



April 8, 2016

The Honourable Michael Coteau
Minister of Tourism, Culture & Sport
Hearst Block, 9th Floor
900 Bay Street
Toronto, ON M7A 2E1
Email:

RE: Operating Budget, Ontario Trillium Foundation

Dear Minister Coteau,

The Ontario Nonprofit Network (ONN) is deeply concerned about information that has recently surfaced revealing that the Ontario Trillium Foundation's (OTF) core budget for 2016-2017 has been reduced by \$25 million dollars mere days before the start of the fiscal year.

The Ontario Nonprofit Network (ONN) is a 7,000-strong provincial network for the 55,000 nonprofit organizations across Ontario that make communities more vibrant, innovative and inclusive. We bring the diverse voices of Ontario's nonprofit sector to government, funders, and the private sector to influence systemic change. Our work is guided by the vision that a strong nonprofit sector leads to thriving communities, and in turn, a dynamic province.

Each year, ONN analyses the Government of Ontario's budget on behalf of Ontario's 55,000 nonprofit and charitable organizations. We are aware that the 2016-2017 budget released on Feb 25, 2016 noted that the Ontario Trillium Foundation's allocation was \$115 million, the same as the previous year's allocation. We clearly noted this allocation in our budget analysis, shared with over 25,000 individual recipients in Ontario's nonprofit sector through our e-newsletter and social media. However, we have recently discovered a discrepancy when we reviewed the Expenditure Estimates the last week of March that specifically note OTF's allocation is \$90 million.

We understand by speaking with your staff to clarify this discrepancy that the other \$25 million has been reallocated to infrastructure/capital projects to support Canada's 150th anniversary in 2017. Currently, there is no public information or details regarding this new allocation.

As you know, the funds provided through the Ontario Trillium Foundation as part of their core operating grants are 100% distributed to nonprofits and charities operating in the Province of Ontario. These funds contribute to building strong communities, from Windsor to Dryden, from Niagara to Perth. Grant recipients go through a significant and transparent application and approvals process – with a final decision made by skilled volunteers representing their communities – to ensure the funds are directed appropriately to organizations meeting their community's needs.

This decision is of serious concern to Ontario's nonprofits and charities for a number of reasons:

- OTF is already over-subscribed and cannot meet the needs of the sector with their current funding level. Removing \$25 million from their budget on such short notice will have a drastic effect on Ontario's nonprofit sector as well as OTF's own internal capacity. This funding provides critical social and capital infrastructure investments in communities across this province – to organizations such as food banks, sports facilities, arts organizations and social service providers. It is the largest source of project funding in Ontario that is open to all nonprofits and charities.
- OTF is an arms length agency of government. Volunteer committees, supported by staff, make funding decisions that are the best for their communities. This model works by ensuring that funding decisions are transparent and fair across Ontario and removed from the political process. This decision removes \$25 million from OTF's decision-making authority and shifts it to a Ministerial decision.
- It is highly unlikely that at this late date, a capital program can be developed, launched, grants written and evaluated, and funding allocated so that capital projects can be completed in 2017. Certainly, this ensures that such a program would not benefit local nonprofit organizations who will not have the immediate "shovel ready" projects that such a program would have to target.
- We are further concerned that this \$90 million allocation would become the new "base" allocation and would not be reinstated in future budget years.
- There is a distinction in the amount of funds OTF has responsibility and accountability for (their core operating funds) and other funds of which they are simply the administrator on behalf of the Province of Ontario. The latter is not, nor should be, reflected in their core budget.

We strongly urge you to immediately reinstate the Ontario Trillium Foundation's operating budget to \$115 million, as announced by Minister Sousa in the 2016-2017 budget that has already been presented to the Ontario Legislature.

We would be pleased to meet with you, together with a small group of representative organizations, to discuss the impact of this decision. We look forward to hearing from you.

Sincerely,



Marg Stanowski, Chair



Cathy Taylor, Executive Director

cc. Premier Kathleen Wynne
Minister Charles Sousa, Finance
Minister Deb Matthews, Treasury Board
Minister Michael Chan, Citizenship, Immigration & International Trade