

## MEMO

**To:** Hon. Karen Casey, MLA, Minister of Finance and Treasury Board

**c.c.** Hon. Suzanne Lohnes-Croft, MLA, Minister, Communities, Culture and Heritage  
Hon. Kelly Regan, MLA, Minister of Community Services

**From:** Annika Voltan, Executive Director, Community Sector Council of Nova Scotia  
Patricia Bradshaw, Board Chair, Community Sector Council of Nova Scotia

**Re:** Submission to the 2021 – 2022 Provincial Budget Process

**Date:** December 31, 2020

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Dear Minister Casey:

Please find enclosed a submission to the upcoming budget process from the Community Sector Council of Nova Scotia (CSCNS) and supported by the members of the Core Group of the Nova Scotia Nonprofit COVID-19 Coalition:

- Patricia Bradshaw, Chair, Community Sector Council of Nova Scotia
- Stephanie Clark, Board Member, Community Foundation of Nova Scotia
- Jamie Ferguson, CEO, Sport Nova Scotia
- Chris Googoo, Executive Director at Ulnooweg Indigenous Communities Foundation
- Sara Napier, CEO and President, United Way Halifax
- Rustum Southwell, CEO of the Black Business Initiative (BBI)
- Mike Townsend, Board Member, Social Enterprise Network of Nova Scotia (SENNS)
- Crystal Watson, Executive Director, Recreation Nova Scotia
- Jennifer Watts, CEO, Immigrant Services Association of Nova Scotia (ISANS)
- Annika Voltan, Executive Director, Community Sector Council of Nova Scotia

**Community Sector Council of Nova Scotia:  
Submission to the 2021 – 2122 Budget Process**

## Introduction

We are submitting this document on behalf of the Nonprofit and Voluntary Sector in Nova Scotia, including nonprofit social enterprises (and excluding hospitals, universities and colleges). It is supported by the members of the core group of the Nova Scotia Nonprofit COVID-19 Coalition, a group that came together in the spring of 2020 in response to the government’s request that sectors should work together and speak to government with one voice – prepared to identify pandemic challenges, gaps in emergency funding, and potential solutions.

We are currently in discussions with officials at the Department of Communities, Culture and Heritage. We are seeking government support to help stabilize the sector so we can continue to collaborate, innovate, and meet the needs of Nova Scotians.

In addition to the acute needs of the sector, COVID-19 has highlighted existing challenges and vulnerabilities, including coordination and planning across government departments, organizational capacity, and current funding models.

Organizations around the world have used 2020 as an opportunity to review, reset and renew relationships with their stakeholders. We want to do the same. This submission is focused on that opportunity.

## About the Sector

Every day, without fanfare, thousands of organizations do the work that keeps Nova Scotia going. The Nova Scotia nonprofit and voluntary sector represents more than 6,000 organizations and over 20,000 employees, of whom 68 percent are women.

These organizations deliver of a wide range of services, from health and community services to support for marginalized communities. They include arts, culture, recreation and sports organizations.

The sector contributes over \$1 billion to the GDP of Nova Scotia annually and is similar in size to the transportation and financial services industries.

## What We Do

The sector remains largely invisible and yet underpins the ability of the Province to accomplish its priorities of building a sustainable, inclusive economy and enhancing our quality of life, reducing poverty and being more sustainable.

Nonprofit and voluntary organizations provide the following benefits to the province:

- We possess authentic knowledge about community

- We contribute to the health, wellness and quality of life of Nova Scotians
- An efficient way to deliver services to those in need, marginalized, and at risk
- We are conduits for economic investment and support
- We are partners with government to assist in the distribution of investments
- We are connectors –and can be a bridge between government, business and community

Nonprofit and voluntary organizations are supporting government priorities across virtually every government department. Here are just a few examples:

- **Department of Communities, Culture and Heritage** works with arts, culture, sports and recreational nonprofits (e.g. museums, art galleries, libraries and others advancing the Culture Action Plan)
- **Department of Community Services** works with nonprofit community groups supporting new immigrants; providing community transportation; disability, accessibility, employment, youth support organizations, shelters, poverty networks, etc.
- **Department of Business** works with the 30% of nonprofits who are undertaking social enterprises
- **Department of Health and Wellness** works with nonprofit nursing homes and other health-serving nonprofit groups such as the disease specific federations
- **Department of Labour and Advanced Education** works with nonprofits who provide educational services and who support the digital technology and the nonprofit labour market (Community Sector Council of NS and Digital NS)
- **Department of Education and Early Childhood Development** works with organizations that deliver youth educational programming, often focussing on at-risk youth, those from marginalized communities, and those living in poverty
- **Department of Municipal Affairs and Housing** works with nonprofit housing groups, shelters, and volunteer fire services

As the 2020 Budget summary document points out, *“Nova Scotia has made great strides in strengthening the economy and is well positioned for the future. Building on this success requires the public sector, private sector, voluntary sector, community organizations, and citizens to continue to work together.”* We hear you – and we agree. We want to work with you, share our expertise and learnings, and help inform good public policy.

## COVID-19 Has Exacerbated Existing Challenges

Funding for nonprofit organizations comes from a variety of sources, including 38% from the Government of Nova Scotia. Many nonprofits receive no government funding. A 2019 survey conducted by the Atlantic Provinces Economic Council (APEC) entitled, *“The State of the Nonprofit Sector in Nova Scotia”*, shows that many are working to reduce their reliance on government by developing alternative fund sources, such as the sales of goods and services (11%), donations from individuals (9%), fundraising events (8%), membership fees (8%) and corporate donations (4%).

One of the insights of COVID-19 is how precarious many funding sources are in the face of threats such as a pandemic. It has also highlighted the precariousness of current long-term funding models. Lack of focus on the sector in government budgeting and planning processes has left the sector and those it serves vulnerable. There has been insufficient integrated government priority given to strengthening the sector and the risks of not doing so are serious.

1. **Underfunding has resulted in low wages and salaries.** The 2019 APEC sector survey showed that salaries in the province are, on average, 16% below nonprofits nationally and 20% below salaries for all industries in Nova Scotia. The median salary for the Executive Director/CEO role is about \$58,000 compared to \$81,000 for Nova Scotia senior managers according to the 2016 Census. About one-third of Executive Directors and CEOs make less than \$50,000 and this is contributing to a serious succession crisis in the sector. This makes attracting labour more difficult and with the growing labour shortages across the board, this sector will have trouble competing for staff.
2. **Leaders in the nonprofit sector are 67% female and are older than those in other parts of the economy.** The fact that our sector leaders are aging exacerbates the succession challenges noted above. Furthermore, eighty-four percent have a university degree or above, compared with 60% in other parts of the economy.
3. **In the APEC survey, 65% of respondents identified obtaining funding as their biggest challenge and obstacle to growth.** It is undermining their ability to provide current services, expand services, and to hire, train and retain workers.
4. **Despite funding challenges, nonprofits are innovating, partnering and looking for new ways of creating a bold future.** With the kinds of supports being recommended below they will be able to engage in strategic planning and to operate beyond the one-year window of funding that is creating uncertainty and hindering the ability to think long term.

## Our Budget Request

Recognizing that government faces many difficult choices and limited resources, we are proposing an approach that will enhance collaboration, build capacity, and ensure that we can continue to execute and support our shared priorities in communities across Nova Scotia.

As we look to 2021, we see a tremendous opportunity to work with the Government of Nova Scotia to better understand the sector landscape and the opportunities to collaborate to better serve Nova Scotians. Critical to the sustainability of many of these organizations is capacity-building through education, training and shared services. This will create administrative efficiencies, greater access to funding, and allow us to further explore innovative approaches and funding models.

We are proposing inclusion in the 2021 -2022 budget of the following:

**1. Resources for the creation and execution of an integrative plan for support of the nonprofit and voluntary sector that crosses all departments of government**

- We are seeking coordinated oversight for the sector, across departments.
- We would like to be engaged in the planning process, working with you to identify challenges, opportunities and strategic priorities.
- This plan could include:
  - Sector mapping: government mapping across departments to determine which sector groups and organizations are being funded, how, and to what extent
  - Examination of ways to improve coordination, whether through process or structural changes, including senior government leadership accountability for the sector
  - An enhanced approach to collaboration with the sector for capacity building, education and training, and shared services that builds a sustainable platform for sector innovation, including digital transformation that is emerging across the sector
  - A focus on new ways of supporting the sector, including exploring innovative approaches to service delivery and funding models (e.g. pilot programs)

**2. Priority for multi-year core funding for more nonprofit organizations that will allow these organizations to engage in longer term strategic planning, provide greater certainty for employees, and save on administrative costs for both the organizations and government**

- This would include accountability agreements that are focused on longer key outcomes, shared understandings and goal alignment
- This approach emphasizes the importance of sector capacity building
- Priority given to inflation-adjusted multi-year core funding

**In Conclusion**

As a sector, we want to be your partner: sharing our expertise and knowledge of community, and helping to inform public policy, program design, funding models, strategic priorities, and approaches to becoming more innovative. We look forward to continuing our conversations with the Province and to delivering on our shared commitment to Nova Scotians.

We thank you for the opportunity to make this submission.