



FROM **STABILIZATION** TO **SUSTAINABILITY**

Building a Stronger Child and
Youth Mental Health System

**2026 Ontario Budget
Recommendations**

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Executive Summary

Recent provincial investments in community-based child and youth mental health (CYMH) have been critically important in beginning to stabilize a sector under significant strain, reduce workforce losses, and support early progress towards important system improvements. Initiatives such as the Ontario Intensive Treatment Pathway and the implementation of Right Time, Right Care reflect meaningful efforts to strengthen service delivery and build a more coordinated, responsive system of care for infants, children, youth, and families.

At the same time, the system remains fragile.

Mental health needs among children and youth continue to exceed capacity, wait times remain unacceptably long, and access to care is inadequate across the province. Workforce vacancies and turnover persist, driven largely by ongoing wage and compensation disparities between community CYMH roles and comparable positions in education, hospitals, and other publicly funded systems. Without addressing these structural gaps, recent investments will not achieve their intended long-term impact.

Ontario is now at a pivotal moment.

Sustainability depends on retaining and strengthening the workforce that delivers services. This submission identifies wage parity as the most effective and measurable next step to protect existing investments, stabilize services, and ensure timely access to mental health care for children and youth.

CMHO is recommending a **targeted, multi-year investment of approximately \$70 million over three years** to move toward wage parity for the community CYMH workforce.

This phased approach is fiscally responsible, aligned with government priorities related to value for money and workforce resilience, and supports the implementation of accepted recommendations made by the Auditor General of Ontario, including the need for a dedicated Health Human Resources (HHR) strategy.

In addition, the submission outlines complementary system-building priorities that can be advanced through policy and implementation-focused actions, including strengthening data and accountability, advancing health equity, improving coordination for children and youth with complex needs, and deepening youth and family partnerships.

CMHO and its members are committed to evidence-informed approaches and are ready to work with the government to move the system from stabilization to sustainability and system-building—ensuring timely, high-quality mental health care for infants, children, youth, and families across Ontario.

Why This Submission Matters Now

2.1 The Sector is Stabilizing but Not Yet Stable

Ontario's recent investments in community-based CYMH have played a critical role in beginning to stabilize a system that was under significant strain. Base funding increases have helped agencies slow workforce losses, and in some cases, limit service reductions despite rising demand.

However, the system is not yet stabilized. Community CYMH agencies continue to experience persistent challenges with workforce vacancies and staff turnover, resulting in long wait times for too many families. Despite some progress, many agencies remain unable to recruit and retain the specialized mental health professionals required to meet current needs. These pressures continue to disrupt continuity of care, delay access to services, and constrain agencies' ability to expand or achieve adequate capacity.

The sector is now approaching a sustainability risk.

Without action to address compensation gaps between community mental health roles and comparable positions in education, hospitals, and other publicly funded systems, recent investments will not achieve their intended long-term impact. Agencies report that wage disparities undermine workforce stability, forcing organizations to direct new funding toward retention rather than expanding needed mental health services for children and youth.

The sector is at a critical inflection point: Strengthening the community CYMH sector meaningfully reduces pressure on hospitals and other systems. The foundation for stabilization has been laid, but without continued targeted action to sustain the workforce, the gains achieved to date remain fragile.

2.2 Goals are Aligned with Government Priorities

The recommendations outlined in our submission are fundamentally linked to the Ontario government's stated priorities of value for money, efficiency, accountability, and a more resilient healthcare workforce—all while protecting prior investments. Addressing workforce sustainability through wage parity directly supports these objectives. Competitive compensation in the sector protects existing investments by stabilizing service delivery, reducing costly turnover, and preserving organizational capacity. A stable workforce enables better planning, improved continuity of care, and the effective use of public resources.

Our recommendations also align with the direction outlined in the Auditor General's report regarding HHR, data quality, equity, accountability, and service planning. The report also underscores the need for an HHR Strategy that recognizes the unique needs of community CYMH, which in turn, strengthens the foundation for broader system improvement.

2.3 Mental Health Needs Continue to Persist

Mental health needs among infants, children, youth, and families in Ontario remain high, with service gaps in some areas and demand for community-based mental health often exceeding capacity, resulting in long wait times and inequitable access.

In Ontario, the mental health needs of children, youth, and families continue to persist:

- Approximately 1 in 4 hospitalizations for children and youth in Ontario in 2023–2024 were for mental health reasons.¹
- Average wait times for counselling and therapy rose to 120 days in 2023–24, up from 104 days the year prior, while average wait times for intensive treatment services increased to 105 days, up from 94 days the year prior.²



- Approximately 35% of children and youth in Ontario aged 5 to 17 have unmet mental health needs.³

Additionally, we know these pressures are not experienced evenly:

- Children and youth from the lowest-income neighbourhoods experience hospitalization rates for mental health nearly twice as high as those from the highest-income neighbourhoods, yet have lower rates of physician visits, highlighting persistent barriers to accessing timely community-based services.⁴
- Geographic inequities also remain significant, particularly in northern, rural, and remote communities where wait times for services can reach up to 600 days in some parts of northern Ontario.⁵
- Equity-deserving populations continue to face disproportionate barriers to timely, culturally responsive, and identity-affirming mental health supports.^{6,7}
- Experiences of stigma, discrimination, and services that are not aligned with lived realities can delay help-seeking and contribute to worsening outcomes.^{6,7}

Without sustained action to strengthen and retain the community-based workforce, long wait times, inequities in access, and pressure on other parts of the health system will persist.



2026 Ontario Budget Recommendations

Wage parity in our system is the most effective and measurable action the government can take to protect recent investments, stabilize the CYMH workforce, and ensure access to services for infants, children, youth, and families across Ontario.

To achieve wage parity, CMHO is requesting a **targeted, multi-year investment of approximately \$70 million over three years**, representing a phased approach to closing the wage gap between the community CYMH workforce and other sectors. This ask reflects an annual investment of approximately **\$23 million in additional funding per year**.

Funding would support:

- Closing persistent wage gaps between community CYMH roles and comparable positions in education, hospitals, and other publicly funded systems
- Stabilizing the workforce to reduce turnover and protect service continuity for infants, children, youth, and families in community CYMH
- Ensuring recent provincial investments deliver lasting value rather than being absorbed by ongoing recruitment and retention pressures

3.1 Why Move Towards Wage Parity

While recent provincial investments have been welcome and provided needed relief in some areas, they do not systematically address the structural wage and compensation gaps that continue to impact the sector. Wage differences of 20 to 50 percent exist between community CYMH roles and other sectors, such as education and hospitals. In addition, members reported an average wage discrepancy of 19 to 34 percent between CYMH and other sectors (including private practices) for direct service clinical positions. As a result, the sector remains unable to recruit, especially retain, the workforce required to meet demand.

Even where funding has increased, organizations report that they must allocate the majority of new resources to short-term retention efforts rather than rebuilding capacity or expanding services. Workforce instability directly contributes to longer wait times, disrupted care, and reduced service quality.

Without closing wage gaps, past investments cannot deliver their intended long-term impact, and the sector risks a cycle of service access and disruption for children, youth, and families with mental health needs.



3.2 Wage Parity Protects Existing Provincial Investments

Wage parity is essential to protecting the value of the government's existing investments in community CYMH. When experienced staff leave for higher-paying roles in other sectors, the effectiveness of all non-wage investments is diminished, and overall system pressures are created. New funding intended to stabilize or expand services is instead absorbed by recruitment and/or retention costs, onboarding, and temporary staffing.

Service expansion and system transformation are not feasible in an environment of persistent workforce loss and turnover. As well, movement on other critical transformation initiatives will be compromised without it. By closing wage gaps and approaching investing from a systems of care approach, the government can ensure that recent investments deliver lasting value and support agencies in moving beyond stabilization toward sustainability and system building.

3.3 Wage Parity Supports Recruitment and Retention

Wage disparities are a primary factor driving movement out of the sector, particularly for early- and mid-career professionals. It is important to note, however, that existing discrepancies are more than just wages—total compensation, including pensions, benefits, and paid time off, also exacerbates the differences between sectors and creates further incentive for professionals to leave. Recognizing that the province is in challenging economic times, addressing wages first would create the conditions and set the foundations for agencies to stabilize staffing levels, strengthen recruitment pipelines, and retain specialized expertise.

Feedback from CMHO members consistently identifies wage alignment with comparable sectors as a top priority for addressing workforce challenges. In a recent survey of members, respondents identified significant risks including increased waitlists for services, burnout, and loss of specialized staff.

“Loss of staff to other sectors who pay better results in longer waits for children and families. And for those families receiving services, a loss of continuity of care with the staffing turnover.”

– CMHO Member Agency

3.4 Wage Parity Enables System Sustainability for Children & Youth

A stable workforce is essential to building a sustainable CYMH system.

High turnover disrupts care, increases wait times, and leads to repeated assessments. Many youth in the system have spoken about the frustration of having to repeat their stories each time they have to start over with a new counsellor. Strong workforce retention improves the continuity of care—meaning that children, youth, and families have a better experience, leading to better outcomes.

To be sustainable, there must also be long-term planning, including the development of an HHR strategy for community CYMH. The Auditor General explicitly identified addressing wage disparities across sectors as a necessary component to address needs and workforce shortages, especially in clinical positions.

Wage parity is not a one-time fix, but it is a necessary foundation for improvement.

Without it, the sector cannot sustain services, reduce wait times, or advance broader system transformation.

With it, Ontario can protect existing investments, stabilize the workforce, and move decisively from stabilization to sustainability and system-building.



System-Building Priorities

With a stabilized community CYMH sector, we can also deliver on priorities that build a sustainable, accessible, high-quality, and equitable service system.

In 2025, the Auditor General of Ontario made several important recommendations on system performance for the CYMH sector. CMHO and its members were pleased to see the alignment between the report and our previous policy and investment recommendations. In addition, the Ministry of Health's acceptance of all recommendations and its commitment to moving forward reflect the collaborative approach required to further improve the system.

Building the system requires a strong partnership with the government and across children and health service systems. With prioritization and a commitment to collaboration, together, we can advance quality improvements and maximize the impact of all new investments. **The 2026 Budget provides an important opportunity to continue to build, improve, and transform the CYMH system by investing and prioritizing in the following areas, each aligned with the Auditor General's report.**

4.1 Data Improvement and Accountability

The community CYMH sector is eager to work with the government and provincial partners to strengthen sector capacity and ensure data is consistently available, collected, and evaluated in the system. **Together, we want to partner with the government to:**

- Improve accuracy and consistency of data across the CYMH system;
- Reduce administrative burden and improve planning processes by moving toward three-year funding agreements, with streamlined reporting, where possible, across ministries and Ontario Health; and
- Strengthen readiness for provincial data standardization led by the Mental Health and Addictions Centre of Excellence.

The development of a Provincial Data Strategy must be collaborative with the Lead Agency Consortium (LAC) in Child and Youth Mental Health, the Knowledge Institute for Child and Youth Mental Health and Addictions (Knowledge Institute) and with existing provincial initiatives like OITP.

It would enable the sector to advance system quality improvement, including standardized data collection and evaluation to better understand the impact of new investments and so agencies can move toward consistent, outcomes-focused, and equity-informed service delivery.

4.2 Health Equity and Underserved Populations

CMHO and the sector are committed to addressing and dismantling inequities and barriers for infants, children, youth, and families from equity-deserving communities. As the Auditor General acknowledged, capturing identity, race-based, or socioeconomic data, can help the ministry better understand who is accessing services and gain insights into mental health outcomes. **Together, we want to partner with the government to:**

- Advance the sector's [Provincial Health Equity Strategy](#), developed in collaboration by CMHO, the LAC, and the Knowledge Institute;
- Support the collection and use of identity-based data to enable agencies and the Ministry of Health to better understand and measure existing inequities, inform service delivery, and evaluate progress on reducing them; and
- Improve access for Black, Indigenous, 2SLGBTQ+, Francophone, newcomer, and northern communities, with targeted investments and strategies directed to supporting culturally-responsive programs or regional needs to address gaps in services.

A strong equity focus acknowledges the significant influence of the social determinants of health on mental health outcomes for underserved populations. By addressing barriers and service system gaps, we enable access for those who struggle to find treatment that is culturally appropriate, identity-affirming, and responsive to experiences and intersecting needs.

4.3 Complex Needs

Applying a systems-of-care approach is essential to building and improving coordination among systems. For children and youth with complex needs, it is critical to deepen and broaden the integration of supports across sectors, because even with examples of local collaboration, a systemic, province-wide approach does not exist. The Auditor General highlighted improved inter-ministry collaboration to address fragmented services for children and youth with complex needs. **Together, we want to partner with the government and other sectors serving the needs of children and families to:**

- Support cross-sectoral collaboration for children and youth with complex needs; and
- Strengthen coordination between mental health, developmental services, addictions, child welfare, education, and hospitals.

The development of a provincial systems approach that is deliberate, coordinated, and grounded in prioritizing the needs of children, youth and families is required to ensure integrated pathways exist. Without it, too many children and families will continue to experience fragmented services, and everyone's collective efforts will not achieve impact.

Supporting Underserved Communities and Priority Populations is Key

There are partners in the system serving communities and populations that are not receiving new investments.

For example, members and partners funded by the Ministry of Children, Community and Social Services (MCCSS), such as infant and young parent programs and community-based youth justice programs, are not receiving sufficient base funding increases, generally, nor increases in line with what has been received in Ministry of Health-funded programs.

With a sustainable and equitable funding approach for MCCSS-funded programs that support infant and young parent mental health and youth justice agencies, important gains can also be made to advance system of care approaches and address the social determinants of health for Ontario's infants, children, youth, and families.

4.4 Workforce Planning and Stabilization

[Addressing the HHR workforce crisis](#) has been a longstanding priority for CMHO. The Auditor General recognized the significant HHR shortages facing CYMH agencies and the need for a plan with clear timelines to address needs and wage disparities with other sectors. **Together, we want to partner with the government to:**

- Develop and implement a comprehensive HHR Strategy specifically for CYMH, which would facilitate longer-term capacity building;

- Develop strategies to support and improve recruitment and retention in the sector that both attract mental health professionals and prevent turnover into other service systems; and
- Utilize a system of care approach to support planning and ensure funding approaches do not exacerbate disparities and create unintended consequences.

The challenges faced by our sector are significantly attributable to wage disparities with other sectors. The development of a comprehensive HHR Strategy is necessary to achieve the shared goals of best supporting infants, children, youth, and families.

Together, this would make community CYMH a sector of choice, take pressures off other parts of the health and social services system like education and hospitals, and most importantly, maximize the capacity of our sector to serve the young people who rely on us.



4.5 Youth and Family Partnership

Meaningful and collaborative engagement with people who have lived experience of the system provides a significant opportunity to build expertise in system design that meets the needs of infants, children, youth, and families.

Aligned with this principle, and despite the existence of Quality Standards for Youth and Family Engagement, the Auditor General acknowledged gaps in applying these standards in CYMH. By collaborating with those with lived experience, we can ensure that new initiatives and system building are centered on the needs of infants, children, youth, and families. **Together, we want to partner with the government to:**

- Expand The New Mentality (TNM) and Parents for Children's Mental Health (PCMH) programs, managed by CMHO, which support extensive youth (TNM) and parent/caregiver (PCMH) engagement. In addition, PCMH provides extensive support to parents and caregivers through its networks of Caregiver Connection peer support groups across Ontario;



- Maintain and build appropriate support structures through the TNM and PCMH frameworks to ensure effective and ongoing youth and family engagement to inform system improvements; and
- Increase knowledge and awareness about quality standards for youth and family engagement and enable opportunities to improve the application and implementation of recommendations gathered from engagement with those with lived experience.

A commitment from the government to support these programs and signal its clear prioritization of youth and family engagement in our sector's work will help ensure that lived experience supports system design, evaluation, and policy development.

Conclusion

From Stabilization to Sustainability and System Building

Ontario's recent investments in community-based CYMH have been both critically important and welcomed by the sector. They have begun to stabilize a sector under significant strain, enabling early progress toward better coordination and system readiness.

Initiatives such as the Ontario Intensive Treatment Pathway and the implementation of the [Right Time, Right Care report](#) reflect meaningful efforts to improve how services are delivered. This collaboration can enable a more coordinated, responsive system of care that puts the needs of children, youth, and families at the centre.

Persistent wage and compensation disparities continue to undermine workforce retention, limit access to and quality of care, and weaken the impact of both service-level and system-building investments. Without addressing these structural gaps, recent progress remains fragile, and pressures on families and other parts of the broader public system will persist.

This issue is not unique to the community-based CYMH sector. As detailed in the [2026 Pre-Budget Submission](#) from ten community health associations, wage disparity is affecting all parts of the community sector, further compromising the success achieved across the health system.

This submission presents a clear and focused path forward. A targeted, multi-year investment to move toward wage parity is the most effective and measurable action the government can take to protect its existing investments, stabilize the workforce, and sustain access to services. Addressing wage parity directly will address the foundations of workforce instability, support continuity of care, and create the conditions needed for agencies to plan, retain expertise, and meet demand more effectively.

In parallel, the submission outlines practical system-building actions that align with ministry-accepted recommendations and can be advanced through policy and implementation-focused approaches.

Strengthening data and accountability, advancing health equity, improving coordination for children and youth with complex needs, and deepening youth and family partnerships are all achievable priorities that build on current momentum. Together, these actions support better outcomes while maximizing the value of public investment.



CMHO and its members are committed, evidence-informed partners in this work. We are ready to collaborate with the government to implement solutions that protect recent progress and move the system forward in a responsible and sustainable way. Acting now allows Ontario to consolidate gains already made, reduce avoidable pressures across the system, and ensure that infants, children, youth, and families can access timely, high-quality mental health care when and where they need it.

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