ONTARIO NONPROFIT NETWORK

January 21, 2022

Michael Bushara, Committee Clerk
Standing Committee on Finance and Economic Affairs
By email: comm-financeaffairs@ola.org
RE: ONN's speaking notes for pre-budget consultation hearings

Remarks

Good afternoon, Mr. Chair and committee members. My name is Cathy Taylor. I am the Executive Director of the Ontario Nonprofit Network, or ONN.

I've been working from my home in the Town of Erin, Ontario which is located on Treaty 19, part of the Treaty lands and Territory of the Mississaugas of the Credit. I'm joined by Pamela Uppal, ONN's director of policy.

ONN is the network for the 58,000 nonprofits and charities in Ontario. We engage our network of diverse nonprofit organizations across Ontario to bring their voices to government and other stakeholders.

All of you know how vital nonprofits are to our communities. Many of you have been involved in our sector through volunteering, so you know that communities could not function without the supportive web of nonprofits that contribute to our quality of life. This has never been more true - nonprofits continue to step up in this pandemic, and have been the glue that is keeping communities together.

However, this may not be the case for much longer.

Ontario's nonprofit sector is in crisis. The two-year long COVID-19 pandemic has taken its toll. Nonprofits are facing disruptions, financial hardship, and staffing crises while demand for services increases, and revenues decrease. We are hearing from our network that the seesaw impact of closures and reopening may mean closing down for good. Staff are burnt out, it's difficult to retain workers and volunteers, and we are all worried about how to continue critical community services and programs.

Ontarians need a robust nonprofit sector now more than ever. This is especially true as we enter a decade of significant social, economic, environmental, and technological changes. Business as usual will not work.

To continue this vital role, the sector requires investment and strategic partnership with the Ontario government.

We would like to offer five recommendations for your government to consider for Budget 2022.

Our first recommendation is to provide stabilization funding for nonprofits to weather the omicron wave and rebuild for future emergencies.

ONN has spent the last two years bringing these challenges to the attention of the Ontario government but we have seen little concrete measures to address them. There has been no overall strategy, no plan, and no stabilization support for Ontario's nonprofits. We are asking for an immediate end to the fragmented and inadequate provincial response to the crisis in the sector.

Nonprofits forced to close again during this wave must continue to pay their rent/mortgage, maintain their properties, and pay insurance premiums and utility bills. Yet their ways to earn revenue have been cut off- the majority of arts, culture, sport, and recreation organizations earn most of their revenue from ticket sales, registration fees and fundraisers. As they attempt to reopen, many have already incurred costs from return-to-play, rehearsals, marketing, and staff and volunteer recruitment.

Nonprofits that have remained open as essential services lack personal protective equipment, HEPA filters, and appropriate technology. Costs are rising with both inflation and the increased demand for services. Some of these nonprofits deliver services on behalf of the Ontario government and few have seen their provincial funding rise in line with increased costs. This has been going on for over 10 years.

Stabilization funding will support nonprofits now so they can rebuild and continue to enrich our quality of life.

Our second recommendation is to support solutions for the staff and volunteer crisis in the sector.

We know many industries are experiencing HR challenges, but it's at a breaking point in the nonprofit sector which will significantly impact Ontarians. The crisis is being driven by increased demands for programs and services, which has led to overwhelming burden for staff, compounded by a stark drop in volunteers. Many of the sector's workers are leaving, seeking more financial stability and less stressful opportunities in other sectors.

For solutions, we recommend repealing Bill 124 to enable nonprofits to remain competitive in hiring talent, making transfer payment funding longer-term, flexible and reflective of the costs of doing business, and legislating permanent paid sick days.

Our third recommendation is to invest in nonprofit-driven care services for long-term and sustainable recovery.

Care services are the supports that allow Ontarians, especially women, to work, grow, and thrive. Investments in care services fuels strong families and communities, just like investments in transportation, roads, bridges, the electrical grid, and public health. Strategic investments will improve care quality, provide good jobs, and expand availability for services. The pandemic has unequivocally highlighted that care services are essential to Ontarians and the province's economy.

We recommend removing the profit motive from care services, starting with long-term care and ensuring federal child care dollars support a public- and nonprofit-driven expansion of child care services.

Our fourth recommendation is to introduce a social enterprise strategy and commit to community benefit agreements in infrastructure and development projects.

Social enterprises and co-operatives enable people with barriers to participate in the economy by providing them with good jobs that also make communities healthier and stronger. But like many businesses, these enterprises - caterers and couriers, charity shops and bike repair workshops, and PSW co-ops - have faced significant disruption and financial challenges during the pandemic.

Working with the co-operative sector, we propose that the Ontario government create a fund to support local community benefits networks and social enterprise developers, eliminate regulatory barriers to Community Investment Organizations, introduce a provincial social procurement and community benefits policy, and ensure that nonprofit and co-operative enterprises are eligible for all business investment and marketing supports currently provided to small businesses.

Our last recommendation is to create a "home in government" for the nonprofit sector that can streamline and coordinate the sector-government relationship across ministries. This could take the form of an Associate Minister for the Nonprofit Sector and accompanying Office, for example.

Throughout the pandemic and before, thousands of nonprofits have connected individually to a range of provincial ministries, from Government and Consumer Services, Seniors and Accessibility, to Labour, as well as line ministries that fund nonprofits in the arts, sports, health care, employment/training, and social service areas. This fragmented approach lacks responsive and direct lines of communication with government and creates great risk for the nonprofit sector's ability to continue to support communities.

A home in government for nonprofits would create efficiencies and improve the government's effectiveness at tackling cross-sectoral policy issues. A cross-ministry focus would help to advance the agenda on transfer payment modernization, digital services, workforce development and pandemic recovery and crisis resilience.

Now is the time for a rapid and robust financial response to the crisis experienced in Ontario’s nonprofit sector. And once the crisis is tackled, it will be time to develop long-term investments and public policy that recognize the central role nonprofits play locally and across regions in a sustainable and equitable economy and a more inclusive society.

ONN remains committed to working with the government toward ensuring that communities can thrive and prosper beyond this pandemic.

Thank you for your time.