaced overall inflation since November 2021. In the face of [escalating food prices](#) in Canada, which continues to impede affordability, Food Banks Canada documented nearly two million visits to food banks nationwide in March 2023 – [up 32 per cent from the same month a year earlier and up more than 78 per cent from 2019](#).

Daily Bread echoes the recommendation of the Affordability Action Council that the federal government should revamp and broaden the Goods and Services Tax/Harmonized Sales Tax (GST/HST) rebate, renaming it the [Groceries and Essentials Benefit](#). This would expand upon the one-time Grocery Rebate implemented in 2023, specifically targeting households with working-age adults. The proposed plan entails providing \$1,800 annually per adult and \$600 per child.

In addition, this proposed benefit should be provided monthly rather than quarterly. This change — which would provide \$150 a month per adult and \$50 per child to the lowest-income households — would spread the payments evenly throughout the year and give recipients more stability to pay their monthly bills. All households that currently receive the GST/HST rebate would get more money, but the lowest-income households would see a larger increase. In times of record food inflation, targeted supports for those living in deep poverty will help ensure access to basic necessities.

Recommendation 6: In partnership with Canada Mortgage Housing Corporation (CMHC), develop and fund a non-profit acquisition strategy to enable non-profit, co-op and land trust organizations to purchase at-risk rental buildings when they come onto the market.

Per the Daily Bread Food Bank and North York Harvest Food Bank's annual [Who's Hungry](#) report referenced above, part of the survey found that high housing costs absorb most of clients' household incomes: nearly all (89%) food bank clients reported live in unaffordable housing, which is defined as spending more than 30% of their income on housing.

Even more concerning, close to one quarter (23%) spend 100% of their income on housing, leaving no money for other necessities, putting them at extremely high risk of homelessness. Food banks act as a stop gap in household budgets after paying high housing costs.

Social, non-profit, and co-op housing remains a crucial part of the housing supply because non-market housing is the most reliable way for low-income households to have secure and deeply affordable housing. Investments in these kinds of housing have not kept pace with need. Most of the current supply was built decades ago and is in disrepair.

The federal government should develop a non-profit acquisition strategy and fund to enable non-profit, co-op, and land trust organizations to purchase at-risk rental buildings when they come on the market. Similar to the [City of Toronto's Multi Unit Residential Acquisition \(MURA\) program](#) or even the [Government of British Columbia's Rental Protection Fund](#), this can be done by directing CMHC to supplement the NHS's Co-Investment Fund with an Acquisitions Fund and bringing together a consortium of non-profit, co-op, and land trust organizations to administer it. An acquisition strategy is critical to ensuring housing affordability for low-income populations.

Conclusion

On behalf of the Daily Bread Food Bank and its member-agencies, volunteers and most importantly those we service, thank you.

We would be pleased to meet with you and your staff to discuss a roadmap that continues to support a fully funded, successful rollout of the Canada Disability Benefit to aid in tackling food insecurity and poverty.

Best wishes to you the very best in the development and implementation of Budget 2024-2025.

In Partnership,

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