



January 5, 2022

The Honourable Doug Ford, Premier of Ontario premier@ontario.ca

The Honourable Peter Bethlenfalvy, Minister of Finance peter.bethlenfalvy@ontario.ca

The Honourable Vic Fedeli, Minister of Economic Development, Job creation and Trade
medjct.minister@ontario.ca

The Honourable Nina Tangri, Associate Minister of Small Business and Red Tape Reduction
nina.tangri@ontario.ca

RE: Impact of COVID-19 and current restrictions on Ontario's nonprofit sector

Dear Premier Ford and Ministers,

The global COVID-19 pandemic continues to wreak havoc on our province, impacting the health and well being of Ontarians, the sustainability of our health care system, and the economy. We recognize how difficult it has been to predict the impact of successive waves of the pandemic and balance economic considerations with health and well-being. We support all of the measures that are needed to keep Ontarians safe and sustain our health care system.

Since March 2020, nonprofit organizations in Ontario have been at the forefront of fighting COVID-19, including leading vaccination efforts of hard to reach populations and supporting communities into pandemic recovery. Many frontline workers in the sector are considered essential workers in essential services. Others in the sector are supporting communities with affordable housing, youth employment, and inclusive economic development. Arts and culture, sports and recreation, faith, and environmental organizations are ensuring community well-being is front and centre. All Ontarians rely on nonprofits, especially those that have been disproportionately impacted by the pandemic - women, Indigenous Peoples, Black and racialized people, youth, seniors, and newcomers to Canada.

At this time, almost two years into the pandemic, we cannot emphasize more strongly that Ontario's nonprofit sector is facing extraordinary challenges. The restrictions announced January 3 will have yet another significant impact on organizations.

We know the restrictions have been necessary. However, with less than 48 hours notice, thousands of nonprofits were required to once again contract or expand services with no notice, no clear communication and no financial or other supports made available.

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The lack of clarity and communication, the lack of financial support to address the significant challenges that come with restrictions, and overall exclusion of the nonprofit sector in pandemic decision-making threatens the recovery of our communities.

While some nonprofits will have to completely shut down (such as community based arts and sports programs), some have to shift to remote work and program delivery (employment and training, newcomer services), while others must remain open to meet increased demand during the crisis (shelters, food banks, mental health supports).

Nonprofits who will be forced to close must continue to pay their rent/mortgage, maintain their properties, and pay insurance premiums and utility bills. They must decide whether to lay off staff or keep them on the payroll. The majority of arts, culture, sport and recreation organizations gain most of their revenues from ticket sales and registration fees, as well as fundraisers, and none of this revenue generating activity can now take place. Meanwhile they have already incurred costs from either return-to-play, rehearsals, marketing, and staff and volunteer recruitment after the previous shutdowns. These organizations have not yet been informed whether they will qualify for the new Business Costs Rebate Program, which is only a starting point for covering their ongoing operational costs.

Nonprofits who remain open as essential services are facing a lack of PPE, such as N95 masks, hepa filters, and appropriate technology. Right before the Omicron variant took hold of Ontario, nonprofits were already facing a rapidly intensifying human resource crisis. In addition, their costs are going up with inflation and the demand for services, including staffing costs, COVID safety measures, insurance, and rent/utilities/building maintenance. While some of these nonprofits receive provincial funding, few have seen their provincial funding rise in line with their increased costs. Even before the pandemic, many nonprofit organizations had experienced flatlined funding for ten or twenty years. The current variant spread is only compounding this more and Ontarians suffer as a result.

These serious implications for Ontario's nonprofit sector can no longer be ignored. We have brought to your attention multiple times over the last two years how the nonprofit sector has been affected and yet continues to do as much as it can to serve its communities - because our bottom line is public benefit, not financial benefit. There has been no strategy, no plan and no stabilization support for Ontario's nonprofits. The piecemeal approach must end now.

The continual seesaw of contracting and expanding services with little notice has taken its toll. No longer can organizations maintain and keep staff and volunteers, nor do they have the tools and resources they need to continue to provide services. The risk to the public and therefore to both provincial and municipal governments is great. As nonprofits reduce or cancel services and programs, governments will be left with even higher and more complex needs and higher costs. The time is now to prevent the worst secondary effects of the pandemic, including food insecurity,

housing instability, homelessness, deteriorating mental health, child development delays, violence against women, youth unemployment, and loss of faith in public institutions.

We request the Government of Ontario to immediately ensure:

1. All supports available to small businesses include nonprofit organizations - such as the Ontario Business Costs Rebate Program.
2. A targeted support program for nonprofits in Ontario that have specifically been impacted by closures to support their operating expenses.
3. Access to immediate funding supports which are essential to providing services to Ontarians during Modified Step Two restrictions - to purchase PPE, update health and safety such as Hepa filters, provide dollars to fill immediate staffing gaps, and purchase technology to keep open and serve Ontarians.
4. Ensure budget flexibility with 2021-2022 transfer payment agreements, including the ability to shift amounts between budget lines, the ability to carry forward any surplus year end funds, etc.
5. Legislate ten permanent paid sick days and the repeal of Bill 124 wage restraint measures so nonprofits can recruit and retain the workforce they need to remain open and viable.
6. A Ministry or office that we can work directly with on the impact of COVID on Ontario nonprofits.

On behalf of the Ontario Nonprofit Network and in appreciation for our vast and diverse network of 58,000 nonprofits in this province, we request immediate action. We will do everything we can to support an effective partnership between the nonprofit sector and the Ontario government.

Sincerely,



Cathy Taylor
Executive Director