

April 2013

The Nonprofit Sector: A Key Partner in Change

Creative, fiscally responsible solutions to create jobs and improve services for people

The Ontario Nonprofit Network's pre-budget submission to the Government of Ontario

Organized in 2007, the Ontario Nonprofit Network (ONN) is a leading nonpartisan convener of sector voices, a host for innovative partnerships, and a catalyst for systemic change – with, by and for Ontario's 46,000+ nonprofit organizations. ONN works across the nonprofit sector and with government and for-profit partners to strategically leverage assets and create solutions for complex problems, thereby strengthening communities across the province.

The nonprofit sector in Ontario is essential for building and sustaining healthy, vibrant and prosperous communities. Public benefit organizations in the sector – from arts and culture, sports and recreation, newcomer settlement, housing, faith groups and many more – reach almost all Ontarians, generating 2.6% of Ontario's GDP (a total of \$50 billion for the broader sector) and making our province a healthy, desirable place to live, work, and raise families.

The work of over five million volunteers and 600,000 employees in the community-based nonprofit sector is oriented towards an inclusive, prosperous province. Increasingly, however, a significant and growing number of Ontarians are being left out of creating and sharing Ontario's prosperity. The widening gap in economic inequality has high economic and social costs for us all.¹ In response, ONN is committed to finding creative approaches to strengthen all of our communities. Building new solutions is foundational to strong partnerships for public benefit in our province.

ONN welcomes the opportunity to submit to the Government of Ontario's 2013 Pre-Budget Consultation process. ONN's recommendations are premised on our mutually shared objectives to leverage community and government resources to achieve better outcomes for Ontarians, and to grow vibrant, resilient economic and social systems that will keep Ontario ahead – not behind – in times of rapid change.

Summary of Recommendations

I – Partner with the Nonprofit Sector to Create Employment and Community Prosperity

The nonprofit sector should be an active partner in discussions and initiatives to strengthen Ontario's socio-economic well-being, specifically in the areas of employment and community prosperity. For example, the nonprofit sector should be a leading partner in developing and implementing innovative youth employment strategies for Ontario.

¹ Mehra, N. *Falling Behind*, a Report of the Ontario Common Front, August 2012

The challenge for Ontario is not just about growing the existing job market by doing more of the same, but how we can change the way we do things to create a more resilient economy with better results for more Ontarians. Nonprofits and the Government of Ontario have a mutual commitment to public benefit, and the nonprofit sector maintains a significant presence across the province as an economic driver and a catalyst to improve social well-being.

As such, the Government of Ontario should work with the nonprofit sector and include its organizations and leaders in discussions, on panels and task forces and other activities where all sectors, including the nonprofit sector, can help to address social and economic issues. As an independent, innovative partner, the nonprofit sector can help leverage existing government and community assets.

While ONN was pleased to submit a brief to the Jobs and Prosperity Council (see attached), we request that in the future, the nonprofit sector is a key stakeholder at the table during economic discussions. Nonprofit voices reflected in the composition of task forces or other advisory bodies can add substantial value, as solutions builders and stewards of community.

II - Support an economic sector that re-invests in Ontario communities

The Government of Ontario should support the further development of a strong and stable nonprofit sector, and thereby enable the thriving local and regional economies nonprofit corporations have historically strengthened. Supporting the corporate foundations of the nonprofit sector is a key aspect of this path to prosperity.

As purchasers, vendors, employers, trainers, artists, athletes, service providers, social entrepreneurs and innovators, nonprofits create wealth. Moreover, they undertake these activities in order to provide public benefit, creating community wealth as well as economic wealth. Nonprofits directly reinvest in communities. They are corporations morally, and legally, committed to Ontario's well-being.

By continuing to support the nonprofit sector's corporate foundations – by ensuring a strong, suitable corporate foundation through the Ontario Not-For-Profit Corporations Act and by continuing to support a Human Capital Renewal Strategy for sector-wide labour force development – the Government of Ontario has a chance to leverage what is working in communities and get ahead in changing times.

III – Collaborate with ONN to advance two strategic priorities

1) Introduce Intangible Properties for Public Benefit

The Government of Ontario should partner with the nonprofit sector to introduce an Ontario Reclaim and Public Benefit Fund to administer a no-cost “made in Ontario” Unclaimed Intangible Property Program (UIPP). Through partnership with the nonprofit sector, the UIPP (proposed in the 2012 Ontario Budget) should include robust actions to reunite owners with their unclaimed assets while directing surplus assets to public benefit organizations working to enhance the well-being of all Ontarians.

Please see the attached brief for details regarding this opportunity.

2) Reframe the Government/Sector Investment Relationship

The Government of Ontario should further develop and prioritize its commitment to funding reform. For example, the Government of Ontario should leverage its Open for Business partnership with the nonprofit sector to undertake substantial activity, in collaboration with its nonprofit partners, to advance the mutual government-sector goals for investment relationship reform that have been outlined through the Open for Business recommendations. Funding Reform remains a key priority of organizations across the nonprofit sector.

Systemic reform across Ministries to streamline, simplify and modernize the funding relationship between the nonprofit sector and the Government of Ontario is essential to service and program delivery in local communities. Please see the attached brief for details regarding this opportunity, which aligns with the recommendations of the Commission on the Reform of Ontario's Public Services regarding the Government of Ontario's increased attention to, and renewed partnership with, the nonprofit sector.