

ONN Policy Priorities

Updated as of April 12, 2016

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Putting the systems in place to support an integrated and thriving nonprofit sector in Ontario

1. Our People:

Building up the Ontario nonprofit sector's greatest asset

[Labour Force Strategy](#)

Ontario's nonprofit sector stands to benefit from coordinated labour force planning. How can we work within and across organizations and sub-sectors to address critical issues affecting our sector's labour force, such as leadership and skills development, diversity and inclusion, recruitment and retention, and succession planning for the future of the sector? There is a strong opportunity to position the sector as a "sector of choice" for good careers, on top of good volunteer opportunities.

Vision:

The nonprofit sector has a labour force that is diverse, resilient, inclusive, and well supported through fair compensation, benefits, working conditions, and mentorship. Our leaders work together across sectors to continually anticipate and plan for nonprofit labour force needs. Our volunteers are well supported and play effective roles in helping our sector meet its missions.

Next Steps:

- Monitor and contribute to collaborative and sustainable labour force development efforts across the sector
- Collect labour market information to create benchmarks

Policy link: *decent work, data strategy, pensions, funding reform, evaluation, police record checks, social procurement*

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Decent Work

There are many issues that affect the sector's one million employees provincially: employment stability; low levels of pension plan and benefits coverage; high rates of part-time and contract employment; underinvestment in training and development; and poor work/life balance for workers. [There is a need to improve working conditions](#) for all— in the nonprofit sector and beyond.

The decent work movement presents an opportunity for the sector to act as a champion of working conditions and social policies that not only ensure dignified and supportive work environments for employees, but also support the overall health and effectiveness of the nonprofit sector.

Vision:

The nonprofit, private and public sectors are champions of decent work. In the nonprofit sector, decent work practices help to strengthen sector and support the labour force by shaping better jobs, as well as combining stable contracts, better benefits and greater opportunities for employees to pursue community-building passions. Nonprofit employees, boards, partners and funders are actively engaged in creating, sustaining and championing a decent work practices.

Next Steps:

- Champion a decent work agenda for our sector, focusing on:
 - Employment opportunities
 - Fair income
 - Health and retirement benefits
 - Stable employment
 - Opportunities for development and advancement
 - Equality and rights at work
 - Culture and leadership
- Profile and share existing and emerging promising practices
- Identify the supports needed to expand these approaches

- Continue efforts to achieve the funding reform agenda and other policy changes that would assist organizations to better realize their decent work aspirations

Policy link: *labour force strategy, pensions, funding reform, evaluation, data strategy, police record checks, social procurement*

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Pensions

The lack of pension plans throughout most of the sector is a key piece of its retention challenge, and there remains a critical need to ensure a decent retirement income for employees by introducing a nonprofit sector-wide pension plan. The introduction of the Ontario Retirement Pension Plan (ORPP) in 2017 will have profound implications for the sector. There is a need to both ensure that the ORPP is implemented appropriately and improve pension literacy within Ontario's nonprofit sector.

Vision:

Nonprofit employers in Ontario are supported in recruiting and retaining the best and brightest by having access to a sector-wide pension plan which is affordable, cost-efficient, and simple to administer. Sector employees look forward to a secure, proportionate retirement income regardless of their job tenure. Older sector workers are provided with transitional programs to support their retirement income security while pension reforms roll out. Both employers and employees in the sector have a high degree of pensions literacy. Governments and other funders accept their obligation to fund ORPP employer premiums as part of good funding practice.

Next Steps:

- Support a nonprofit pensions task force that will provide recommendations on ORPP implementation in the nonprofit sector and on a design for a sector-wide pension plan by October 2016

Policy link: *decent work, labour force strategy, funding reform, data strategy*

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Police Record Checks

There is variation across Ontario in the process and rules governing police record checks. Some police services charge fees for volunteer checks while others do not and some services take many weeks to process requests. Furthermore, as employers and

stewards of volunteers, nonprofits currently have to interpret sensitive information in police record checks instead of receiving a straightforward “pass/fail” report for candidates.

Vision:

Nonprofit organizations in Ontario have timely and affordable access to appropriate information from police record checks that helps them manage risks to their employees, volunteers and clients, particularly those from vulnerable groups.

Next Steps:

- Work with partners during the introduction of the pending regulations under the *Police Record Checks Reform Act* during 2016
- Advocate for centralized screening for vulnerable sector checks
- Participate in collaborative efforts to promote good screening practices among nonprofits as employers and stewards of volunteers

Policy link: labour force strategy, decent work

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2. Our Financing:

Improving the way Ontario’s nonprofit sector spends, saves, and is resourced

Funding Reform/Transfer Payment Modernization

Funding agreements (called Transfer Payment Agreements) with the Ontario Government take up a significant amount of nonprofits’ administrative capacity, especially when it comes to financial accountability and budget constraints. There is a need to simplify and streamline application processes, agreements, and reporting requirements.

Vision:

The funding relationship between the Ontario Government and the nonprofit sector is characterized by a shared commitment to transparency, continuous improvement of administrative processes, a spirit of partnership, and a focus on outcomes for communities. See our [Vision Document](#) for a detailed overview of proposed changes.

Next Steps:

- Bridge the gap between the nonprofit sector and government, and identify challenges and solutions via the [Joint Funding Reform Forum](#) (2015-2016)
- Work closely with the Transfer Payment Administrative Modernization (TPAM) Office in Treasury Board Secretariat to pilot test and scale up streamlined and efficient funding practices across provincial ministries, starting with the Human Services Demonstration Projects (2016-17)
- Work with TPAM to hold focus groups in 2016 on improving the user experience of Grants Ontario
- Highlight connections between funding reform and related policy files (e.g., decent work, pensions, program review, community hubs)

Policy link: labour force strategy, decent work, data strategy, access to capital financing (loans), pensions, community hubs, evaluation, social impact bonds (SIBs)

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[Social Procurement \(including Community Benefit Agreements\)](#)

Organizations can buy with social value in mind at any scale, but the greatest opportunities for the nonprofit sector come with infrastructure investments. Major government infrastructure contracts (e.g., for the construction of transit and highways) and urban developments could include spin-off benefits that support employment opportunities for marginalized communities, procurement opportunities for social enterprises, affordable housing, and other community initiatives. Social procurement can help public benefit organizations put their purchasing dollars to work not just once, but twice by supporting social enterprise and other community benefits, at no extra cost.

Vision:

Nonprofits engage in purchasing that supports positive social and environmental outcomes for Ontario's communities. Social procurement is a standard practice among government, for-profit and nonprofit groups alike. Local nonprofits in Ontario communities work together and with other sectors to identify, advocate for, and see the realization of community benefits linked to large-scale infrastructure and development projects.

Next Steps:

- [Advocate for the mechanisms to promote community benefit agreements \(CBAs\)](#) in legislation ([Infrastructure for Jobs and Prosperity Act](#)) and regulations
- Work with a broad coalition of partners to develop and promote a cross-government policy framework on community benefits

- Alert the nonprofit sector about potential infrastructure/ development opportunities
- [Promote a social procurement strategy for Ontario](#)

Policy Link: *social enterprise, decent work, labour force strategy*

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[Access to Capital Financing \(Loans\)](#)

Nonprofits often struggle to access financing for capital projects. Lenders are reluctant to lend to nonprofits with few assets or uncertain or modest revenue streams and are hesitant about business models they often don't understand or appreciate. In order to support repurposing or developing public infrastructure, the nonprofit sector needs access to long-term and accessible capital financing.

Vision:

A broad range of nonprofits are eligible and supported to access loan programs tailored to public benefit organizations. Through the use of long-term and patient loans (i.e., long-term investments without the expectation of quick profit or returns) nonprofits are able to acquire and maintain assets (including land and buildings) to support public benefit work. These assets allow the flexibility and independence needed for proactive work and the ability to be nimble in responding to changing community needs.

Next Steps:

- Create a research paper which outlines opportunities and considerations for nonprofit access to capital financing, including through the [Infrastructure Ontario Loans Program](#)

Policy Link: *community hubs, funding reform, access to surplus public lands*

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[Access to Surplus Public Lands](#)

Public lands (land and buildings owned by the government) are often sold to the highest bidder without concern and consideration for the value they hold for local communities. There is a need for a more deliberate approach to assess the value of public lands and engage communities on potential uses that serve the public benefit before they go on the market.

Vision:

Public lands and the assets on them (e.g., buildings) are first accessible by the nonprofit sector for public use and benefit, today and in the long term. Land use is supported by strong partnership among governments, nonprofits, and local residents to ensure public assets remain in the public realm.

Next Steps:

- Promote the mandatory inclusion of Broader Public Sector lands (including surplus school lands) in the existing [Nonprofit Lands Registry](#). With this, qualified nonprofits may have the opportunity to purchase surplus public lands in advance of their availability on the open market.

Policy Link: community hubs, access to capital financing

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Social Enterprise - A Supportive Environment

The nonprofit sector is a \$50 billion economic driver which employs a million people who are responsible for sustaining the social infrastructure of Ontario. However, nonprofits and charities are constrained in their efforts to generate earned income, even as governments encourage the sector to increase its self-sufficiency. Over 80 percent of social enterprises are operated by nonprofits and, yet, most of the current policy development around social enterprise is focused on the growth of the for-profit social enterprise sector.

Vision:

Social enterprise is accepted as a viable business model that can contribute to nonprofit sustainability, providing earned income to support public benefit activities and offering the foundation for a more equitable economy and labour market. The nonprofit and charitable sector has an enabling legislative and regulatory framework that clearly permits revenue generation activities by nonprofits which they can reinvest to support public benefit work.

Next Steps:

- Monitor developments and actively participate in discussion or development of legislative initiatives such as the *Canada Not-for-Profit Corporations Act*, *Ontario Not-for-profit Corporations Act*, and the Canada Revenue Agency's (CRA)

Non-Profit Risk Identification Project and hybrid legislation should it proceed in Ontario.

- Advocate for changes to the *Income Tax Act* and CRA's interpretation of the Act to create a "public benefit" designation for nonprofit organizations with a public benefit mission and allow them to earn non-taxable revenues
- Disseminate our [Policy Blueprint for Strengthening Social Enterprise in the Province of Ontario](#) (2014), our [submission to the Ontario Ministry of Economic Development, Employment and Infrastructure](#) (2015), our federal [submission on hybrid legislation](#) (2014), and our requested changes to the *Ontario Non-for-profit Corporations Act*

Policy Link: *Ontario Not-for-Profit Corporations Act (ONCA), social procurement, social impact bonds (SIBs)*

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Social Impact Bonds (SIBs)

Various governments, including the Government of Ontario, are experimenting with SIBs because proponents of this funding mechanism have argued that investors can finance programs that pay for themselves thereby reducing demand for government services. As the concept is piloted in Ontario, we are proposing some key terms and conditions we believe are required for SIB success in the short term. We also raise some longer-term questions about the role of SIBs.

In the short term, implementation of SIBs must include the nonprofit delivery organization in addition to the financier in the SIB program development and evaluation design. It must also ensure full cost recovery for the nonprofit in scaling up and winding down if necessary. And the nonprofit must share in the profits with the investor so that the funds become available for future program innovation. In addition, participants in programs need to be treated with respect and good faith. They cannot be harmed by their participation in a SIB program, left without needed supports, or displace others waiting for service when the SIB ends.

Vision:

Social impact bonds (SIBs) are rigorously evaluated and their eventual design enhances and contributes to cost-effective, sustainable programs that provide long-term benefits to participants and local communities, while strengthening the capacity of the nonprofit sector to design additional innovations in service delivery.

Next Steps:

- Monitor the piloting of SIBs in Ontario.
- Seek a government-nonprofit sector reference group that would evaluate the costs and benefits of SIBs in advance of their widespread promotion.

Policy Link: social enterprise, funding reform, evaluation

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3. Our Structures & Governance:

Ensuring the Ontario nonprofit sector's structures and governing frameworks support our work

Shared Platforms

Typically, if a community group wanted to begin a new program it would incorporate a new nonprofit or charity. This results in many small organizations overwhelmed by administrative and governance functions, diverting time and energy away from program development and service delivery. Shared platforms allow existing nonprofit and charitable organizations to adopt emerging programs and provide them with governance, financial management and other supports. Funders are then freer to invest in these new programs with the assurance of sound oversight and governance.

Vision:

The shared platform model allows emergent projects to focus on their community work by eliminating the immediate need to incorporate and, for charitable projects, obtain a charitable registration. It is an efficient sharing of capacity, nurturing of emergent leadership and allows innovative projects to achieve extraordinary impacts in communities across Canada.

Next Steps:

- Share and promote our *Shared Platform Guidebook*
- Advocate for federal regulatory changes that would eliminate barriers to the use of shared platforms in the sector

Policy Link: CRA regulatory reform (federal)

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Ontario Not-for-Profit Corporations Act (ONCA)

The Government of Ontario passed legislation that governs nonprofits in 2010. It is now 2016 and the law has not yet been proclaimed. The current *Ontario Corporations Act* has not been updated for 60 years and organizations struggle to operate under legislation that is seriously out of date. A second piece of legislation related to the technical service delivery of the Act needs to be introduced and approved by the Legislature before the 2010 Act can be proclaimed.

Vision:

The nonprofit and charitable sector has an enabling corporate legal framework that is designed to meet the needs of the sector and is regularly updated to meet changes in technology and practice.

Next Steps:

- Press the Ontario Government to introduce, pass, and proclaim an ONCA technical amendments bill (former version [Bill 85](#), died on the order paper)
- Ensure the amendments needed to improve the ONCA as an enabling legal framework for nonprofit corporations are included in the ONCA enabling bill.
- Support the Ontario Government in establishing a modern and efficient nonprofit registry that can also be used for data collection purposes
- Ensure there is adequate transitional support for the nonprofit sector once ONCA has been proclaimed, through the re-establishment of the Implementation Steering Committee and an educational and support program.

Policy Link: social enterprise

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Community Hubs

A community hub is a critical piece of community infrastructure that connects people and services while supporting dynamic and responsive programming. The Province has initiated a Community Hubs strategy to support service integration in Ontario's communities. Far from being a new idea, community hubs have a long history in this province (operated by settlement organizations, public libraries, recreation and health centres, and many others) and have enjoyed great support from the public wherever they have existed.

While some hub initiatives have been provincial initiatives (focused on young children), the majority of community hubs to date have been driven by local community groups, at times with municipal assistance. While communities have benefited from these local

hub initiatives, it is unclear whether attempts to scale up or adapt these models have been successful. These experiences highlight the need for provincial support and leadership.

Vision:

The overall direction of a community hub is determined by the community it is created to serve. Each hub's purpose and design is not imposed top down, but instead emerges from the needs and priorities identified by local communities and remain adaptable and sustainable over time.

Next Steps:

- Work with the nonprofit sector and the Provincial Community Hubs Secretariat to support the implementation of the Community Hubs Strategy in a way that meets the needs of communities, supports existing community hubs and facilitates the development of new community hubs
- Promote the Transfer Payment Administrative Modernization initiative as a forum for testing new funding practices that would support service integration while reducing the administrative burden for nonprofit service providers

Policy Link: access to capital financing, access to surplus public lands, funding reform

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4. Our Systems:

Putting the systems in place to support an integrated and thriving nonprofit sector in Ontario

Evaluation

Nonprofits often engage in evaluation under pressure from funders and may not make time to think about how they could use evaluation to serve their own planning and program delivery purposes. There is a need for nonprofits to work together to support evaluation capacity in the sector, to develop a learning culture, and to make evaluation more relevant throughout their work.

Vision:

Clear principles are in place for the evaluation of nonprofit work. Nonprofits play a leading role in shaping a strong approach to evaluation with their communities, funders, and governments.

Next Steps:

- Develop a draft sector-driven evaluation strategy

Policy Link: *data strategy, funding reform, labour force strategy, decent work, social impact bonds (SIBs)*

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Data Strategy

The sector faces unique challenges in accessing, analyzing and using data for public benefit. The rapid transformation of data collection, storage and use in the last ten years, and open data initiatives in particular, present unique opportunities for Ontario's nonprofit sector. In many instances, integrated analysis of data has the potential to influence and potentially transform nonprofit work in communities.

Vision:

Nonprofits have the access, infrastructure, resources and skills to use data to support their missions. Nonprofits and funders use data strategically to inform decision-making.

Next Steps:

- Develop data strategy based on [Towards a Data Strategy for the Ontario Nonprofit Sector](#), the concept proposal ONN published in 2015

Policy Link: *evaluation, funding reform, labour force strategy, decent work, pensions*

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