

ONN POLICY PRIORITIES 2020-2021

ONN works within three broad policy areas: our sector's **people** (the paid and volunteer work force), our **finances**, and our **regulatory environment**. Our goal is to create a more enabling environment for a strong and resilient sector so that nonprofits can focus on supporting Ontario's vibrant communities.

We have four cross-cutting priorities for 2020-2021 that we will work to integrate across our advocacy and network engagement activities:

- Promoting the [value and influence of the sector](#) and the nonprofit business model.
- Continuing to explore the role of the nonprofit sector in responding to the Truth & Reconciliation Commission's [calls to action](#).
- Expanding our use of an [intersectional gender lens \(GBA+\)](#) from the Decent Work file to our policy files.
- Exploring and sharing the nonprofit sector's responses to the climate emergency, at the organizational level (e.g., our own investments and purchasing), the subsector or regional level (e.g., local disaster response and recovery, settling climate refugees) and as a sector (e.g., policy advocacy, developing a sustainable and climate-focused lens).

1. OUR PEOPLE

Our goal is to strengthen and support the diverse nonprofit sector labour force and its diverse and active volunteer base. This will result in the mobilization of a decent work movement in the sector.¹

1.1 THE FUTURE OF WORK IN THE NONPROFIT SECTOR

Advocate for policies and undertake initiatives to strengthen Ontario’s nonprofit workforce in the rapidly changing world of work

THE ISSUE

In an age of disruption, the nonprofit sector offers meaningful work opportunities, but our collective approach to workforce strategizing and development is fragmented and reactive. As new technologies (including automation and artificial intelligence) disrupt the labour market, major policy debates are taking place about the future of work-- often without considering the role of the nonprofit sector. To attract and retain the best people, Ontario’s nonprofit sector must position itself as a “sector of choice” for good career opportunities. Ontario’s nonprofit sector would be strengthened by better labour market information and coordinated labour force planning, including leadership development; diversity, equity & inclusion initiatives; intentional career paths; and succession planning.

POLICY STATEMENT

To ensure that the future of work in the nonprofit sector is a “Decent Work” future, policy-makers must use a GBA+ lens to understand and mitigate the unequal effects of these disruptions on different groups of workers in terms of job quality, job availability, and the changing nature of work. ONN advocates for coordinated workforce planning across the nonprofit sector to support a growing, diverse, resilient, inclusive, and well supported workforce. ONN encourages the governments of Ontario and Canada to recognize the importance of the nonprofit sector to local economies and to support our sector’s integrated workforce planning through labour market studies.

NEXT STEPS

Advocate for the Government of Ontario to:

- Undertake or support labour market information studies and other research that would facilitate workforce planning in the nonprofit sector.
- Include nonprofit sector voices in policy-making processes concerning the future of work.

¹ The three sections (our people, our financing, and our regulatory environment) and their goals are taken from our [2017-20 strategic plan](#).

Advocate for the Government of Canada (Statistics Canada) to:

- Follow up its March 2019 [release](#) of the Satellite Account of Not-for-profit Institutions report with a regular release on the sector every two years.
- Consult regularly with the nonprofit sector on issues related to workforce data, for example, to ensure that industrial and occupational classifications can support nonprofit sector workforce planning.

Work with the Ontario nonprofit sector to:

- Promote our [Leading our Future](#) report on emerging leadership competencies in the nonprofit sector to encourage take-up of critical skills training for the future of the sector.
- Inform Statistics Canada's next general survey of the nonprofit sector in Canada so as to ensure data are useful.
- Convene nonprofits and develop a more complete picture of what the future of nonprofit work will look like, based on trends such as digitization, automation, collaboration at a distance, blockchain technology, data-sharing across programs, the growth of the care economy, and innovations in governance, to enable more responsive workforce planning in the sector,

1.2. DECENT WORK AND PENSIONS

Champion a decent work movement for good working conditions to better serve communities

THE ISSUE

The nonprofit sector faces recruitment and retention challenges while nonprofit workers are not always assured of a clear “decent work” career path in the sector. Job quality issues, such as precarious work, low salaries, and a lack of benefits and pensions, affect many of the sector's one million employees, particularly its women workers who make up 80 percent of the labour force.

POLICY STATEMENT

ONN advocates for labour-force-wide standards and decent work funding practices that support nonprofits to be decent work employers. ONN supports improvements to working conditions for all while taking a GBA+ approach.

NEXT STEPS

Advocate for the Government of Ontario to:

- Exempt community-governed nonprofits from [wage restraint legislation \(Bill 124\)](#) to create a level talent recruitment playing field with for-profit corporations, and enable a sector with wages that are 29 per cent lower than the Canadian average to keep pace with inflation.
- Proclaim in effect the Pay Transparency Act, 2018, which would mean job postings must include pay ranges and large employers must track gender and diversity wage gaps.
- Consult the nonprofit sector when making changes to employment laws and regulations.

Advocate for the Government of Canada to:

- Expand women workers' access to Employment Insurance maternity and parental leave benefits by reducing the EI benefit [waiting period](#) to zero weeks, reducing the number of hours required to qualify for benefits, and increasing the benefit rate from 55 percent.
- Promote gender equity by implementing a universal child care program and recognizing the value of the (women majority) nonprofit sector's contributions to society and the economy.

Advocate for governmental (federal, provincial, municipal) and non-governmental funders to:

- Become Decent Work Funders and adopt practices such as covering [proportional indirect costs](#) ("overhead"), the cost of extended health benefits and pension premiums, and annual inflationary increases in more stable, multi-year funding agreements.

Work with the Ontario nonprofit sector to:

- Continue building a [decent work movement](#) in the sector by recruiting Champions and Leadership Voices and partnering with provincial associations and regional networks.
- Promote the Decent Work [Charter, Checklist](#), and [good practices](#) among nonprofits, including boards of directors
- Promote our sector-wide and organizational [policy solutions](#) that promote women's economic equity in the nonprofit workforce.
- Foster widespread adoption of sector-wide solutions such as an [employee health benefits plan](#) and a [pension plan for the sector](#).
- Support emerging youth leaders in the sector to be Decent Work Leadership Voices.

1.3. POLICE RECORD CHECKS

Advocate for an accessible, streamlined police record check process for nonprofit employees and volunteers**THE ISSUE****Volunteers and nonprofits experience uneven and unfair fees and processing timelines for police record checks across Ontario.**

Some police forces charge fees for volunteer checks while others do not. Police record checks for nonprofit employees can also be expensive. Some police forces take many weeks to process requests because the system is often still paper-based. A digitized, modernized system would reduce costs, speed up processing, and enhance accessibility for persons with disabilities.

POLICY STATEMENT

ONN advocates for the Ontario nonprofit sector to use police record checks appropriately in the context of an overall employee and volunteer screening approach. ONN advocates for an accessible, digitized police record check processing system that provides free police record checks for volunteers and affordable checks for nonprofit employees with standardized processing times across Ontario. Nonprofits in Ontario have must timely and affordable access

to appropriate information from police record checks that helps them manage risks to their employees, volunteers, and clients, particularly vulnerable groups.

NEXT STEPS

Advocate for the Ontario Government to:

- Mandate that the police record check system be modernized and digitized via regulations under the Police Record Checks Reform Act, 2015, that would control the cost and administrative burden, and harmonize the process across Ontario jurisdictions.

Work with the Ontario nonprofit sector to use police record checks appropriately in the context of an [overall employee and volunteer screening approach](#).

2. OUR FINANCING

Our goal is to catalyze improvements in the Ontario nonprofit sector's funding environment by advocating for the reform of the sector's investment relationship with the government and for the removal of barriers for nonprofits to earn income.

2.1. COMMUNITY WEALTH BUILDING FOR A BETTER ECONOMY

Growing nonprofit social enterprise to address social and environmental challenges

THE ISSUE

Our dominant economic model is not supporting community wealth or well-being.

In the context of growing inequality, household debt, and climate crisis, [public benefit nonprofits](#) are joining local economic development efforts to engage people in community ownership of critical services like housing, food, social care, and renewable energy. Community ownership (like nonprofit social enterprises and cooperatives) means that local people, especially equity-seeking groups, can keep more of the wealth they generate. But nonprofit social enterprises lack capital investment (such as low-interest loans and community bonds) that can help them grow. They also need enabling public policy to scale up initiatives that provide opportunities and dignity for local residents.

At the same time, some public and private investors seek to invest in the nonprofit sector for both a social and financial return. It is important that “[social finance](#)” mechanisms primarily support nonprofit and cooperative social enterprises and do not end up subsidizing private investment. There is a need for nonprofit financial bodies in Ontario and across Canada (similar to Quebec's [RISQ](#) and [Trust](#)) to link small- and large-scale capital with nonprofit social enterprises that need investment.

POLICY STATEMENT

ONN advocates for an enabling public policy environment for nonprofit social enterprises as they work to create jobs, innovate, scale up, deliver essential community services, and create community wealth and well-being. ONN recommends that the Ontario Government support nonprofit social enterprise as a way to facilitate nonprofit financial sustainability and local job creation, particularly for those facing barriers to employment. We also encourage provincial and municipal governments to allocate surplus lands for community ownership and use. We encourage governments to develop financial tools such as loan guarantees to support capital investment in smaller nonprofit infrastructure projects. We call for new social finance funds, and any private funds invested through “impact investing,” to be channelled via community-governed nonprofit financial intermediaries and made available in forms that are accessible and affordable to small nonprofits.

NEXT STEPS

Advocate for the Ontario Government to:

- Develop a [made-in-Ontario social enterprise strategy](#) with the nonprofit and co-operative sectors that includes commitments on social value procurement, nonprofit access to surplus public lands, and the development of investment and partnership opportunities in the sector.

Advocate for the Government of Canada to:

- Ensure that the design and implementation of its [Social Innovation and Social Finance Strategy](#), and especially its ten-year, \$755 million [Social Finance Fund](#), remain squarely focused on solving the social, economic, and environmental challenges of our time, by:
 - ensuring that funds are accessible to nonprofit social enterprises,
 - ensuring that private capital and risk is not unfairly subsidized, and
 - funding nonprofit and cooperative consortia/intermediaries (linking organizations) to connect small community nonprofits with larger-scale investment streams.
- [Amend the Income Tax Act](#) to clarify that nonprofits and charities can generate surpluses and reinvest them in their missions, so that these organizations can engage in revenue-generating social enterprises without regulatory barriers.

Work with the Ontario nonprofit sector to:

- Convene and grow the “[Community wealth building](#)” network to provide a forum for our sector to develop a shared understanding of our role in fostering an inclusive economy through nonprofit social enterprises – such as child care, recreation centres, community kitchens, community land trusts, nonprofit co-working spaces, housing, and energy cooperatives.
- Foster collaborations among nonprofit organizations and co-operatives in preparing for the federal Social Finance Fund and impact investment more generally.
- Promote a shared understanding of the critical role played by nonprofit social enterprise and other forms of earned income in sustaining the nonprofit sector and creating local jobs.

- Develop and promote a Community Finance Policy Framework for Ontario to inform regional and locally driven community investment mechanisms (like community bonds) for institutional investors and individuals with savings, nonprofits with assets, and other institutions to channel investments into public benefit nonprofits.

2.2. BURDEN REDUCTION IN PROVINCIAL FUNDING AGREEMENTS

Reducing red tape in transfer payment agreements so nonprofits can focus on outcomes

THE ISSUE

A high administrative burden costs government, nonprofits, and the communities we serve.

Funding agreements (called transfer payment agreements) with the Ontario government impose a significant administrative burden on nonprofits. There is a need to simplify and streamline application processes, agreements, budget templates, and reporting requirements - in a nutshell, to modernize the funding relationship to focus on service delivery outcomes.

POLICY STATEMENT

ONN advocates for reduced red tape in transfer payment agreements so that government and nonprofits can have a shared focus on accountability for outcomes. We advocate that new modes of funding (such as regional bid processes or direct funding) be rigorously evaluated to ensure that they contribute to cost-effective, sustainable programs that provide long-term benefits to participants and local communities while strengthening the nonprofit sector to continue to innovate. We advocate for governmental and non-governmental funders to provide open data, and to engage in administrative data sharing arrangements that provide valuable information on programs and services while respecting privacy. And in a context where, increasingly, nonprofits operate in a competitive marketplace with for-profit service providers, we advocate for nonprofits to retain any year-end surpluses that they generated through innovation and administrative efficiencies.

NEXT STEPS

Advocate for the Ontario Government to:

Create a joint government-nonprofit table on Transfer Payment Agreement (TPA) Consolidation and Red Tape Reduction with an emphasis on:

- mandating standard agreements with a common chart of accounts (i.e., a small number of standard budget lines and reasonable administrative cost ranges), a form of standardization that is a precondition for umbrella agreements across program streams;
- having agreements and funding in place at the beginning of the fiscal year for ongoing programs (along with adequate notice for any changes); and
- developing a standardized risk assessment process across ministries to determine which TPA holders should be eligible for a reduced reporting burden and budget flexibility.

Work with the Ontario nonprofit sector to:

- Provide input to the Ontario Government's red tape reduction efforts for nonprofits.

- Provide input to improve the functionality of the Transfer Payment Ontario (formerly Grants Ontario) portal through which an increasing proportion of funding agreements is managed;
- Explore the impact on nonprofits of funding models such as commissioning, direct funding, regional bid models, and accountable care networks.
- Explore administrative data sharing for improved service delivery, innovation, research and development, and advocacy through Powered By Data's [Administrative Data Policy Coalition](#).

2.3. SOCIAL VALUE PROCUREMENT

Channeling the purchasing power of governments and anchor institutions to provide community benefits

THE ISSUE

Missed opportunities for governments to leverage their spending for the public benefit.

There is an opportunity to leverage the purchasing power of the public service and broader public sector to promote nonprofit social enterprise. Organizations can buy with social value in mind at any scale, whether it is a government including community benefit clauses in infrastructure contracts, or universities having their annual meetings catered by a nonprofit social enterprise.

POLICY STATEMENT

ONN encourages the Ontario Government, broader public sector anchor institutions (hospitals, schools, postsecondary institutions, and municipalities), and nonprofits themselves to engage in social value purchasing that supports positive social and environmental outcomes for Ontario's communities.

NEXT STEPS

Advocate for the Ontario Government and the Government of Canada to:

- Develop, in consultation with nonprofits, co-operatives, and other small enterprises, a robust social value procurement policy in regulations under the new Supply Chain Management Act-- with targets for the first and second tiers of the supply chain-- to ensure that the centralization of supply chains does not undermine local economies generally and nonprofit social enterprise in particular.

Work with the Ontario nonprofit sector to:

- Promote purchasing from social enterprises on the part of government, the broader public sector, and nonprofit organizations themselves.

2.4. PUBLIC LANDS AND CIVIC SPACES

Expanding nonprofit access to surplus public lands and ensuring critical social infrastructure is operated on a nonprofit basis

THE ISSUE

Public assets built with public dollars are being sold for short-term gain, without consideration for their community value. Public lands should remain in community hands.

Public lands (land and buildings owned by the government and broader public sector, including surplus school lands) are often sold to the highest bidder without consideration for their local community value. Once property is sold to the private market, its market value often becomes out of reach for nonprofits that provide affordable housing and community amenities. At the same time, privately owned assets that rely heavily on public operating dollars (such as nursing homes and child care centres) can be sold for private gain, leaving the public without necessary community infrastructure.

POLICY STATEMENT

ONN advocates for surplus public lands and buildings with community value to be transferred to nonprofit hands for community use (by gift, purchase, long-term lease, or other arrangement). Community access to civic spaces should be supported by strong government policy at the provincial and municipal levels. Governments and nonprofits should explore the [community land trust](#) model to provide permanently affordable housing, as well as community amenities like child care centres and social enterprises that are protected from real estate spikes. Infrastructure that is needed for services and housing for vulnerable people (like nursing homes, hospitals, and disability services) should be protected from being sold and re-sold on the private market.

NEXT STEPS

Advocate for the Ontario Government to:

- Mandate the inclusion of broader public sector lands (including school properties) in the existing [Nonprofit Lands Registry](#) as part of the updated surplus land disposal process under the Supply Chain Management Act with reasonable time frames so that qualified nonprofits may have the opportunity to purchase these lands in advance of their availability on the open market.
- Explore the [implications of the rapid closure of faith spaces](#) for provincially-funded nonprofit services such as parenting programs, food programs, and seniors' drop-ins and work with the nonprofit sector to plan and implement mitigation strategies.

Work with the Ontario nonprofit sector to:

- Explore opportunities and mechanisms for nonprofits to collaborate on social purpose real estate, that is, nonprofit-owned lands and spaces, as a way to address high rents, insecurity of tenure, and rising real estate costs for nonprofits and the households they serve.

- Share lessons and inspiration regarding opportunities to repurpose unused faith spaces and rejuvenate them as community-owned spaces.
- Explore the role and value of mechanisms such as [Community Land Trusts](#) in providing permanently affordable land for critical services such as nonprofit housing, child care, recreation facilities, and community food/urban gardening initiatives.

3. OUR REGULATORY ENVIRONMENT

Our goal is to ensure that the Ontario nonprofit sector's legal frameworks - policy, legislation, and regulation - support and empower the sector's work

3.1. PUBLIC BENEFIT LENS

Promote the recognition of public benefit nonprofits as a sector that should always be taken into account in policy and legislation

THE ISSUE

Government cannot distinguish between public benefit nonprofits and member-serving nonprofits- so they treat them the same, to the detriment of communities.

Too many times our network has had to advocate for changes to legislation, regulations, and policies that have been introduced without due consideration for how they affect our sector. ONN has proposed a [public benefit distinction in law](#) to enable government to distinguish between public benefit nonprofits (including nonprofit social enterprises, cooperatives, charities, and other nonprofits) and member-serving nonprofits such as trade associations.

POLICY STATEMENT

ONN advocates for public benefit nonprofits (as distinct from member-serving nonprofits) to be recognized in law and policy so that their unique contributions to communities and relationship with government is respected. Governments should apply a “public benefit nonprofit” lens in the development of legislation, regulations, and policy frameworks so as to anticipate their impact on the nonprofit sector.

NEXT STEPS

Advocate for the Ontario Government to:

- Examine the impact of policies, legislation, and regulation on the nonprofit sector in advance of tabling these documents.

Advocate for the Government of Canada to:

- [Create a distinction in the Income Tax Act between public benefit nonprofits and member-serving nonprofits](#) to enable relevant distinctions between the two groups in areas such as access to public funding streams, earning non-taxable revenues, elections advocacy, and lobbyist registration.
- Broaden the scope of its [Permanent Advisory Committee on the Charitable Sector](#) to include public benefit nonprofits so as to address critical policy issues affecting our entire sector, including the “related business” rules for nonprofits seeking to earn income to advance their missions.
- Create an exemption to Canada’s Anti-Spam Legislation (CASL) for public benefit nonprofits.

Work with the Ontario nonprofit sector to:

- Continue to identify and draw the attention of all orders of government to legislative, regulatory, and policy frameworks that should apply a public benefit lens – and that otherwise hinder the nonprofit sector in achieving its mission.

3.2. Ontario Not-for-Profit Corporations Act (ONCA)

Ensure the Ontario Not-for-Profit Corporations Act (ONCA) is proclaimed by the end of 2020 to prevent its expiry.

THE ISSUE

Key regulatory decisions are still to be made on our sector's governing legislation.

The Government of Ontario has stated that it remains committed to ensuring the proclamation in force of ONCA by the end of 2020. ONCA will come with a new nonprofit registration process that could allow open access to comprehensive data on the sector. ONN continues to work with the Ontario Bar Association and the Ministry of Government Services in the lead up to proclamation.

POLICY STATEMENT

ONN advocates for an enabling corporate legal framework that is designed to meet the needs of the sector and regularly updated to meet changes in technology and practice. ONN advocates for the data from the nonprofit registry to be freely-available and machine-readable open data.

NEXT STEPS

Advocating for the Ontario Government to:

- Proclaim ONCA by the end of 2020.
- Establish a modern and efficient nonprofit registry that can also be used for data collection purposes- with open data.
- Provide adequate transitional support for the nonprofit sector, once the ONCA has been proclaimed, through the support of the Implementation Steering Committee and an educational and support program.

Work with the Ontario nonprofit sector to provide sector voices on the development of regulations and educational support needed under ONCA via the Implementation Steering Committee.

3.3. WEB PORTAL WITH LEGISLATIVE REQUIREMENTS FOR NONPROFITS

Advocate for a one-stop online portal outlining legislative and regulatory compliance requirements for nonprofits

THE ISSUE

Ontario nonprofits are sometimes in the dark about legislation that applies to them.

Half the nonprofit sector has no paid staff and the majority of other nonprofits are very small. Yet, there are many rules that they have to abide by, such as health and safety, accessibility, employment standards, donations and taxes, corporate governance, and more. There is no single place where they can check to see what applies to them.

POLICY STATEMENT

The Ontario Government should create a web portal, similar to the Small Business Access portal, that explains the legal and regulatory requirements that apply to nonprofits operating in Ontario.

NEXT STEPS

Advocate for the Ontario Government to:

- Create a web portal that functions as a one-stop-shop for nonprofits in Ontario to know what provincial legislation and regulations they must comply with.

Work with the Ontario nonprofit sector (and nonprofits across Canada) to:

- Ensure the web portal is accessible (plain language) and comprehensive with respect to various nonprofit corporate structures (e.g., provincially vs. federally-incorporated) and sub-sectors (e.g., child care, housing).

3.4. SHARED PLATFORMS

Promote the use of shared governance structures in the sector so that emerging community initiatives do not have to incorporate and manage a separate organization

THE ISSUE

Community groups believe they have no other option except to incorporate but many struggle to maintain their new legal entity.

Being part of a [shared platform](#) would alleviate the pressure on emerging initiatives to manage their own organization by allowing them to have a relationship with another nonprofit (their “platform”) so they can focus on their project while benefiting from strong administrative and governance support. Many nonprofits operate for years with small budgets and a long-term relationship with a “platform” organization would free them up to pursue their work in communities.

POLICY STATEMENT

ONN advocates for an enabling policy environment and greater awareness and take-up in the nonprofit sector of shared platform arrangements so as to: maximize community efforts and donor impact as well as lower the risk for funders; to leverage existing sector expertise and resources; to support innovation for public benefit; to lighten the burden on regulators; and to increase opportunities for equity and inclusion.

NEXT STEPS

Advocate for the Government of Canada to:

- Provide an enabling and modernized legislative framework for nonprofits and charities to support their work.
- Revise their Guidance on demonstrating direction and control to support modern methods of undertaking work such as collaboration and partnership.
- Provide formal recognition of shared platforms.

Work with the Ontario nonprofit sector (and nonprofits across Canada) to:

- Consider the shared platform as an alternative to creating another nonprofit or charity.
- Encourage established nonprofits and charities to foster emerging community projects as a more cost-effective alternative to incorporation and a way to nurture emerging leadership.
- Develop supports (including tools and templates) for shared platform partners as well as recommendations for funders.