



The Honourable Rod Phillips, Minister of Finance
Chair, Ontario Jobs and Recovery Committee
Government of Ontario
By email: submissions@ontario.ca

June 12, 2020

Subject: Recommendations to support the role of the nonprofit sector in Ontario's recovery

Dear Minister Phillips and members of the committee:

We are writing to share our recommendations on how the Ontario government can support the role of the nonprofit sector in Ontario's recovery from the COVID-19 crisis.

The Ontario Nonprofit Network (ONN) is the independent network for the 58,000 nonprofits in Ontario, focused on policy, advocacy and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy.

Summary of recommendations:

- 1. A stabilization fund for nonprofits:** Rapid and immediate implementation of ONN's proposal for a \$680 million fund for the nonprofit sector that has seen an estimated \$1.8 billion in revenue losses in the first three months.
- 2. An advisory table:** A dedicated nonprofit advisory table to consult with a broad range of nonprofits in developing a plan for further re-opening of workplaces and economic activity. Representation should include arts, environmental conservation, ethnocultural and newcomer-serving groups, faith groups, Francophone organizations, health, housing, rural organizations, social enterprises, social services, and sports and recreation.
- 3. Adequate and affordable nonprofit child care for women workers:** Adequate funding and clear communication for licensed, nonprofit child care to adapt to new pandemic requirements while creating necessary spaces to support (especially) women's return to work.
- 4. Personal protective equipment (PPE):** A secure, adequate, and affordable supply chain for PPE and other supplies needed to keep nonprofit workplaces and workers safe.
- 5. Paid sick days:** Employment Standards legislation that requires workers to be paid for at least seven days of sick leave, with 14 additional days paid leave during pandemics.
- 6. Guidance for re-opening workplaces:** Clear and detailed guidance documents on safely reopening workplaces in the nonprofit sector, with attention paid to the role of boards of directors (as employers), workers, volunteers, and funders.
- 7. A nonprofit social enterprise/social procurement strategy:** A strategy to support social enterprises, including those that provide employment to workers with barriers to the

labour market, in addition to social procurement in regulations under the new Supply Chain Management Act.

Further information:

1. A stabilization fund for nonprofits

The nonprofit sector contributes \$50 billion to Ontario's GDP.¹ Nonprofits employ over one million workers -- of which 80 per cent are women. Five million people collectively donate 820 million hours of labour to Ontario communities, the equivalent of 400,000 full-time jobs. As a sector, Ontario nonprofits receive less than half of their revenues from governments.

When ONN surveyed Ontario nonprofits in early April, organizations were facing a triple threat: steep declines in revenues (fundraising, ticket sales, other earned income); staffing challenges related to illness, parenting duties, and lack of personal protective equipment; and operational issues related to mandatory shutdowns, physical distancing (for essential workplaces), or the overnight move to virtual work. One in three nonprofits had to lay off staff or reduce their paid hours, while one in five had closed their doors at least temporarily.²

Three months after the crisis began, the sector, its workers, volunteers and the communities they serve continue to feel impacts of the pandemic. Indeed, these impacts are becoming more pronounced as the health crisis recedes (for now) and the economic crisis deepens, along with related mental health needs, increased intimate partner violence, and the growing realization that marginalized communities -- notably low-income households and racialized communities -- have suffered disproportionate effects.

Most nonprofits have less than three months' worth of reserve funds, which means that organizations expect a second wave of lay-offs and closures in June. Federal and provincial funding programs, such as the Canada Emergency Wage Subsidy and other aid packages for shelters, food banks, and other social services have been successful as far as they go, but these only apply to a minority of organizations.

ONN has developed a proposal³ for a \$680 million stabilization fund for nonprofits based on our analysis of the economic impact of the crisis on nonprofits (\$1.8 billion in the first three months⁴) and the gap left from relief provided to date by the federal and Ontario governments. A stabilization fund for the nonprofit sector would ensure that nonprofits and charities, especially

¹ Imagine Canada and Canadian Council on Social Development. "The Nonprofit and Voluntary Sector in Canada: Regional Highlights of the National Survey of Nonprofit and Voluntary Organizations." p. vi. <https://imaginecanada.ca/sites/default/files/2019-11/Regional%20Report%20-%20Ontario.pdf>

² ONN. "Ontario Nonprofits and the Impact of COVID-19: A flash survey report." April 6, 2020. https://theonn.ca/wp-content/uploads/2020/04/ONNs-COVID-19-Flash-Survey-Report-April-6-2020-1_compressed.pdf

³ ONN. "Stabilizing Ontario's nonprofit sector to rebuild the economy and communities post-COVID-19." April 2020. <https://theonn.ca/our-work/covid-19-stabilization/>

⁴ ONN. "Stabilizing Ontario's nonprofit sector to rebuild the economy and communities post-COVID-19." April 30, 2020. p. 8. <https://theonn.ca/wp-content/uploads/2020/05/ONN-Stabilization-Fund-April-30-2020.pdf>

those unable to access federal and/or provincial support, can continue to serve communities. The source of funds could be the unallocated portion of the \$3.7 billion set aside for “Supporting People and Jobs” in Ontario’s COVID-19 Action Plan⁵ or from Ontario’s portion of the \$14 billion in support announced recently by the federal government,⁶ through a simple application process administered by the Ontario Trillium Foundation.

The purpose of the sector stabilization fund is two-fold: in the short term, it is to mitigate job losses, mitigate the interruption of operations, backstop massive fundraising losses and the loss of volunteer labour, respond to increased demand, and redesign programs for virtual delivery and/or physical distance requirements. In the medium term, the fund would enable organizations to re-open and ramp up operations quickly once the state of emergency is over, and to prevent permanent closures and major job losses.

2. A nonprofit advisory table for the recovery

People and communities have relied extensively on nonprofits for support during COVID-19 and will continue to rely on their community expertise and experience in the recovery phase that lies ahead. A dedicated nonprofit advisory table would enable the Ontario government to consult regularly and in a more engaged way with a range of nonprofits in developing a plan for further re-opening of workplaces and economic activity. It is imperative that nonprofits are at the decision making table to discuss their role in the long-term economic recovery and share voices of volunteers, nonprofit workers and their communities.

The creation of a nonprofit advisory table would offer both the expertise and guidance from leaders across the sector and help to better inform government of what is needed to support nonprofits, as well generate sustainable pathways for nonprofits and government to work in partnership to support communities across Ontario. Representation should include arts, environmental conservation, ethnocultural and newcomer-serving groups, faith groups, Francophone organizations, health, housing, rural organizations, social enterprises, social services, and sports and recreation.

ONN would be pleased to facilitate the process of establishing and supporting such a table.

⁵ Ontario Ministry of Finance. “Supporting People and Jobs.” Ontario’s Action Plan: Responding to COVID-19. March 2020. <https://budget.ontario.ca/2020/marchupdate/action-plan.html#section-3>

⁶ CBC News. “Federal government to provide \$14B to provinces, territories to ‘safely’ restart economies.” June 5, 2020. <https://www.cbc.ca/news/politics/disabled-canadians-financial-supports-1.5599726>

3. Adequate and affordable nonprofit child care for women workers

As mentioned above, the vast majority of nonprofit workers are women. The COVID-19 crisis has had a greater impact on women's employment, with Ontario's official unemployment rate in May 2020 at 13.1 per cent for men and 14.7 per cent for women. Once the involuntary part-time rate is included, the rate for women was also much higher, at 16.4 per cent, compared to 14.0 per cent for men.⁷ As some economists have suggested, we are in the midst of a "she-cession" and the recovery must emphasize creating jobs in women-majority sectors. Child care is a key sector to invest in because it both creates jobs for a women-majority workforce (early childhood educators, or ECEs) and supports women as parents to return to work in other fields, including essential services and frontline work.

During the early days of the crisis, ONN advocated for essential nonprofit workers to have access to emergency child care⁸ and we continue to advocate for adequate funding for licensed, nonprofit child care. Child care centres require increased resources to adapt to new pandemic requirements, while creating adequate spaces to support (especially) women's return to work -- without increasing fees which are already some of the highest in Canada. It is key for the government to provide clear consultation and communication with the child care sector to safely re-open spaces.

It is unreasonable to expect child care providers to reduce their child-to-ECE ratios, clean more frequently, equip and train workers with PPE, and refrain from increasing parent fees without an increase in public funding. ONN endorses the plan released by the Ontario Coalition for Better Child Care (OCBCC) and the Association of Early Childhood Educators of Ontario (AECEO) for a plan for child care.⁹ Ontario's recovery will be seriously hindered unless it includes a plan for women workers -- and that means supporting adequate, affordable nonprofit child care.

4. Personal protective equipment (PPE)

When ONN surveyed the nonprofit sector in early April, we learned of a critical shortage of PPE among nonprofits that remained open as essential services. Since then, our network has indicated that it has become easier to procure PPE but supplies remain expensive as there is no central or coordinated supply chain outside the health care system. Nonprofits have also expressed concern about anticipated PPE shortages as more workplaces open and a potential

⁷ Statistics Canada. "Supplementary unemployment rates, monthly, unadjusted for seasonality." Table: 14-10-0077-01. June 2020.

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410007701&pickMembers%5B0%5D=1.7&pickMembers%5B1%5D=3.3&pickMembers%5B2%5D=4.1>

⁸ See ONN letter to Education Minister Stephen Lecce. April 2020.

<https://theonn.ca/wp-content/uploads/2020/04/Letter-on-emergency-childcare-APR-2020.pdf>

⁹ OCBCC and AECEO. "From reopening to recovery: A plan for child care reopening in Ontario and moving to a publicly funded system." May 27, 2020.

https://d3n8a8pro7vhmx.cloudfront.net/childcareon/pages/2628/attachments/original/1590577582/FROM_REOPENING_TO_RECOVERY.pdf?1590577582

second wave of the virus emerges. We recommend that the Ontario government take steps to ensure a secure, adequate, and affordable supply chain for PPE and other supplies needed to keep nonprofit workplaces safe -- not only in health and social services but in all parts of the sector.

5. Paid sick days as a component of decent work

As employers, the nonprofit sector is taking steps to ensure that employees are supported and protected by building in decent work practices into their organizations. Decent work is an approach to achieve fair, stable and productive workplaces. In a pandemic, there is an increased need for supportive human resources policies when employees may be required to self-isolate or quarantine. This is especially true for high-risk workplaces such as essential services. Decent work that includes paid sick days can ensure workers feel confident in going back to work.

It is essential to have consistent standards that require all employers to provide seven days of sick leave per year, with an additional fourteen days during pandemics, if we expect workers to stay home to prevent the spread of contagious illnesses. It cannot be left up to employers to make the decision whether to pay for sick leave. Employment standards exist to create a floor for decent work and healthy workplaces. In the COVID-19 era, these standards also protect public health and prevent unnecessary deaths. Paid sick leave must be made mandatory in Ontario.

6. Guidance for re-opening workplaces

ONN has heard from many parts of the nonprofit sector that they have not yet received clear and detailed guidance documents on safely reopening their workplace. There has been confusion regarding which body should provide this guidance (Public Health Ontario, the Ministry of Labour, the Public Services Health and Safety Association or municipalities). Generic guidance is not sufficient and there are excellent examples provided by governments in other jurisdictions. In particular, guidance for nonprofits must pay attention to the diversity of workplaces as well as to the role of boards of directors (as employers), workers, volunteers, funders, and regulators in keeping people safe.

7. A nonprofit social enterprise/social procurement strategy

In our 2020 pre-budget submission¹⁰, ONN recommended the development of an Ontario strategy to support nonprofit social enterprises- organizations that derive the majority of their revenues from the sale of goods and services, that reinvest surpluses back in the business, and that often provide employment to workers with barriers to the labour market. Nonprofit social enterprises have suffered dramatically during the pandemic, with organizations such as Goodwill, Habitat ReStores, and many courier and catering enterprises forced to shut down. A major support for this part of the nonprofit sector would come from government, including social procurement measures in regulations under the new Supply Chain Management Act. ONN would be pleased to work with the Ontario government to develop a strategy to support these enterprises.

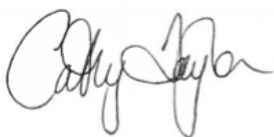
¹⁰ ONN. "ONN's 2020 Pre-Budget Submission". January 23, 2020
<https://theonn.ca/wp-content/uploads/2020/01/ONN-2020-pre-Budget-submission-Jan-23-2020.pdf>

In conclusion

It is in times of crisis and rebuilding that the nonprofit sector is often needed the most, and the sector in turn requires the partnership of government to continue to serve communities. Nonprofits act as a bridge between government and communities, enabling policy decisions to be better informed by what is happening on the ground across Ontario's vast and diverse landscape of urban, rural, remote and northern communities.

We look forward to meeting with you or your representatives at your earliest opportunity to discuss these recommendations and how Ontario's nonprofit sector can be an integral partner with the Ontario government to support Ontario's recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Taylor". The signature is fluid and cursive, with the first name "Cathy" being more prominent than the last name "Taylor".

Cathy Taylor
Executive Director
Ontario Nonprofit Network