



## GTA Nonprofit Sector Joint 2023 Ontario Budget Submission Submitted by Ontario for All

Ontario for All is a nonpartisan organization supporting nonprofit leaders in playing active roles shaping evidence-based public policy.

### Introduction

The nonprofit sector plays a vital role in providing services and supports to Ontarians, especially in the face of increasingly complex and enduring social issues. The sector delivers programs and services in many areas of provincial responsibility, including housing and homelessness, health, children's services, seniors programming, mental health, food security, and community safety. As evidenced so clearly during the pandemic, the nonprofit sector has been effective at engaging communities, pivoting to address critical needs, and identifying emerging issues early and accurately, to forestall deeper crises. The sector also supports over 800,000 employees and contributes \$65 billion to Ontario's GDP.

The 2023 Ontario Budget comes at a critical time for our province. Against the backdrop of the pandemic, growing inflation and a housing and mental health crisis, the decisions before government are complex. There is much at stake. In January 2023, over 150 leaders from organizations working closely with people experiencing poverty, housing precarity and homelessness, food insecurity, mental health and addictions, racial, gender and faith-based violence, and social isolation across the GTA came together at a Budget Forum to discuss concrete recommendations to ensure the government's 2023 Budget creates the foundation for a better life for all Ontarians.

The Budget Forum, organized by Ontario for All, United Way Greater Toronto, Peel Poverty Reduction Committee, Social Planning Toronto and the Social Planning Council York Region, was an opportunity for participants to bring their extensive policy, program and frontline experience to articulate the critical issues facing our communities and to identify the way forward. Their input reflects both aspirational goals around longer-term investment, and practical actions that can be taken in the current context with the current Budget under consideration.

Participants in the Budget Forum focused on three areas that are particularly pressing for the communities they serve, as well as the broader social and economic conditions in the province: **affordable housing, income supports and the stability of the nonprofit sector**. Those discussions are the basis for this submission to the Ontario government. A more detailed summary of their analysis is available in a proceedings report at [bit.ly/OFA2023BudgetForum](https://bit.ly/OFA2023BudgetForum)

### Recommendations

#### I. Affordable Housing

Few issues in Ontario are as pressing as the housing crisis. Sector leaders recognize the size and scope of the challenge, and the need to capitalize on low-cost, high impact initiatives while the longer-term investment addresses the need for affordable supply. In the interest of identifying practical opportunities, participants in the Budget Forum focused much of their attention on two areas: **preserving affordable homes and investing in affordability**.

## A. Preserving Affordable Homes

With 20,000 affordable homes lost in Ontario each year, better preservation is essential. GTA sector leaders recognized that the cheapest affordable housing unit is one that doesn't need to be built at all, and underscored the need for the following:

### **Supporting effective rental housing replacement bylaws**

The powers given in the *More Homes Built Faster Act (2022)* to pass regulations that shape local rental housing replacement bylaws should be used to enhance those protections. Rental housing replacement bylaws have preserved over 4,000 affordable homes. In a context where Ontario loses 20,000 unprotected affordable units each year, that protection is critical.

### **Supporting efforts to enforce the eviction laws and funding programs that help prevent unlawful evictions**

One of the weaknesses of the province's rent control system is that it does not preserve affordability once a unit is vacant. This results in efforts at illegal evictions. Preventing those evictions results, at least temporarily, in the preservation of that affordability. Funding enforcement of the law and more supports for tenants facing evictions can preserve affordability.

### **Extending operating agreements with co-ops**

Expiring operating agreements are putting financial pressure on co-ops, driving up rents and diminishing affordability. Helping to lengthen those agreements preserves affordable homes.

### **Addressing challenges at the Landlord and Tenant Board (LTB)**

Backlogs, language barriers, lack of digital access and insufficient supports for tenants at the LTB have resulted in the loss of tenancies and, with that, the loss of affordability for many units. Investing in LTB capacity and tenant supports could help to reverse that trend.

## B. Investing in Affordability

Public land, direct investment and funding for municipalities are central to addressing housing issues. Nonprofit leaders also sought longer-term efforts to address the underlying problems in the housing system. Some efforts require considerable long-term investment, others simply counterbalance recent challenges, and some impose no direct cost on taxpayers.

### **Supplying provincial land for nonprofits developing affordable homes**

Nonprofit development of public land lowers overall costs and increases affordability. An inventory of potential sites, both unused and underused, and an effort to move those quickly into full use, can have a big impact.

### **Increasing the depth of portable housing benefits**

The province already invests in a variety of rent supplements and benefits but doesn't get the full value of that investment as many rental supplements go unused due to shifting market conditions. A small additional investment could help existing rent supplements meet the growing gap between affordable rents and market rents, and create affordability for hundreds of renters, especially those urgently in need of rehousing.

### **Increasing the supply of Rent-Geared-to-Income (RGI) housing**

New RGI housing is a more expensive and long-term investment, but inevitably necessary to provide housing for the thousands of Ontarians living below the poverty line.

### **Working with the Ministry of Health to increase the supply of supportive housing**

The homelessness and mental health crises affecting communities reflect the dire need for stable shelter with appropriate supports. The Ministry of Municipal Affairs and Housing must provide an adequate number of

affordable units, through any of the mechanisms described above, and the Ministry of Health must provide an adequate supply of supports. An integrated plan across ministries to make the necessary investments to achieve that goal is essential.

### **Restoring municipal funding for housing programs lost under the More Homes Built Faster Act**

Cities across Ontario have housing plans that require considerable investment. Many of those programs were funded by development charges. With the development charges for housing services cancelled in recent legislation, cities need a clear plan and commitment to restore that funding.

## **II. [Income Supports](#)**

The housing crisis, food security issues, and many challenges to health and wellbeing can be tied, at their root, to the lack of adequate incomes faced by many Ontarians. With the social assistance system in reform and inflation on the rise, addressing the challenges in the social assistance system is an urgent priority. Forum participants identified several steps that can be taken now, at modest cost, to address this problem, and also longer-term goals for change in the social assistance system. Participants spoke to a range of issues, but emphasis emerged on two areas: **making “modernization” work; and ensuring adequacy of income supports.**

### **A. Making “Modernization” Work**

While reforms to social assistance system are welcome and critical to addressing long-standing issues, there are aspects of planning that run the risk of undermining what could be a highly beneficial modernization effort. The recommendations included in this submission help address that risk.

#### **Provide a \$100/month digital access benefit to ensure social assistance recipients can get online, and fund local agencies to provide digital access supports to low-income households**

Many Ontarians don’t have adequate digital access. With an increasingly digital social assistance system, it is advisable to address barriers to access with a low-cost supplement and engage their support systems in assisting them in managing digital access.

#### **Simplify rules governing OW and ODSP access and employ local nonprofits to assist marginalized applicants in navigating the new system**

With over 8000 rules and polices, the social assistance system is difficult for clients to navigate and expensive for staff to administer. Simplifying the system would reduce costs and improve access. As reforms come into place through the modernization process, it also makes sense to engage nonprofit organizations that already work closely with recipients to help recipients navigate the changes.

#### **Improve coordination and communication among the three pillars of the new social assistance system, and fund the expansion of stability supports to address the increasing need**

The changes to the social assistance system assign “stability supports” to the municipalities, financial allocations to the province and employment supports to a third party. Adequately funding the coordination and communication among those parties, and funding municipalities to provide the required volume of stability supports will be critical to the success of the system.

#### **Engage clients in codesign of the new system**

The changes to social assistance are being codesigned by provincial and municipal partners. Engaging clients in that process will provide valuable insight into what works on the ground, and what doesn’t, and should be the third leg of the codesign process.

### **Increase the capacity of the Social Benefits Tribunal to address the challenges of a new system**

Backlogs at the Social Benefits Tribunal already affect access for individuals challenging the amount of or eligibility for OW and ODSP. Moving to the new social assistance approach will bring challenges during the transition that will increase demand on the tribunal. Investing now in capacity will help avoid this problem.

#### **B. Ensuring Adequacy**

Inflation is rising, and rates not keeping pace. With social assistance rates 40%-65% below the poverty line, providing people with the necessities of daily life for themselves and their families is a challenge. The cost of correcting the gap is significant, but there are early steps that are affordable and beneficial.

### **Develop a plan to increase rates to livable levels over time, and draw on \$800 million in social assistance underspending to fund the increases**

The province recognized the need to address rates and increased ODSP in 2022. Unfortunately, runaway inflation more than erased any gains. With rates far below the poverty line, addressing ODSP and OW levels will take time and long-term investment, but savings from the last few years can be directed to starting this process. Reinvesting recent social assistance savings in raising rates is a good first step.

### **Reduce clawbacks on other income and on benefits**

Incomes for social assistance clients can rise with little impact on taxpayers by eliminating clawbacks. Lower clawbacks also incent work and initiative.

### **Focus the Employment Ontario system on measures of success that reflect long-term outcomes and appropriateness, rather than simple binary measures**

The current Employment Ontario evaluation tools are not fully attuned to the current job market. Adjusting them to put more emphasis on ensuring long term, stable, adequate employment will connect clients to better jobs and reduce overall costs.

## **III. Nonprofit Sector Stability**

In the wake of the nonprofit sector's tireless work to support our communities during the pandemic, the sector is straining to continue to meet community needs in an ever shifting and challenging context. With millions served by the sector, inadequate resources and overburdened infrastructure must be remedied to ensure continued access to the supports on which Ontarians rely. Nonprofit leaders at the Forum recommended three areas of works to address this: **tackling the human resource crisis in the sector; building on recent learning; and creating a home in government.**

#### **A. Tackling the Human Resource Crisis in the Nonprofit Sector**

Recruitment, retention, wages, skills and volunteering are stress points as they never have been before, threatening service delivery and stability. Collaborative and deliberate effort is required to reverse these trends. From staff to volunteers, from wages to stability, there are unprecedented challenges in nonprofit sector human resources. The recommendations below will significantly mitigate their impact.

### **Provide new skills development resources, allocated from the Skills Development Fund, to help address the nonprofit human resources crisis**

The nonprofit sector is facing unprecedented human resource challenges. To overcome them, the sector needs to be able to recruit, train and support new workers on a larger scale. Funding for a targeted skills development effort is a critical component of success.

### **Phase in wage parity funding over four years to reduce the loss of nonprofit staff to other sectors**

Human resource issues in the sector are driven in part by lower wages offered compared to others in the broader public sector. Narrowing that gap will take time but is an important ingredient of stability.

### **Transition to stable, long-term, and flexible operational funding for nonprofits that reflects the true cost of delivering services and programs, and keeps pace with inflation and emerging needs**

The lack of stable funding exacerbates the challenges in attracting and retaining staff and undermines the ability of the sector to operate at optimal effectiveness.

### **Develop a volunteerism recovery strategy jointly with Ontario's volunteer centres**

The crisis in paid staffing is coupled with a stark drop in volunteerism across Ontario. A coherent volunteer strategy, co-developed with Ontario's volunteer centres, is needed to address the decline.

## **B. Build on the Learnings of the Pandemic**

The pandemic forced nonprofits and government to take new approaches to service delivery planning and implementation. Important learnings were drawn from how agencies addressed critical issues facing communities and the recommendations below will help agencies capitalize on those experiences.

### **Fund efforts by nonprofits to capitalize on new opportunities in the more tech-savvy context**

The pandemic changed our relationship with technology. Investing in efforts to capitalize on that change will increase efficiency across the sector.

### **Expand the collection and sharing of disaggregated data to help nonprofits focus on greatest needs**

Disaggregated data helped focus resources on those most in need during the pandemic, continuing to collect and share, and training partners to achieve this that data can help ongoing efforts at optimizing effectiveness.

## **C. Create a "home in government" for the sector**

Everyone is better served if the province fully engages its key service partners. With 840,000 employees in the province and contributing \$65 billion to the province's GDP, nonprofits should be engaging with the government in a coherent and focused way, but the current relationship is fragmented and inefficient. An Office for Nonprofits and Charities can help overcome that.

### **Establish an Associate Minister and Deputy Minister position in a new Office for Nonprofits and Charities within the Ministry of Economic Development, Job Creation and Trade**

Ontario's nonprofits are a big part of our service systems, our communities and our economy. Spread out over 16 ministries and dozens of divisions, the sector's interface with one of our key partners lack coherence and order. Creating a lead Office with a presence in Cabinet will focus that interaction and enhance a valuable partnership.

## **Conclusion**

Taken together, these recommendations can dramatically improve outcomes for vulnerable Ontarians and meet crucial goals of the provincial government in health and human services. We hope the more detailed account of the Forum's proceedings, available [here](#), can help reinforce the value of these proposed investments. The nonprofit sector remains committed to working closely in partnership with government to the best outcomes and collective prosperity of all Ontarians.

*For more information on the forum and its recommendations, please visit [www.ontarioforall.ca](http://www.ontarioforall.ca) or email [info@ontarioforall.ca](mailto:info@ontarioforall.ca)*