

**Written Submission for the Pre-Budget Consultations in Advance of the 2023
Alberta Provincial Budget:**

Creating Community Prosperity in Alberta's Recovery

Calgary Chamber of Voluntary Organizations

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ABOUT CCVO

The Calgary Chamber of Voluntary Organizations (CCVO) is a member-based charitable organization focused on research and sense making, public policy issues, and informed convening and programming activities that strengthen the nonprofit sector and civil society in Alberta. CCVO promotes and strengthens the nonprofit sector and civil society by developing and sharing resources and knowledge, building connections leading collaborative work, and giving voice to critical issues affecting the sector and the communities it serves.



THE NEED

While no sector emerged unscathed, nonprofits were particularly under resourced and undervalued through the pandemic. As other sectors recover, nonprofits continue to struggle.

Nonprofits fill critical needs not provided by governments or the for-profit sector spanning poverty reduction, health, mental health, environmental protection, cultural and language support, sport and recreation – and more. They contribute \$5.5 billion to the economy, leverage astounding added value at 227 million hours of annual volunteer time, and employ 1/20 Albertans. Eight-in-ten employed in Alberta nonprofits and charities are women. 25% of Alberta's 30,000+ nonprofits are located in rural areas, and account for 15% of total employment.

Albertans are struggling in the wake of the pandemic, and nonprofits are seeing it on the front lines - experiencing not only higher demand for services, but higher complexity of client needs. Increasing call volumes to Alberta's Help Line (211) over the last 3 years attest to these increasing struggles. The biggest demand from Albertans has been in the areas of Mental Health & Substance Use and Criminal Justice & Legal Services, followed by Community Services, Basic Needs, and Income Support.

Nonprofits had their operations disrupted by downsizing, significant layoffs, and health and safety risks for individuals working on the frontline. Many had to cancel fundraising and other types of events, impacting their finances and ability to network and connect with peers from other nonprofit organizations. As a result, communities went without services and access to community, which took a toll socially, mentally, and physically. Organizations are now working hard to recover connections in an environment where their capacity to function has been diminished and demands are growing.

Many organizations made essential shifts to virtual services and programming. As restrictions are lifted, organizations must once again shift to meet changing circumstances, needs, and wants of the communities they serve. Some clients, for example, remain without access to technology and with limited digital literacy, while demand for services to continue this way is still high. Re-engaging communities, partners, and audiences will take time and concerted resources. Meanwhile, organizations are still struggling to reestablish operational funding that would support staff recruitment and rebuilding lost connections.

As organizations consider re-hiring they are reporting difficulty in finding and keeping staff. While many organizations report they plan to increase wages, thin operating budgets and funding agreements make this a challenge. This comes at a time when government supports, such as the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Rent Subsidy (CERS), are no longer available, and at a time of rising inflation. Nonprofits are apprehensive about their ability to keep up. They cannot pass on prices to clients like for profit businesses, and increased demand is expected to continue. The end of Canada Emergency Response Benefit (CERB) also put pressure on nonprofits that serve populations struggling to



meet basic needs. This persistent gap between capacity of organizations and demand for services and programs raises questions of how the sector will cope moving forward.

While the COVID-19 pandemic has taken a toll on the nonprofit sector, many supports made available by government for a broad range of businesses were not designed to specifically support the nonprofit sector. For example, just 4% of SMERG (Small Medium Enterprise Relaunch Grant) went to Alberta nonprofits.

The UCP government has taken several initiatives to strengthen civil society and the nonprofit sector:

- Created the Fairness for Newcomers Office;
- Appointed an Associate Minister for Mental Health and Addictions;
- Developed and implemented a mental health and addictions strategy;
- Established the Premier's Council on Charities and Civil Society;
- Created the \$20 million Civil Society Fund;
- Provided \$20 million to food banks across Alberta;
- Re-indexed AISH, PDD and income tax brackets.

The fact remains that nonprofits have been under-resourced, with the Civil Society Fund over-subscribed by about 20 times the available budget, and key programs like CIP, CFEP, and FCSS failing to keep pace with growth and inflation. A recent Ipsos Reid poll estimates that three-in-ten Albertans will rely on the support of nonprofits to meet their basic needs in the next six months, and nonprofits must be resourced to be able to meet this need.

The nonprofit sector is the backbone of communities across Alberta and helps to create strong, resilient citizens. Nonprofits deliver efficient, effective and essential services that government would otherwise struggle to provide, including:

- Seniors' services, programming and community events;
- Support and resources for victims of crime;
- Integration, resettlement, training and language support for newcomers;
- Youth mentoring, sport, and recreation opportunities;
- Health, fitness, wellness and counselling services;
- Cooperative and community housing;
- Indigenous health and support services;
- Drop-in centres, social services and basic needs.



REQUESTS FOR 2023/24 BUDGET

- i) A commitment to indexing all granting programs to inflation and growth in the budget, starting with 2023/24. For example, that would put CFEP at \$70 million and CIP at nearly \$58 million for that budget year, and it would put Family and Community Support Services (FCSS) at nearly \$130 million, up from the current investment of \$100 million that has not seen an increase since 2015.
- ii) An investment in the 2023/24 budget in a strategic Community Prosperity Fund, eligible only to nonprofits totalling \$300 million over 3 years, with first year priorities focused on relief from the ongoing impacts of the pandemic and the historic under-resourcing of the sector in support of key priority areas: recruitment and retention of staff; digital transformation; mental health programs for staff and volunteers; and Diversity, Equity and Inclusion.

THE RETURN

With these commitments, the Government of Alberta is creating jobs and improving the sustainability of the sector that has felt the impacts of inflation, reduced ability to generate income, and chronic underfunding. There is no economic recovery without community recovery.

- **Employment impacts**, with an estimated 4,800 jobs created.
- **Advancing sector-identified priorities**, including supporting mental health, leading digital transformation, and engaging and retaining youth.
- **Upwards of 100 new or expanded community projects or services:**
 - Making the Social Impact Technology Pilot permanent, which encourages entrepreneurs to solve social problems through technology.
 - Increased work-integrated learning opportunities for Alberta post-secondary graduates to have first career experiences in the sector.
 - Improvements to the volunteer database and screening system, a first of its kind in Canada.
 - Expansion of the Mental Health Housing Program, designed specifically for people with mental illness/low income.
 - Expansion of the Enough for All strategy, which seeks to reduce poverty and create a more inclusive community.
- **An efficient return on investment with nonprofits earning 60% of their total revenue from sources outside government while also providing essential services to Albertans.**
- Opportunity to **deepen, profile and enhance the partnership with respected community organizations.**