



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

March 15, 2017

Funding Non-Profit Organizations Gives Good Value for Money

Several small non-profit organizations (NPOs) are nervously awaiting Manitoba's 2017 budget. Funding sources they've come to rely on have been 'on pause' for months and its beginning to affect the services they provide. Many organizations have been unable to confirm that multi-year agreements signed through the government's Non-Profit Organization (NPO) Strategy will remain in place—they are told they must wait until the budget is released. Government officials have also warned agreement holders that agreements can be terminated and therefore they should not spend beyond the current fiscal year. This means that front line services will be disrupted because some organizations will be forced to layoff program staff prior to the April budget.

By all accounts, the NPO Strategy provides good value for money and is non-contentious. We all know of someone who has a connection with a NPO, either as a service user, employee or volunteer. Ideologically and practically it even makes sense for the current government to maintain the strategy and fund non-profits—it aligns with the mandate of the governments "Red Tape Reduction Task Force." The Task Force, established to "identify regulatory requirements that stifle growth" with a focus on industry and issues facing non-profits, has met with several non-profit representatives who report that the current model has addressed many of their concerns and is allowing them to operate more effectively.

The NPO Strategy was introduced in 2011 in response to frustrations with an onerous proposal and reporting process. The Province began the process of entering into multi-year agreements, as opposed to annual agreements, with long-established community based service providers. Agreements were initially signed with 50 organizations across the province as well as 53 rural recreation commissions. In 2015, then Family Services Minister Kerri Irvin-Ross expanded the NPO strategy to include 10 additional organizations followed by an additional 58 organizations in 2016.

The NPO strategy is an efficient way to support front line service in the non-profit sector. An independent evaluation in 2013 showed that the NPO Strategy improved service delivery, effectively stabilizing organizations by streamlining funding agreements across departments and committing to conditional multi year funding. Organizations remain highly accountable to government—funding is contingent upon organizations demonstrating annually that they are meeting the terms of their agreements.

Operationally, multi-year agreements make a significant difference to non-profits, enabling them to make long term plans to better serve their communities and offer longer term commitments to their employees

there is an alternative.

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thereby attaining and retaining qualified staff. While organizations remain accountable to government, previous onerous requirements are more manageable, allowing organizations more time to do what they do best—deliver services.

The amount of money the Province will save from backing out of the NPO Strategy and withdrawing funding from community service delivery organizations is relatively small potatoes compared with the impact these organization have in communities.

So what's the problem?

Regardless of how effective it is, Pallister's Conservative government will find it difficult to resist pulling the plug on the NPO Strategy and other popular initiatives implemented by the Doer and Selinger NDP governments. We've seen this before. Traditionally NDP governments have provided financial support for prevention and advocacy programs delivered by community-based initiatives and Conservative governments then withdraw support. This was the case in 1992 when the Filmon Conservative government, fresh from winning a majority, withdrew funding from 56 community based organizations including The Foster Parent Association, Manitoba Anti-Poverty Organization, Assembly of Manitoba Chiefs, the Community Unemployed Help Centre and a host of other organizations. Some organizations survived, others did not, leaving a gap in service for many vulnerable Manitobans.

As result, many low-income communities went through difficult times in the 1990s and it has taken nearly two decades for new capacity to be built and communities to begin to rebuild. While many communities continue to struggle, there is also much evidence of renewal. This is now at risk.

Continuing financial support for non-profit service delivery should make sense to the current government. Community based service delivery takes pressure off the public sector. Workers are paid

relatively low wages and are most often not unionized—concepts we know are appealing to Premier Pallister.

In addition to the front line services they provide, Community-based organizations are known for training and employing local residents and enthusiastic youth keen to make a difference. These are often the first jobs for many. Some remain committed to their work and become leaders in their communities; many other move on to further their education and/or transfer the skills they developed in community to more secure employment in the private and public sectors.

Funding community based NPOs makes social and economic sense for a host of reasons. Provincial funds provide a base from which organizations can leverage funding from other levels of government, private foundations and individuals through charitable giving. They also provide a base from which government and non-service delivery organizations can deliver programming.

There are many good reasons to maintain (and expand) the NPO Strategy and existing government funding programs. Non-profit organizations can only hope that the Pallister government will be able to resist the partisan temptation to eliminate programs that make good sense, only because they are associated with the past government. We'll find out on April 11th.

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