



**CCVO**  
Calgary Chamber of  
Voluntary Organizations

## **Calgary Chamber of Voluntary Organizations (CCVO)**

### **2017 Alberta Pre-Budget Submission**

#### **About the Nonprofit Sector**

Alberta's nonprofits and charities play a vital role in our communities, delivering essential social and health services, providing opportunities to participate in sport, the arts and cultural initiatives, and stewarding our natural environment. The nonprofit sector supports a strong and thriving economy by providing education and workforce training, by supporting families with small children or aging parents, and by employing an estimated 125,000 Albertans.

#### **About CCVO**

The Calgary Chamber of Voluntary Organizations works to strengthen the nonprofit sector and provides leadership on the critical issues that impact organizations in this sector. CCVO has a broad understanding of Alberta's nonprofit sector that is based on a diverse membership and ongoing interaction with Alberta nonprofits and charities. Many of CCVO's members and stakeholders work in partnership with the Province to enrich our communities.

CCVO is pleased to provide input into the 2017-18 budget. Our comments and recommendations are grouped according to the following categories:

1. Financing of the Nonprofit Sector / Provincial Fiscal Framework
2. Investing in Nonprofit Sector Infrastructure
3. Supporting Nonprofit Climate Change Leadership
4. Enhancing Nonprofit Sector Information

#### **1. Financing of the Nonprofit Sector / Provincial Fiscal Framework**

CCVO commends the Province for its commitment to maintaining service levels amidst the current, prolonged economic downturn. We agree that to initiate cuts to services for Albertans and support for nonprofits would only serve to exacerbate the challenges confronting the Province. Recent provincial budgets lay bare the extent to which Alberta has historically relied heavily upon nonrenewable energy royalties to finance operations.



**In order to sustain quality public services and support for Alberta's nonprofit sector, we encourage the Province to continue to take measures to stabilize revenues to mitigate the effect of inevitable fluctuations in resource revenues.**

CCVO recognizes the challenging fiscal situation currently facing the Province, but as a principle we believe that where the government contracts for services, funding agreements should cover the full cost of operations. The Province has committed to moving Alberta's minimum wage closer to a living wage, and has attached a price to carbon.

**Therefore, it is important that where service providers' expenses increase along with changes to minimum wage and as a result of the carbon levy, funding agreements are adjusted accordingly.**

## **2. Investing in Nonprofit Infrastructure**

The Province has initiated an ambitious capital plan to help stimulate a sluggish economy, create jobs, and address mounting infrastructure needs. In the spring of 2016, CCVO held a post-budget consultation with nonprofit sector leaders from across the province. Top of mind for these individuals were concerns about the growing infrastructure deficit within Alberta's nonprofit sector.

CCVO believes Alberta's nonprofit sector should factor more prominently into the Province's capital planning. To date, new capital investment in nonprofit sector infrastructure has been directed at the institutional level. For example, Budget 2016 included infrastructure grants for Fort Edmonton and the Calgary Zoo. We mention this not to take away from the relative merit of these decisions, but rather to highlight the opportunity for Alberta's capital spending to penetrate further into the nonprofit sector.

Many of Alberta's nonprofit facilities are in a state of disrepair or are no longer adequate. In October of 2015, the Province committed to an additional \$50 million for the Community Facility Enhancement Program (CFEP), over a five-year period, starting in 2016. However, this increase failed to materialize. Moreover, the Agricultural Initiatives Program was reduced by one-third, putting additional pressure on CFEP.

**CCVO urges the Province to support Alberta's nonprofit sector through its capital investment. The Community Facility Enhancement Program and Agricultural Initiative Programs are examples of mechanisms already in place that are well-suited for this purpose. Increases to these oversubscribed programs will help address a growing nonprofit infrastructure deficit while creating much needed jobs.**



### **3. Supporting Nonprofit Climate Change Leadership**

In September 2016, CCVO submitted a [set of recommendations](#) to Alberta's Energy Efficiency Advisory Panel (EEAP). Among them was the recommendation that the Province provide support for energy audits, informed decision making and implementation. CCVO was pleased to hear that funds have been allocated for this purpose through the Non-Profit Energy Efficiency Transition (NEET) Program, and we look forward to promoting the program to our constituents. We view the NEET Program as a key component of a larger program to support nonprofits with energy efficiency; one that includes measures to assist nonprofits with the upfront capital outlay associated with efficiency measures.

**Therefore, we recommend the Province also introduce financing instruments in the form of grants or loans that amortize costs over the payback period of capital investments in energy efficiency.**

It is important to recognize that there may be areas within the nonprofit sector where Alberta's carbon levy proves problematic. For some nonprofits, the increase to operating costs will be more material than others. Likewise, some will be able to pass on, or otherwise recoup increased costs. Others will not. And some will be better able to, over time, offset these costs through energy efficiency measures. In designing the carbon levy program, the Government of Alberta included measures to mitigate the financial impact on small business, farmers, and 60% of Alberta households. Additionally, the levy will not be collected on reserves. Despite these measures, existing policy fails to acknowledge increased costs to nonprofits and charities.

CCVO does not oppose the carbon levy. To the contrary, we understand that cross-jurisdictional research demonstrates the efficacy of attaching a price to carbon. Rather, we are concerned about those nonprofits that may lack the financial resources to manage the transition into a carbon pricing regime.

The Province has earmarked \$3.4 billion of the revenue raised through carbon levy over the next five years to go toward helping households, businesses and communities adjust to the carbon levy. **We recommend the Province establish a fund to which those organizations affected in a material fashion can apply to offset costs as they transition into a carbon pricing era.**

### **4. Enhancing Nonprofit Sector Information**

The nonprofit sector is a vital partner in building a strong province through delivering services and creating healthy and vibrant communities. Despite this critical role, we have little to no information about the current or future capacity or composition of Alberta's nonprofit sector. Moreover, the government relies on many nonprofit organizations to deliver essential services, and yet we have



little understanding of the labour market challenges facing the sector. Ultimately, the absence of data means that government, funders, and nonprofits lack reliable information upon which to base decisions affecting the future of the sector.

Some positive steps toward better sector data have been taken over the past two years, specifically the inclusion of more nonprofit data from the Corporate Registry system on the Alberta Government's Open Data portal and the addition of a nonprofit 'flag' in both the 2015 and 2017 Alberta Wage and Salary Surveys. However, the limited amount of information available to the nonprofit sector, especially in comparison to other sectors and industries, means it is difficult to make informed decisions around the capacity, effectiveness, productivity or sustainability of the sector.

**Because the challenges that result from limited information on the sector span multiple ministries, we suggest that the collection, use and availability of nonprofit sector information be made a priority issue through the Alberta Nonprofit / Voluntary Sector Initiative (ANVSI). Special priority should be given to making the full Societies Annual Return data set available for research purposes and including the nonprofit flag in all future Alberta Wage and Salary Surveys.**