



Strengthening Canada's Communities

Des communautés plus fortes au Canada

# Submission to the 2017/18 Budget Consultation

CCEDNet – Manitoba operates as an association of community-based non-profits, social enterprises, and cooperatives. Our mandate includes supporting members to improve the efficacy of their work by providing opportunities to strengthen knowledge and practice, and developing relationships with governments that lead to supportive policy environments.

## Supporting Partners that Lay a Foundation for Participation in Manitoba's Economy

CCEDNet – Manitoba members have passed a number of policy resolutions that are led by our partner coalitions, and that focus on policy areas that impact people's ability to participate in the labour market. Without access to a foundation that includes affordable housing, childcare, and a stabilizing basic income, many Manitobans will be shut out of economic opportunities that lead to financial independence.

### *Recommendation:*

- *Invest in the recommendations presented in written submissions by the Manitoba Child Care Association, Make Poverty History Manitoba, and the Right to Housing Coalition.*

Our responses to your thematic questions are below. They are based on member-endorsed policy resolutions.

**Q1. What efficiencies can you identify in government operations that could save money while ensuring the protection of front-line services and those who deliver them? Which programs do you believe are no longer delivering results efficiently and what changes could be made to improve them?**

## Reducing Red Tape and Improving Efficiencies in Service Delivery

CCEDNet – Manitoba members successfully build local economies and communities while reducing social problems at a fraction of what it would cost government to do this on its own.

Multi-year funding agreements in the Non-Profit Organization (NPO) Strategy create efficiencies and efficacy by reducing red tape, allowing NPOs to focus on delivering services for the most marginalized communities. It also enables NPOs to attract and retain better qualified staff with more job security, higher wages, and stronger benefits. As a result, NPOs have reduced turnover, enhanced capacity to plan and evaluate service delivery, and leveraged new opportunities to secure additional long-term funding.

Neighbourhoods Alive! is reversing trends of underpopulation, poverty, crime, and property decline in Manitoba's most marginalized communities, and is viewed nationally as a best practice model for supporting targeted and community-driven revitalization. This unique program helps develop 5-year neighbourhood plans that guide multi-pronged initiatives in employment, training, education, safety, crime prevention, housing, physical improvements, and recreation. NA increases efficiencies and efficacy by helping neighbourhoods streamline and eliminate program duplication, and by coordinating funding allocations toward established community priorities.

### *Recommendations:*

- *Allocate sufficient resources to honour the multi-year funding agreements with organizations in the NPO Strategy.*
- *Maintain funding for Neighbourhoods Alive!*

## **Q2. What regulations do you believe are preventing growth opportunities in Manitoba's economy?**

### Creating Growth Opportunities through Accessibility

Legislation removing barriers to accessibility may be one of the best examples of regulation as a positive economic driver. Manitobans with disabilities face barriers that prevent full participation in the economy and community and that produce significant social and personal costs. All parties passed the landmark *The Accessibility for Manitobans Act (AMA)* in 2013 to achieve the comprehensive prevention and removal of barriers. The Conservative party committed to the full and timely implementation of the AMA during the 2016 provincial election. The AMA establishes responsibility for achieving significant progress toward accessibility by 2023, but implementation is lagging. Timely and effective progress requires an increase to the current level of implementation resources.

### *Recommendation:*

- *Invest significantly increased human and related resources to ensure the timely and effective implementation of The Accessibility for Manitobans Act.*

## **Q3. In what areas should we look for opportunities to manage expenditure growth? What cost-neutral or low-cost opportunities for innovation do you believe Manitoba should pursue to encourage greater economic growth and to position our province to compete and prosper over the long term?**

Social enterprises are innovative businesses that contribute to economic growth and prevent costly social problems. They provide job and training opportunities with wrap-around supports for people facing barriers to employment (e.g. people with justice system involvement, people with developmental disabilities, and unemployed/underemployed Indigenous peoples) resulting in reduced crime and strain on social assistance systems. Governments can support these businesses through several low-cost measures.

### Reducing Growing Justice Expenditures

Manitoba Justice spends approximately \$500M annually, up from \$200M in 2006. The Auditor General of Manitoba reported \$600M will be needed between 2014 and 2020 just to meet projected prison population growth, at an estimated capital cost of \$220,000 per bed.

Recidivism rates in Manitoba are 31% (2013) for new criminal convictions and 72% (2011) for new criminal charges. Investments in social enterprises employing people at high risk of offending or re-offending can address unsustainable justice costs as these businesses reduce recidivism rates at a fraction of the cost of incarceration.

### *Recommendation:*

- *Allocate funding for training and wrap-around supports (e.g. housing, addictions treatment, and cultural reclamation) to social enterprises that employ people at high risk of offending or re-offending.*

### Social Procurement

One of the most successful ways governments can support social enterprise is through social procurement – using *existing purchasing* to achieve social goals like increased employment for people facing barriers.

Manitoba Housing purchases over \$6M annually in goods and services from social enterprise. This amount could be increased to \$10M by 2017/18, according to Manitoba Housing and the social enterprise sector. Most of this investment falls within existing government purchasing, although some of it reflects the social premium that is required to generate the social value created by training and supporting workers facing barriers. A Manitoba Housing analysis calculated that investments in social enterprise produce an average social return of \$2.23 to \$1.

*Recommendations:*

- *Allocate \$10M annually for social purchasing from social enterprise through Housing.*
- *Invest in staffing to enable other departments (i.e. Infrastructure) to generate the value that Manitoba Housing has achieved through social purchasing.*

## Manitoba Social Enterprise Strategy

The Manitoba Social Enterprise Strategy (MSES) leverages opportunities to scale the size and strength of this sector by:

- Developing management capacity, supporting networks, and enabling knowledge exchange to enhance the effectiveness of social enterprise;
- Expanding access to markets to create more jobs and other economic contributions through social enterprise;
- Identifying opportunities and mobilizing stakeholders to create new social enterprises;
- Ensuring social enterprises can access appropriate funding and financing; and,
- Collaborating with government to create a supportive public policy environment for social enterprises.

CCEDNet - Manitoba is currently implementing the MSES through a 3-year contribution agreement for \$250,000 in annual funding ending in 2017/18, which is supporting sector growth and coordination to enhance the impact of social enterprises.

*Recommendation:*

- *Invest \$250,000 to implement Year 3 of the Manitoba Social Enterprise Strategy.*

## Co-operative Development

More than 400 co-ops (including credit unions) across Manitoba represent a vital business sector with over 900,000 members and at least \$22 billion in assets. Co-ops often emerge to create services and jobs where they are otherwise lacking such as in the 65 communities where credit unions are the only financial institution. Co-ops are a sustainable business model with 62% in operation after 5 years and 44% after 10 years (compared to 35% and 20% respectively for other new businesses).

The *Manitoba Co-operative Community Strategic Plan (2014-2019)* builds on a previous five-year strategy that developed structural and sustainable initiatives to strengthen the co-op sector. These include the Multi-stakeholder Co-op Model, the Co-op Development Fund Tax Credit and an emerging mentorship program. Provincial investments in the first strategy leveraged more than double from other partners. Ongoing implementation of the renewed plan requires provincial resources in Budget 2017 and 2018 to further grow and strengthen the sector.

*Recommendation:*

- *Invest \$250,000 to implement Year 4 of the Manitoba Co-operative Community Strategic Plan.*

#### **Q4. How can the government further encourage private sector growth and leadership in our province's northern economy?**

##### **Northern Food Security and Growing Health Expenditures**

Diet-related diseases are particularly prevalent in Northern Manitoba communities experiencing severe food insecurity. For example, diabetes affects more than 50% of all seniors and almost 25% of adults aged 35 to 54 in Manitoba First Nations with associated costs estimated at \$498M (2010). Downstream health spending has become unsustainable.

These costs can be avoided through investments in the Northern Healthy Foods Initiative (NHFI) which supports projects that increase the availability of healthy foods despite significant geographic and climate related barriers. Provincial investments in the NHFI have enabled community-driven food security initiatives in the North to leverage other funding sources that would otherwise have been unavailable.

The NHFI also has the potential to create more jobs in a region where some First Nations experience a youth unemployment rate of almost 50%. For example, Aki Energy and Garden Hill First Nation established the social enterprise Meechim, which employed 12 people who farm and sell healthy and affordable food to the local community. The NHFI can further address the unemployment challenge in Northern and Indigenous communities by continuing investments in training and capacity building for social enterprise development in the North.

##### ***Recommendation:***

- *Maintain the existing NHFI budget and consider increases to scale up existing initiatives, expand into other Northern communities, and achieve new revenues through reductions in health costs and job creation.*