

Community Dispatch

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FUNDING MATTERS: A WARNING AND AN OPPORTUNITY RECOMMENDATIONS: A ROAD TO TRAVEL

The workshop, *Funding Matters: A Warning and An Opportunity*, took place November 25, 2003. Over one hundred and fifty individuals attended. The event was presented by Community Development Halton in partnership with the Canadian Council on Social Development, the Ontario Social Development Council and the Halton Learning Foundation.

Introduction

The purpose of this workshop was to provide an opportunity for Halton nonprofit and voluntary agencies as well as other representatives of the community to dialogue about:

- *the changing funding landscape in Canada, Ontario and the Region of Halton*
- *the impact of these changes on the financial capacity and long term sustainability of nonprofit and voluntary organizations*
- *the economic and social contribution of nonprofit and voluntary organizations*
- *the nature of the funding regime and the restructuring of the nonprofit and voluntary sector and*
- *needed changes to build the capacity of nonprofit organizations and the voluntary sector in Halton*

*The keynote speaker, Katherine Scott, highlighted the salient findings of her important study, **Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations**. Panellists, with diverse experience and knowledge of Halton, commented from their vantage point on the ideas and analysis presented. They were: Theresa Greer, Executive Director, Halton Helping Hands; Adelina Urbanski, Commissioner, Community and Social Services, Regional Municipality of Halton; Chris Stoate, President, LaserNetworks; Marg Garey, Director, Peel-Halton-Dufferin Human Resources Development Canada; and Winston*

*Tinglin, CEO, United Way of Burlington and Greater Hamilton. Peter Clutterbuck, Consultant to the Social Planning Council of Ontario, concluded the presentations with insights on the **Social Sector's Economic Contribution**.*

*The proceedings of this workshop are hosted on Community Development Halton's website at www.cdhalton.ca and are comprised of: i) five **Community Dispatches** summarizing the important findings from the document, **Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations**; ii) the Power Point presentations of conference speakers Katherine Scott and Peter Clutterbuck; and iii) the conference recommendations entitled **Recommendations: A Road to Travel**.*

*Joey Edwardh
Executive Director*

Context

The last section, *Recommendations: A Road to Travel*, of the proceedings flows from the deliberation of conference participants around three questions.

1. Does the report, *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*, the commentary of the panel, the observations regarding the economic contribution of the sector and the discussions of the day reflect the situation of Halton nonprofit and voluntary organizations, funders and funded?
2. What do you consider to be the most important or most urgent concerns in relation to the situation of the nonprofit and voluntary sector?

3. What recommendations for action do you believe are necessary to give leadership to addressing and resolving the concerns raised today?

The recorded notes of the participant's commentary at the roundtable discussions are also available on CDH's website. There is overwhelming consensus by conference participants that the dimensions and characteristics of the funding regime that emerged during the 1990s have been identified clearly in the study, *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*. Those present observe that the nature of funding to the nonprofit and voluntary sector, along with the ramifications of this funding model, affect the capacity and sustainability of the sector in Halton. In other words, Halton's local reality is described accurately by this study. Comments such as "Katherine Scott's analysis is exactly on target" are noted continuously. Other observations capture the complexity of the issues such that the need for a profound and broad-based community dialogue emerges.

The conference participants in their response to question 2 reiterate and confirm the points made by the keynote speakers and panellists but elaborate from their Halton experience. They identified some important issues that separate the Halton experience from that of many communities. They are:

- The geography of Halton with its diverse and quite distinct communities of Burlington, Oakville, Milton and Halton Hills present challenges to the nonprofit and voluntary sector to meet service needs across this urban/rural space. For example, communication about the work of the nonprofit and voluntary sector also represents a challenge as each municipality has its own newspaper. There is not one easy source of community news and information that spans Halton. This applies to all forms of media not just the print media.
- The history of Halton and its communities has produced the perception that the development of the human service infrastructure has lagged behind that of other areas. However, the demographics of Halton and its municipalities are changing; thus, the demand for diverse and accessible human services is growing. While there is acknowledgement of Halton's changing

human face, there has not been a corresponding investment in the social infrastructure necessary to accommodate the needs of its changing population.

- The nonprofit and voluntary sector has a strong history of partnership and collaboration that constitutes a community asset on which to reinvest in social infrastructure.
- The existence of four United Ways, each located in one of the four municipalities that comprise Halton, distinguishes service provision in this area from that of other communities. One or more of these United Ways funds many human service agencies serving Halton. The diagnosis of the workshop participants is that four United Ways create inefficiencies in the funding regime, foster confusion, erode collaboration, dissipate energies in responding to four separate organizations, complicate communication and create fundraising difficulties that may affect the overall amount of campaign. This structure of four United Ways dilutes the infrastructure of caring that exists and that is needed in our community.

The conference participants are in search of leadership to articulate a social vision for Halton, followed by thoughtful and sustainable changes, based on the collective ingenuity of all community actors, as to how charitable dollars and government grants can best support and nurture the work of nonprofit and voluntary sector.

Recommendations

Funding model

The present funding model is not sustainable and affects negatively in multiple ways the nonprofit and voluntary sector and, ultimately, the community as documented in the study, *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*, and as substantiated in the commentary flowing from the conference. In fact, the sector is being restructured and the combined stresses it faces are threatening the capacity of nonprofit and voluntary agencies to sustain their activities. Trends show bigger agencies and groups are better able to weather the storm of funding change than smaller agencies and groups. Ultimately, a funding model reflects the value placed on the sector not only as a source of caring but also

as a foundation for building social capital and creating democratic processes in a community. The challenge associated with the well being of the sector is quite simply, what do we want as a society, what do we consider to be a public good and, thus, not dispensable. It challenges us to face the real cost of delivering services.

1. The Conference participants recommend that Regional Chairman, Joyce Savoline, convene a round table to actively engage a broad representation of community and of the funded and the funders to address and resolve the issues of inadequate and diminishing infrastructure faced by Halton nonprofit and voluntary sector organizations, many of them outlined in *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organization*. In addition, the round table will work to inform the public of the impact on community of the funding issues. Of particular importance are:

- Common understandings of the nature of the sector
- Data and information needs that sustain a cohesive and caring community
- Stability and predictability of core funding
 - Funding regime – funding source, funding mix, and funding mechanisms
 - Financial volatility and loss of infrastructure
 - Mission drift
 - Timeframes – Annual vs. Multi-year
 - Adequacy – levels of service vs. levels of funding, disparities in funding between jurisdictions, rising costs of doing business
 - Project funding – restructuring, competition
 - Grant requirements, onerous paperwork and accountability demands
 - Partnership, real and imagined
 - Role of respective governments and other funders; who subsidizes who; downloading
 - Role of private sector, private sector partnership – viability
 - Trust – diminishing, yet a necessary condition in building social and human capital

- Human resources – hiring, maintenance, retention and capacity development
- Building the capacity of agencies – ongoing and of high quality

An important subtext of the deliberations of this roundtable is a special subcommittee to explore the issue of four United Ways serving Halton.

Four United Ways

The agencies and community assembled in this workshop indicate unequivocally that the presence of four independent United Ways is a barrier to the continued development of a human service infrastructure in Halton. There were multiple reasons given for this assessment.

2. The conference participants recommend that the four United Ways – the United Way of Burlington and Greater Hamilton, the United Way of Oakville, the United Way of Milton and the United Way of Halton Hills – under the umbrella of the Regional Chair's round table form a task force with the active participation of local corporate leadership, community based leadership, municipal and Regional leadership and human service system leadership along with national and provincial leaders in the United Way movement with a view to unify their activities **to act as one powerful community investment force** in Halton. Policies, administrative functions, fundraising, strategic directions, priorities, allocation strategies and standards must be such that the nonprofit and voluntary sector no longer negotiate with four separate organizations.

Funders

Conference participants identify a paradox described as a lack of understanding of the issues of the sector by funders and, conversely, a lack of understanding of the needs of funders. The issues and needs of both groups have to be clearly articulated and shared in order for the two to work together to build a viable and vibrant nonprofit and voluntary sector.

3. The conference participants recommend that the Halton Major Funders Committee open a dialogue with the agency community so that understanding is created. In some situations, participants recommend that the Halton Major Funders Committee invite members of the

agency community to the table to inform discussion and enhance knowledge of the sector.

4. The conference participants recommend that funders, through the Halton Major Funders Committee, open a broad dialogue about best practices in funding and develop strategies to implement them.
5. The conference participants recommend that funders in Halton become proactive in resolving the issues facing the sector, not only assuming leadership in recognizing the impact of the present funding model but also providing leadership in transforming it.

Accountability

The conference participants recognize the importance of accountability and that charitable dollars are well invested. However, they believe that accountability must be revisited to reflect the needs of the sector to be accountable to their multiple publics, that accountability to the community or public must take precedence over accountability defined by business type deliverables, and that accountability expectations be reasonable and proportionate to risk, so that onerous demands are not placed on agencies and organizations.

6. The conference participants recommend that a dialogue table comprised of funders and funded be constituted to revisit what is accountability and what are reasonable ways of “rendering accountable” to the multiple publics of a nonprofit and voluntary sector organization. The requirements of funders and those of the agencies need to be better communicated and mutually understood so that the interests of both can be served. Venues for dialogue are to be created by the Halton Major Funders Committee and a newly constituted leadership group of Halton’s nonprofit and voluntary sector to address the issue of accountability.
7. The conference participants recommend that the Halton Major Funders Committee organize a session where their learnings, over the past decade, about best practices be shared with the community of nonprofit and voluntary organizations.

Volunteers and Voluntary Sector

The nonprofit and voluntary sector brings together many members of the community to contribute to its social and economic development. The activities of nonprofit and voluntary organizations often represent that place where the active engagement of community residents occurs. This involvement is important in creating awareness about community and provides a vehicle for participatory democracy. When given an economic value, this volunteer contribution is worth hundreds of thousands of dollars to a community. The rich interaction of volunteers, a community’s social capital, must be nurtured and supported adequately. However, common perceptions associated with volunteer organizations and their needs must be dispelled in order to respect and use the talents of volunteers in an agency and in the community.

8. The conference participants recommend that in the community dialogues flowing from this conference, the role of volunteers, their contribution to community and their needs be adequately recognized and taken into consideration by all. Moreover, the relationship between the funding model and its impact on volunteers needs to be acknowledged.

Sector Mobilization

The conference participants concur with the description of the state of the social sector presented in the study, *Funding Matters: The Impact of Canada’s New Funding Regime on Nonprofit and Voluntary Organizations*. Strong sentiment suggests that the sector must mobilize in order to educate citizens as to its role and importance and to advocate for funding practices and program partnerships that build the capacity of the sector to contribute to human well being and democratic citizenship. The funding crisis of the social sector is a political issue.

9. The conference participants recommend that the nonprofit and voluntary agencies of Halton come together and unite to form a collaborative that will give leadership to the issues restructuring the sector, document the changing circumstances of the sector, paint a picture of community life without the sector, articulate the sector’s needs in order to carry out their mandates and advocate with one voice to government and the general public.

10. The conference participants recommend that Community Development Halton take an active role in convening Halton's nonprofit and voluntary sector.

Advocacy

Evidence based advocacy is an area of activity central to the role and mandate of many organizations in the nonprofit and voluntary sector. Historically, the roots of the sector grew out of giving voice and support to those most vulnerable. Participants concurred that advocacy activities and the research substantiating the situation of people as they live in our communities have not been supported over the decade of the 1990s and, in fact, have been silenced. Advocacy is part of strengthening leadership in the sector and is part of the dialogue moving human services from those based on charity to those based on justice and human rights.

11. The conference participants recommend the role of advocacy be recognized as critical to raising the awareness of the public and as essential in creating a full dialogue on understanding and resolving the issues that affect the well being and quality of life of people and the communities in which they live.
12. The conference participants recommend that community based information, the basis of program planning and advocacy, be recognized

as a necessary and valued function in strengthening the nonprofit and voluntary sector.

Community Awareness

The nonprofit and voluntary sector is often described as one of the pillars of a democratic and civic society. Yet, conference participants identify the invisibility of the sector as a major detriment to public understanding of their work and its importance in building caring and socially inclusive communities where opportunity exists for all. Even less discussed is the economic role and contribution of the nonprofit and voluntary sector in a community. Conference participants also note that the public remains unaware of the impact of the downloading of human services to Regional government and then the impact of further downloading on to the nonprofit and voluntary sector.

13. The conference participants recommend that a promotional strategy be elaborated to educate the public, business and the mass media on the contribution of this sector to the quality of people's lives and its impact on the prosperity of the community. The promotional campaign is to make the sector visible and recognized as essential. This activity would be a focus of the newly created Halton nonprofit and voluntary sector leadership collaborative.



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