Alberta Pre-Budget Submission 2019

CCVO empowering nonprofits

On September 23, 2019, the Government of Alberta announced an online consultation asking the public "What are your strategies to balance Alberta's budget by 2022-23?" As a member-based organization that promotes and strengthens the nonprofit sector, CCVO is providing input for consideration for the 2019 budget, which is set to be tabled on October 24, 2019. The upcoming budget presents a good opportunity for the Government of Alberta to address their commitments made in their election platform to the nonprofit sector, which are outlined below.

Summary of recommendations:

1. Recognize that a reciprocal relationship between the provincial government and the nonprofit sector is crucial to a healthy civil society.
2. Engage with the nonprofit sector in meaningful consultation on the challenges, opportunities, and limitations of proposed policy shifts before they are enacted.
3. Implement predictable, and flexible multi-year financing for nonprofits that receive provincial government funding.

RECOMMENDATION 1

Recognize that a reciprocal relationship between the provincial government and the nonprofit sector is crucial to a healthy civil society.

The Provincial Government's proposal for a $20 million Civil Society Fund supported by the Alberta Lotteries Fund shows promise and we look forward to implementation details. CCVO commends the Government of Alberta for its plan to maintain the charitable tax credit at its current level as this creates an incentive for Albertans to donate.

CCVO is pleased to see that the government has committed to partnering with civil society organizations (many of which are likely nonprofits) whenever possible to help deliver government programming and services. However, we should be wary of the costs involved in delivering these services. Too often, governments across jurisdictions rely on nonprofits and charities to deliver essential services, while not adequately funding them. As a result, the sector is overburdened with demands, and lacks the finances required to serve the community or to fulfill their missions.

Although CCVO recognizes the challenging financial situation currently facing the Province, we believe that where the government contracts for services, funding agreements should cover the full cost of operations. Funding arrangements should take into account the real costs associated with delivery, including funding for organizational administration. We believe that by taking this step, the sector will be able to increase its impact across various communities while also strengthening Alberta's economy.

Further, the government should carefully consider that any changes to services and programs, even if those programs and services are not delivered by the nonprofit sector, will be felt by the nonprofit sector.

Nonprofits are often the first point of contact for vulnerable people and if there are significant shifts, nonprofits will feel the ripple effects of these changes. The nonprofit sector provides a wealth of expertise and experience from highly skilled and trained professionals, which is a remarkable resource for the provincial government. This sector can be very useful in ensuring that Albertans, and particularly vulnerable Albertans, continue to receive the services they need.

RECOMMENDATION 2

Engage with the nonprofit sector in meaningful consultation on the challenges, opportunities, and limitations of proposed policy shifts before they are enacted.

CCVO recognizes a proposed Premier's advisory council as a direct line of communication to the Premier that could bring strong accountability and attention to the most important issues impacting the sector. Such a council holds the promise of creating a better understanding of the sector across the provincial government and with the broader public, while also providing better communication between the government and the sector, as well as recognizing the contributions the sector makes to Albertans.

CCVO would like to see the diversity of the sector recognized through representation on this prospective Premier's Council. There are many professionals, leaders, and organizations within the nonprofit sector across Alberta dedicated to shared goals around systemic change; they serve as a wealth of knowledge and are eager to collaborate with the Province to strengthen and harness civil society. Therefore, it is important that the Government engage in meaningful consultations through the Council on the challenges and opportunities of proposed policy shifts before they are enacted through budgetary decisions.

For example, such a Council could provide valuable expertise on the potential consequences of the government's proposed Freedom to Care Act and the commitment to make sure that faith-based charities and nonprofits have equal access to government grants and contributions. We strongly encourage the government to consult with nonprofits before implementing these policy changes.

RECOMMENDATION 3

Implement predictable, and flexible multi-year financing for nonprofits that receive provincial government funding.

According to a new report of the Special Senate Committee on the Charitable Sector, the nonprofit sector in Canada "is facing a slowly intensifying crisis" where demand for essential services are expected to rise dramatically over the next decade, while its revenue streams are not likely to keep up.[1] This presents challenges for Alberta's nonprofit sector as it cannot provide the services alone and will require support from the province to ensure that individuals and communities can thrive in the future.

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[1] Ratna Omidvar. (2019). #VoteCharitably Open Letter. Independent Senator for Ontario – Senate of Canada. http://www.ratnaomidvar.ca/votecharitably/.

Alberta has more than 26,000 nonprofits with more than 450,000 employees contributing approximately $10 billion in GDP to Alberta's economy.[2] The nonprofit sector is a supplier of programs and services, contributing to the province's economic viability, and vibrant communities. Nonprofits provide these programs and services throughout communities in Alberta, but little attention is given to nonprofit sector employees. For many organizations, the greatest challenge with respect to staffing, is the difficulty in recruiting and retaining staff due to lower salaries and fewer benefits relative to other sectors. The connection can be drawn to short-term funding models which limit the nonprofit sector's ability to meet day-to-day responsibilities. Organizations are often left to hire temporary staff, which may have negative implications for staffing patterns and for the delivery of quality services. The short-term nature of government funding to the charitable and nonprofit sector makes sector employment equally short-term, with diminished job security. As a result, Albertans employed within Alberta's nonprofit sector grew more concerned about their ability to sustain their efforts.

We acknowledge and support the need to move towards five-year funding agreements as a way to alleviate the unpredictability of funds distributed to the sector as well as strengthening the sector's ability to broaden its impact. For these reasons, CCVO welcomes the Government's commitment to exploring options that will increase long-term, flexible and non-programmatic funding.

[2] CCVO. (2019). Alberta's Nonprofit Sector. https://static1.squarespace.com/static/5aef5b46cef3728571e6c46c/t/5c8c0606104c7bef12d8083f/1552680454949/CCVO%2BNonprofit%2BSector%2BInfographic.pdf.