



The Honourable Charles Sousa
Ministry of Finance
7th Floor, Frost Building South
7 Queen's Park Crescent, Toronto, ON M7A 1Y7

Ontario Nonprofit Network 2014 Pre-Budget Submission

Dear Minister Sousa,

The Ontario Nonprofit Network (ONN) is pleased to have the opportunity to present recommendations to transform ways to leverage provincial assets so the nonprofit sector can continue to steward thriving communities in Ontario. These recommendations are based on investing in people, jobs and infrastructure to build a vibrant, resilient province.

The nonprofit sector in Ontario has 46,000+ organizations and makes over \$50 billion in economic impact across the province. The community nonprofit sector, not including MUSH organizations (municipalities, universities, schools and hospitals), employs 600,000 workers and represents 2.6% of Ontario's GDP. Please find attached an infographic with more community nonprofit sector statistics.

The impact of nonprofit organizations on the lives of Ontarians and their interconnectedness with government and business activity mean that it is in the interest of all Ontarians to have a healthy, efficient and sustainable nonprofit sector.

The nonprofit sector brings its experience and knowledge of working directly with communities to policy development, using inventive ways to get things done. As Premier Kathleen Wynne said in her keynote address at ONN Conference 2013, *"Some of the most compelling insights we got from the (Jobs) Roundtables were from the nonprofit sector."*

Ontario's nonprofit sector is committed to strengthening the people, jobs and infrastructure of our province. Our eight recommendations presented here would support and strengthen communities in both urban and rural areas, through innovative and results-based initiatives with the nonprofit sector. Most of our recommendations are cost-neutral, fitting within the existing provincial fiscal framework. We look forward to continue working with the Government of Ontario to grow community wealth for our province.

Sincerely,

Cathy Taylor
Executive Director, Ontario Nonprofit Network

As a 7,000-strong provincial network of nonprofits, with a volunteer base of 300 sector leaders, the Ontario Nonprofit Network brings the diverse voices of nonprofits to government, funders and the business sector to create and influence systemic change.

Ontario's Nonprofit Sector

"This role that you play in Ontario and in society is so critical and is not necessarily as well understood as it should be, the role that you play collectively."

Premier Kathleen Wynne, ONN Conference 2013

"(Ontario's not-for-profit sector) is everywhere. It reaches into every corner of our province, touching people of every age and involving communities from all backgrounds."

The Honourable Eric Hoskins and Helen Burstyn
Co-Chairs, The Partnership Project

"Ontario is committed to helping not-for-profit organizations operate more efficiently and effectively. Together we are helping Ontarians reach a higher quality of life."

The Honourable Charles Sousa
then Minister of Citizenship and Immigration,
ONN Conference 2012

ONN Recommendations for Ontario's 2014 Budget

- 1. Create a Nonprofit Sector Youth Internship Program**
- 2. Restructure the Relationship between Government and the Nonprofit Sector through an All-of-Government Council**
- 3. Make Surplus Public Schools Available for Sale to Community Nonprofits Before Going on the Open Market**
- 4. Develop an Ontario-made Unclaimed Property Program**
- 5. Reinstate Ontario Trillium Foundation Budget and Explore the Expansion of a Province-wide Youth Opportunities Fund**
- 6. Reallocate Funding in Ontario's Social Enterprise Strategy to Support Intermediary Organizations**
- 7. Develop a Government Social Procurement Action Plan**
- 8. Standardize the Transfer Payment Administration Process for Nonprofits across Government**

1. Investing in Jobs: Create a Nonprofit Sector Youth Internship Program

As Premier Wynne noted at ONN's 2013 Conference, "(The nonprofit) sector employs more than 600,000 people and generates \$20 in donations and volunteer resources for every \$10 dollar invested by government."

A provincial internship program would create meaningful employment opportunities through paid internships of six months or more for youth with post-graduate credentials at community nonprofit organizations. It would build the job skills of participants while they make a significant contribution to the organization and communities they serve.

This opportunity would help address the high provincial unemployment rates of these youth by providing on-the-job training and work experience in a critical sector of the Ontario economy. It would increase labour market experience for youth, while supporting the nonprofit sector's capacity to fulfill its community-building missions and strengthening the sector's labour force by increasing employee diversity. By providing meaningful work experience, these positions would set the stage for interns to potentially move into paid employment following their internships at their placement organizations, in other nonprofits, or possibly in the private or public sectors.

Sponsor organizations would demonstrate their commitment by covering administrative and related overhead costs.

Paid internships would foster stronger collaboration between the nonprofit sector, academic and training institutions and community workforce development agencies in the process to recruit and place interns.

Investment: \$7.5 million. With an investment of \$7.5 million, 300 interns could join the workforce each year, with the potential for post-internship employment. The source of these funds could be through the Youth Employment Fund- Youth Skills Connection. A more detailed program outline is available upon request.

2. Investing in Infrastructure: Restructure the Relationship between Government and the Nonprofit Sector through an All-of-Government Council

To deepen and expand the current relationship between the community nonprofit sector and the Ontario Government, ONN recommends that an integrated, senior level All-of-Government Sector Council be created. This Council's mandate would be to share responsibility for the nonprofit-government relationship through discussing pan-provincial policies and priorities, and their implementation.

Community nonprofit organizations have relationships with almost every Ministry in the province as they undertake their missions. However, there is no venue within government or the nonprofit sector to integrate these separate relationships into an approach that crosses ministries and all-of-government.

While sector leaders currently meet with Ministry of Citizenship & Immigration officials through the [Partnership Forum](#)*, a high-level Council would identify and foster transformative change to allow all of government and the sector to work together more efficiently and effectively. It would create a platform to enable a joint agenda on public policy priorities and to foster collaborative policy development and program design efforts to improve results for citizens and communities.

Investment: Cost neutral. Existing funds currently allocated to the Partnership Forum could be redirected to the development and sustainability of this Council.

Source

**Partnership Forum: http://www.citizenship.gov.on.ca/english/pp/partnership_forum.shtml*

3. Investing in Infrastructure: Make Surplus Public Schools Available for Sale to Community Nonprofits Before Going on the Open Market

Property purchased and owned by the people of Ontario for the public good- including government or school board property or property of not-for-profit corporations- should remain in the public domain wherever possible. As schools are community-friendly buildings located near residents and users, their properties are ideally suited to local nonprofit organizations.

ONN recommends that all local school boards be required to list their available properties for sale on a registry accessible to community nonprofits prior to being placed on the open market. At no added cost, this would be an investment in the infrastructure and communities of Ontario.

A provincial government system already exists to allow public benefit entities including community nonprofit organizations to purchase surplus government properties at market rates prior to public sale. In 2013, as a direct result of an Open for Business initiative for the community nonprofit sector, the Ontario Nonprofit Network, in partnership with the Ministry of Infrastructure and Infrastructure Ontario, created the [Nonprofit Registry for Public Benefit Lands](#)*. This mechanism and process, working with the Ministry of Education, could easily be used to include surplus school board properties for sale to community nonprofits.

Investment: Cost neutral.

Source

**ONN Nonprofit Registry for Public Benefit Lands: <http://www.theonn.ca/open-for-business-ontario/government-lands-registry/>*

4. Investing in Infrastructure: Develop an Ontario-made Unclaimed Property Program

Unclaimed property in Ontario provides a unique opportunity to benefit the people of Ontario and its communities. Unclaimed intangible property generally includes but is not limited to insurance policies, returned stocks and bonds, bank deposits, unpaid wages, and pension benefits.* These are funds which are unable to be united with their owners even after best efforts are made and remain unclaimed on the financial books of companies and governments, often losing value over time through service charges and fees.

These assets could be effectively dedicated to the public good by investing them in services and programs for Ontarians and their communities at no cost to government. ONN believes that individuals who cannot be reunited with their property would want those funds to be invested in local communities for the benefit of citizens.

A mandatory unclaimed property program would require holders of unclaimed assets to remit property to an administrator. The administrator would engage in a comprehensive reunification process. Remaining unclaimed funds could be earmarked and used to bolster government programs and for direct investment in local nonprofit organizations to support the development of jobs and community wealth.

The unclaimed property programs operated by the governments of British Columbia and Alberta could be used as successful models to develop a mandatory program that reflects Ontario's reality and visibly contributes to communities through nonprofits. ONN would work with government to build and design an unclaimed property program that would have broad support from the people of Ontario.

Investment: Cost neutral. This recommendation would require legislative and regulatory initiatives, and partnership between government and the nonprofit sector to establish and implement the program.

Source

**2012 Ontario Budget, "Strong Action for Ontario", page 94.*

5. Investing in People and Infrastructure: Reinstate Ontario Trillium Foundation Budget and Explore the Expansion of a Province-wide Youth Opportunities Fund

The Ontario Trillium Foundation (OTF) is a major investor in Ontario's nonprofit and charitable sector and is essential to the viability of this sector through its province-wide and community grants. OTF's funds are delivered through an effective pan-provincial infrastructure.

In 2013, OTF's annual allocation was decreased by \$5 million and this amount was reallocated to support the Youth Opportunities Fund for the Greater Toronto Area (GTA).

However, OTF reports that for the past four years less than 50% of eligible applicants were funded, including 2012-2013 when only 1,303 grantees out of 3,054 grant applicants were able to receive funding.* This clearly demonstrates there is a higher demand for community support and investment than is being met, often resulting in missed opportunities to develop social infrastructure and jobs in local communities.

As well, there is currently no allocation for cost of living increases in OTF's overall budget. ONN recommends that the 2013 reduction of \$5 million be reinstated, and that, if possible, annual Cost of Living Adjustments be provided for OTF's budget.

Given the employment challenges facing youth across the province, ONN believes that all of OTF's programs should be available in all parts of the province. ONN recommends the Ontario Government explore broadening the reach of the Youth Opportunities Fund to include all communities in the province, including rural areas. This would increase the impact of government investment and infrastructure already in place.

Investment: \$5 million to reinstate OTF's annual allocation to \$120 million. Explore the continued investment in the Youth Opportunities Fund and its expansion province-wide.

Source

**Ontario Trillium Foundation, January 2014*

6. Investing in Infrastructure: Reallocate Funding in Ontario's Social Enterprise Strategy to Support Intermediary Organizations

To provide true public benefit, social enterprise strategies need to be rooted in communities. Nonprofits are key players in social enterprise, with extensive experience building and supporting the social economy. In Ontario, there are nonprofit intermediary organizations and networks which operate across the province to help other nonprofits start and grow social enterprises. These include for example the Rural Social Enterprise Constellation, The Centre for Innovative Social Enterprise Development, Community Opportunity and Innovation Network, Centre for Social Innovation, PARO Centre for Women's Enterprise and Toronto Enterprise Fund.

These nonprofit intermediaries provide information, skills development, connections to social enterprise investment funds and other resources, and more. They are vital to the development of social enterprise in Ontario because they have business expertise, local knowledge and the necessary context to help individual social enterprises succeed.

We are pleased to see a commitment to support social enterprise development as part of the Government's plan, [Impact: A Social Enterprise Strategy for Ontario](#)*.

To ensure the Strategy creates an enabling environment for social enterprise to thrive over the long term, ONN recommends that a meaningful portion of committed funding in the strategy be invested in existing intermediaries across the province. This would specifically strengthen Pillar 4 of the Strategy “Delivering service, support and solutions”*, among other pillars. After the initial investment, these funds could become a dedicated investment to support and service future social enterprise intermediaries, to help position Ontario as a global leader in this sector.

Investment: Cost neutral. This recommendation would require a commitment to reallocate existing committed funds within Ontario’s Social Enterprise Strategy.

Source

**Impact: A Social Enterprise Strategy for Ontario, page 4:* <http://www.ontario.ca/business-and-economy/impact-social-enterprise-agenda-ontario>

7. Investing in Jobs and Infrastructure: Develop a Government Social Procurement Action Plan

The Government of Ontario has significant purchasing power. Procurement decisions, wherever possible, should provide a direct social benefit to Ontarians and their communities. Nonprofits are primary players in developing social enterprise in Ontario.

Targeted social procurement, and the establishment of community benefit criteria for government purchasing could significantly grow economic and wealth creation opportunities for nonprofit social enterprises. This would build upon the Government’s current efforts through the Ministry of Government Services to analyze and replicate procurement best processes and policies from other jurisdictions, such as the Scottish Government’s leading work on public procurement reform.*

By developing a province-wide procurement strategy with criteria that supports nonprofit social enterprises and communities, the provincial government would be able to redirect its spending to further invest in jobs and people. A strong example is the pilot program of the 2015 Pan/Parapan American Games to help social enterprises be part of Games procurement. ONN recommends that a social procurement action plan using the Pan/Parapan Games model be incorporated into provincial infrastructure and capital projects throughout the province. The opportunity could generate millions of dollars for nonprofit social enterprises and thousands of jobs and/or training opportunities in local communities, including youth and vulnerable workers.

A social procurement strategy must be community-driven, and ONN recommends drawing on the resources from community experts in the province’s social economy who could provide leadership, guidance and province-wide linkages to help establish the plan.

Investment: Cost neutral.

Source

**[The Public Procurement Reform Programme, Government of Scotland:](http://www.scotland.gov.uk/Topics/Government/Procurement/about/Review)*
<http://www.scotland.gov.uk/Topics/Government/Procurement/about/Review>

8. Investing in Infrastructure: Standardize the Transfer Payment Administration Process for Nonprofits across Government

Nonprofits are the backbone of resilient and vibrant communities in Ontario- independent, innovative and resourceful organizations. To maximize their efficiency and effectiveness in the delivery of publicly-funded programs and services, the Government of Ontario has an opportunity to modernize the transfer payment administrative process.

As a significant policy and financial priority, the Ontario Government must streamline its current approaches to achieve cost savings by mandating standard contracts with minimal schedules and appendices, and by using “global (flex) budgeting” to simplify budget management for both government and nonprofit organizations.

Through these changes, the government would be able to reduce internal operating expenses to monitor and maintain complicated and often burdensome administrative processes to conduct transfer payments. This all-of-government approach should be developed in partnership with the community nonprofit sector to create processes for maximum operational efficiency and effectiveness.

Investment: No added cost and potential for reduced internal operating expenditures over the short to medium term.

ONTARIO NONPROFIT SECTOR

Creating Vibrant Communities



Engaging Ontarians



People Working in the Sector

Almost 1 Million Ontarians are employed in the sector.

Employees in Ontario organizations

Full-time **530,615**

Part-time **428,063**

Volunteers in the Sector

Ontario enjoys the largest volunteer population in Canada.

Volunteers in Ontario

5,000,000

The number of volunteers in Ontario is close to the total population of the province's **5 largest municipalities**



6 Out Of 10 Ontarians Volunteer

Ontario ranks third in the percent of the regional population who volunteer.

Percent of population who volunteer in region in Canada



Manitoba, Saskatchewan, Territories



Alberta



Ontario

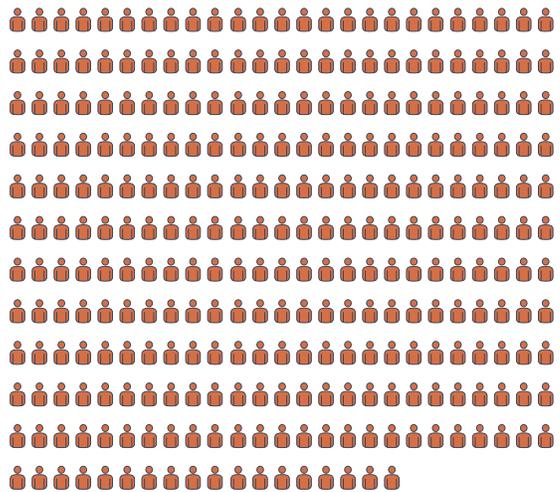
People Served by the Sector

More than a quarter of all sector organizations in Canada are in Ontario.

Nonprofit and voluntary organizations in Ontario

46,000

1 Organization FOR EVERY **293** People in Ontario



Volunteer Contribution

Ontario volunteers contribute their time to the sector.

Total hours provided by volunteers in Ontario in 2007

811 Million

The total volunteer hours is equivalent to **422,000 full-time jobs** (assuming 40 work hours/week, 48 weeks/year)



 = 100,000 jobs

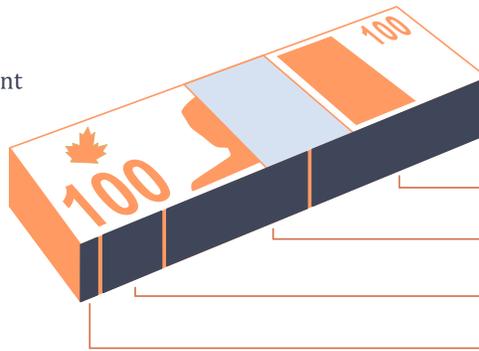


Generating Revenue



Top Revenue Sources

Ontario organizations rely heavily on government and earned income for revenue generation.



Percentage of Provincial Revenue Coming From Each Source

Government **45%**

Earned Income **36%**

Gifts & Donations **15%**

Other Income **4%**



Contributing To Economic Wellbeing



Contributing More Than Auto Manufacturing and Retail Industries

The Canadian nonprofit sector contributes more to the Gross Domestic Product (GDP) than other key industries. The GDP is the value of all goods and services produced in Canada.

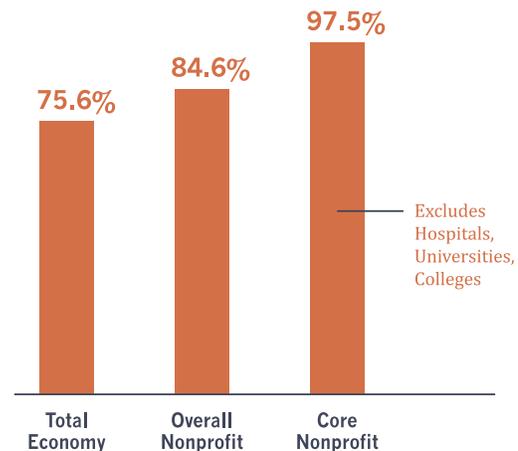
Gross Domestic Product (GDP), 2006
\$ Millions



Growing More Than The Economy

The economic activity in the nonprofit sector outpaces that of the total Canadian economy.

Cumulative GDP Growth, 1997 to 2007
% change



Sources: Satellite Account of Non-profit Institutions & Volunteering, 2007 (2009), Statistics Canada | The Nonprofit & Voluntary Sector in Ontario - Regional Highlights of the National Survey of NonProfit and Voluntary Organizations (2006). Katherine Scott, Spyridoula Tsoukalas, Paul Roberts, David Lasby | Cornerstone of Community: Highlights of the National Survey of NonProfit & Voluntary Organizations (2003), Statistics Canada | 2007 Canada Survey of Giving, Volunteering, and Participating - Giving & Volunteering in Ontario (2010). Lindsay Vodarek, David Lasby, Brynn Clarke | Canada Council of Social Development

A partnership between Ontario Nonprofit Network (theonnc.ca) and KAP Design (kapdesign.ca)