



*Strengthening Canada's Communities  
Des communautés plus fortes au Canada*

**Pre-Budget Submission to the Honourable Scott Fielding, M.L.A.**

**Minister of Finance  
Province of Manitoba**

**By the Canadian Community Economic Development Network – Manitoba**

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## Background

This brief has been prepared by the Canadian CED Network – Manitoba for the Honourable Scott Fielding, Minister of Finance for the Province of Manitoba. The information contained in this brief responds to the Minister’s invitation to help the Province of Manitoba prepare Budget 2019.

The Canadian CED Network – Manitoba promotes community economic development (CED) as a comprehensive and integrated approach to improving economic, social and environmental conditions in communities. This approach understands that solutions to complex community challenges will be most successful and sustainable when they are community-led.

Across Manitoba, CED initiatives foster economic revitalization, access to capital, local ownership of resources, labour market development, poverty reduction, social development and environmental stewardship. Despite the proven impact of the CED approach, communities (urban, rural, northern, newcomer, Indigenous, etc.) continue to lack the level of support they need from all levels of government to take innovative, sustained and strategic action through a comprehensive approach. We believe the Province of Manitoba must continue to take an active role in providing that support.

More than one hundred members are represented by the Canadian CED Network – Manitoba including the United Way of Winnipeg, Assiniboine Credit Union, Spence Neighbourhood Association, University College of the North, Community Futures Westman, FortWhyte Farms, Immigrant and Refugee Community Organization of Manitoba (IRCOM), Manitoba League of Persons with Disabilities and SEED Winnipeg. Our members represent community organizations that work with thousands of community members across the Province.

Our public policy mandate is decided through a democratic, member-driven process. Members of the Canadian CED Network - Manitoba submit draft policy resolutions that are subject to a deliberative process and those adopted are the focus of outreach by the entire CCEDNet Manitoba membership. Our full policy mandate can be found at [www.ccednet-rcdec.ca/en/MBpolicy](http://www.ccednet-rcdec.ca/en/MBpolicy). The recommendations in this submission reflect solutions already working in communities and are the result of a democratic decision-making process.

## Summary of Recommendations

These recommendations have been developed by and endorsed by the members of the Canadian CED Network – Manitoba at our annual policy summit. Go to page 5 for more information and details about these recommendations.

We believe the four themes are central to the Province of Manitoba’s budget-making themes: a stronger economy and better services. The four themes are also central to core Community Economic Development, and we believe would serve as a platform for local economic development that strengthens communities and benefits everyone.

### 1. Economic Inclusion: Skills, Jobs and Training

- A. Reverse the trend towards increasing child apprehension and the number of children and youth in care, and focus on meaningful employment for people with barriers to employment. Partner with and support social enterprises that provide wrap-around supports for individuals and families involved with Child and Family Services, and re-invest the savings accrued through reductions in child apprehensions into community-led, poverty reduction priorities.
- B. Support organizations and initiatives providing long-term supports to Indigenous job seekers facing multiple barriers to employment and employers committed to inclusive hiring.
- C. Ensure that community employment benefits are reported on for projects where the provincial government is the ultimate recipient of federal government infrastructure funding.
- D. Invest in childcare and early learning as a crucial part of economic inclusion and access to employment for Manitobans. Create 17,000 new, licensed, and funded not-for-profit early learning and childcare spaces, while also investing resources to ensure existing spaces are sufficiently funded.

### 2. Tackling Poverty

- A. Release a comprehensive poverty reduction plan. This plan must be developed in consultation with community members and include targets and timelines for reducing poverty. We believe *The View From Here* provides a blueprint for this work.
- B. Introduce a new livable basic needs benefit to lift all Manitobans up to or above the poverty line.
- C. Establish a fee waiver system that enables low-income Manitobans to obtain or replace a birth certificate free of charge. The report *Access to Identification for Low-Income Manitobans* provides a blueprint for this work.
- D. Partner with the Canada Revenue Agency (CRA) to better administer the 55 PLUS Manitoba Income Supplement and the Manitoba Child Benefit, particularly focusing on automatic assessments through the CRA.
- E. Invest in social and affordable housing, as well as committing to the Rent Assist program, through the recommendations of the Right to Housing Coalition.

### **3. Stronger Economy: Manitoba's Economic Growth Action Plan**

- A. Support social enterprise development in Manitoba by committing to co-creating and co-producing a second phase of the Manitoba Social Enterprise Strategy beginning in 2019/20, with a mission of supporting social entrepreneurs focused on job creation and training for people facing barriers to employment.
- B. Build upon commitments to strengthening the co-operative sector by mobilizing existing resources and developing new resources in full partnership with the co-op sector to best serve the co-op development needs of Manitoba.
- C. Increase the grants provided to third party not-for-profit business and enterprises support services to 2016/17 levels so that low-income and rural Manitobans can receive robust and timely access to accessible business, cooperative, and enterprise development training and consulting services.
- D. Explore innovative social finance options in partnership with the Winnipeg Social Finance Working Group, including reviewing existing social finance policy and programming, and maintaining the budget allocation to the CED Tax Credit.
- E. Implement a Government of Manitoba Social Procurement strategy that generates additional value through enhanced economic, social, and environmental outcomes, while increasing purchasing from social enterprises, cooperatives, and nonprofits; local and sustainable food; and increasing job and training opportunities for people facing barriers to employment.

### **4. Stronger, Healthier Communities: Community-Led Development**

- A. Reduce red tape and increase value for money by investing in community-led development with multi-year, streamlined funding that includes the following characteristics:
  - A targeted approach that identifies and invests in key neighbourhoods and communities in the greatest need of physical, social and economic revitalization. Renew Manitoba's community development programs; both honouring long-term, core funding commitments to Neighbourhood Renewal Corporations and considering potential efficiencies and red tape reducing measures, in consultation with impacted organizations and communities.
  - Multi-year agreements to a maximum of five years, including cost of living increases on an annual basis;
  - Creating effective communication channels between the Province of Manitoba and community-based organizations, allowing agencies to provide feedback and make recommendations, as well as providing agencies with a year's notice of renewal decisions, thereby ensuring agencies have sufficient time to plan.

## Recommendations

### 1. Economic Inclusion: Skills, Jobs, and Training

- A. Reverse the trend towards increasing child apprehension and the number of children and youth in care, and focus on meaningful employment for people with barriers to employment. Partner with and support social enterprises that provide wrap-around supports for individuals and families involved with Child and Family Services, and re-invest the savings accrued through reductions in child apprehensions into community-led, poverty reduction priorities.**

It costs approximately \$47,000 a year to offer supports to each child in care. Funding for Child and Family Services has increased exponentially over the last few decades, but the number of children in care has only increased. Living in poverty is a major risk factor contributing to child apprehension. Almost 90 percent of all children in care are Indigenous.

Social enterprises in Manitoba providing jobs with wrap around supports have provided meaningful employment for individuals involved with CFS and their families, leading to better social and economic outcomes, and at a fraction of the cost of supporting children in care. There are many opportunities for the province of Manitoba to procure goods and services from social enterprises. The Department of Families could lead a cross-departmental engagement with social enterprises as a component of poverty reduction, reducing the number of children and youth in care, and supporting Manitobans who wish to work to access education, training, and meaningful work.

- B. Support organizations and initiatives providing long-term supports to Indigenous job seekers facing multiple barriers to employment and employers committed to inclusive hiring.**

Multi-barriered jobseekers and the employers who hire them often require access to comprehensive supports during and after a transition from training to employment. However, community-based employment development organizations and social enterprises are not sufficiently resourced to continue to offer comprehensive supports after participants exit their programs. This policy gap can be effectively addressed by a community-designed and delivered resource, situated within the neighbourhood that it serves. In addition to deploying caseworkers to provide long-term support to employers and community-based training organizations, this resource would help develop meaningful long-term relationships between employers, training organizations and jobseekers.

- C. Ensure that community employment benefits are reported on for projects where the provincial government is the ultimate recipient of federal government infrastructure funding.**

The federal government's infrastructure agreements with provinces, announced in June 2018, includes a community employment benefit on new project spending, stipulating that when Manitoba is the ultimate recipient of infrastructure dollars, the provincial government will report on community employment benefits provided to at least three of the federal target groups. The federal government will contribute one-third of project funding for provincial projects if these

conditions are met.

Community Employment Benefits support local investment, meaningful employment for marginalized individuals, and support enterprises with social, economic, and environmental missions. Stipulating reporting on Community Employment Benefit introduces accountability on government infrastructure spending, and ensures government dollars are reaching innovative community education, training, and employment practices, such as social enterprise.

Innovative social procurement and purchasing policy change and opening up government infrastructure spending could be a major catalyst for bolstering community economic development, and Manitoba should be sure to capitalize on this opportunity.

**D. Invest in childcare and early learning as a crucial part of economic inclusion and access to employment for Manitobans. Create 17,000 new, licensed, and funded not-for-profit early learning and childcare spaces, while also investing resources to ensure existing spaces are sufficiently funded.**

Investments in early learning and child care stimulate the local economy and create jobs. Every \$1 invested in childcare in Manitoba returns \$1.58 to rural and northern economies and \$1.38 to the Winnipeg economy. Accessible and affordable childcare is a major factor in helping women access education, employment and alleviating child poverty. Wages for child care assistants and Early Childhood Educators brings money to their families and the local economy. Early learning and childcare is a crucial element of an inclusive economy and of Manitoba's employment growth.

New and existing spaces should be sufficiently funded to ensure a provincial salary scale that is at current market competitive rates and that applies to all childcare professionals. Without adequate compensation, it is difficult to attract and retain a diverse and qualified childcare workforce, which creates an imbalance between the number of new spaces and the availability of childcare professionals. Early childhood educators should also be representative of the people they serve to improve outcomes for Aboriginal and newcomer children.

The Government of Manitoba, specifically, should:

- Create 17,000 new licensed and funded not for profit early learning and child care spaces while also investing resources to ensure existing spaces are sufficiently funded.
- Invest in initiatives to recruit and train enough early childhood educators to meet the legislated requirements for proportion of trained staff in the 17,000 new spaces.
- Immediately eliminate the \$2.00 daily child care fee and increase the income level at which families are eligible for a full fee subsidy, with annual indexing to ensure families do not unfairly lose out on subsidies in the future.
- Establish 30 community-based Aboriginal head start programs in and around high-needs schools across Manitoba by 2020.

## **2. Poverty Reduction**

**A. Manitoba must release a comprehensive poverty reduction plan. This plan must be developed in consultation with community members and include targets and timelines for reducing poverty. We believe *The View From Here* provides a blueprint for this work.**

The Province of Manitoba has committed to revising its strategy for reducing poverty in Manitoba. According to the 2011 Poverty Reduction Strategy Act, a new and revised strategy was required to be released in 2017, but has not yet been released.

Much work remains to reduce poverty in Manitoba. Importantly, setting targets and timelines for reducing poverty is needed to provide a vision and roadmap of strategic actions. Setting targets to reduce poverty is good government planning. Targets focus policymakers on finding the mix of policies and programs required and the size of investments needed to meet the target. Governments, in turn, show the public where they are successful, and encourage careful, evidence-based planning.

By law, it is time for a renewed comprehensive plan for poverty reduction and social inclusion – one that invests in food security, childcare, housing, job training, wages, education, mental health and other social services. We believe *The View From Here* (2015), a community-led set of wide-ranging recommendations provides such a blueprint. Find this report at: [tinyurl.com/VFH2015](http://tinyurl.com/VFH2015).

**B. Manitoba must introduce a new livable basic needs benefit to lift all Manitobans up to or above the poverty line.**

EIA's basic needs budget has barely increased in two decades while the cost of living has gone up by more than 40 percent. Even with Rent Assist in place, single adults and persons with disabilities on EIA live in deep poverty with total incomes that are 47% and 33% below the poverty line, respectively. All families on EIA are hundreds of dollars below the market basket measure (MBM) of poverty. Moreover, many minimum wage workers also live in poverty. According to Statistics Canada data, 146,000 Manitobans live below the MBM.

Ensuring all Manitobans have a total income at least equal to the poverty line can be achieved by replacing EIA's basic needs benefit with a new and enhanced benefit for which all low-income Manitobans would be eligible, regardless if they receive other benefits through EIA. Under this proposal, other benefits under EIA, aside from the Livable Basic Needs Benefit, including health and dental, job training and childcare subsidies would continue. This enhanced basic needs benefit when combined with other benefits such as Rent Assist and the federal Canada Child Benefit would form a platform on which to build a basic income for all Manitobans.

This proposed benefit does not achieve an end to poverty in Manitoba on its own, but it would be a significant and realistic step in the right direction as part of a comprehensive plan. To raise all Manitobans' income to the MBM is estimated to cost approximately \$670 million annually, approximately 1% of Manitoba's GDP.

**C. Establish a streamlined and non-stigmatizing fee waiver system that enables low-income Manitobans to obtain or replace a birth certificate free of charge. The report Access to Identification for Low-Income Manitobans provides a blueprint for this work.**

Manitoba-born individuals must obtain birth certificates from the Vital Statistics Agency, which serve as a foundational piece of identification (ID) that is needed in order to obtain photo identification. Increasing access to birth certificates and secondary forms of identification, including photo identification and Social Insurance Numbers, will enable low-income and other vulnerable community members to increase their incomes through employment and government

benefits, to vote in elections, and to participate in the local economy and community. The Vital Statistics Agency charges a \$30.00 fee for each birth certificate application. This remains out of reach for many Manitobans, including those leaving incarceration, and exiting Child and Family Services care.

**D. Partner with the Canada Revenue Agency (CRA) to better administer the 55 PLUS Manitoba Income Supplement and the Manitoba Child Benefit, particularly focusing on automatic assessments through the CRA.**

The Province of Manitoba provides direct income transfers to low-income Manitobans through financial assistance programs, ensuring that these individuals can support themselves and their families. Take-up of the Manitoba Child Benefit and the 55 PLUS Manitoba Income Supplement may be underutilized as a result of the administrative burden for the Province of Manitoba, eligible Manitobans, and non-profit organizations which support eligible Manitobans to apply for these programs.

The Province of Manitoba could reduce red tape by partnering with the Government of Canada, who has the existing infrastructure to administer these programs. Eligibility for the 55 PLUS Program Manitoba Income Supplement should be automatically assessed by utilizing income tax filing data, and benefits paid quarterly through Canada Revenue Agency. Similarly, eligibility for the Manitoba Child Benefit should be automatically assessed by utilizing income tax filing data, and benefits paid monthly through Canada Revenue Agency as a supplement to the Canada Child Benefit.

**E. Invest in social and affordable housing, as well as committing to the Rent Assist program, through the recommendations of the Right to Housing Coalition.**

Access to safe and affordable housing is one of the biggest challenges facing low income Manitobans. A comprehensive solution requires a multi-pronged approach that includes increasing financial assistance to help low-income Manitobans pay for their housing costs as well as physical investment in renovating or building new affordable housing. The Government of Manitoba, specifically, should:

- Provide funding for the addition of 300 net new social and affordable housing units built by the public, non-profit and co-op sectors annually so that Manitoba does not continue to fall behind.
- Continue to make Rent Assist available to low-income Manitobans on and off of EIA.
- Pro-actively work with housing providers and invest to ensure there is no net loss of rent-g geared-to-income (RGI) housing units due to expiring federal operating agreements.
- Make annual investments of at least \$126M to meet the estimated need for capital repairs and maintenance in public housing units by 2020.
- Lobby provincial counterparts and the federal government to create and fund a national housing strategy.

### **3. Stronger Economy: Manitoba's Economic Growth Action Plan**

**A. Support social enterprise development in Manitoba by committing to co-creating and co-producing a second phase of the Manitoba Social Enterprise Strategy beginning in 2019/20, with a mission of supporting social entrepreneurs focused on job creation and training for people facing barriers to employment.**

The Province has a good record of partnering with social enterprises who provide training and job opportunities for people facing barriers to employment. From 2015 to 2018, the Province invested in the Manitoba Social Enterprise Strategy. This 3 year agreement was co-developed and co-implemented between the Province and CCEDNet – Manitoba, and budgeted \$675,000 over its 3 year duration (reduced from the original budget of \$750,000).

The comprehensive strategy strengthened the social enterprise sector, which produces significant value to government through savings to high-expenditure areas, such as social assistance, justice and healthcare. Activities undertaken were guided by a steering committee comprised evenly of both community and government representatives, and took action in 6 areas related to building a strong system of support for social enterprise development: Building Skills & Capacity; Access to Capital; Access to Markets; Evaluation & Demonstrating Value; Regulatory Frameworks; and Networking. A second phase of this strategy can move innovative pilot activities into longer-term structures as well as continuing to grow awareness of this emerging and valuable blended-model of business and social impact.

**B. Build upon commitments to strengthening the co-operative sector by mobilizing existing resources and developing new resources in full partnership with the co-op sector to best serve the co-op development needs of Manitoba.**

There are more than 400 cooperatives, credit unions and caisses populaires in Manitoba, comprising of over 900,000 memberships and more than \$22 billion in assets. Co-operatives are a more sustainable business model given their collective ownership and community commitment; 62 per cent of new co-ops are still operating after five years, compared with 35 per cent for other new businesses. After 10 years, the figures are 44 per cent and 20 per cent respectively.

Cooperatives create economic democracy, root ownership locally, and often create jobs and services in communities where they are otherwise lacking. To harness the full power of the cooperative sector, Manitoba can mobilize existing resources, including filling the vacant co-op developer position of the Cooperative Development Services branch of Growth, Enterprise & Trade, as well as develop new resources in full partnership with the co-op sector.

**C. Increase the grants provided to third party not-for-profit business and enterprises support services to 2016/17 levels so that low-income and rural Manitobans can receive robust and timely access to accessible business, cooperative, and enterprise development training and consulting services.**

Micro enterprises and small businesses, including cooperatives and social enterprises, increase household incomes, create employment and democratic workplaces, and reduce government expenditure on social services and income assistance programs. There is a gap of business and enterprise support services for Manitobans that is most acutely felt by the self-employed and would-be entrepreneurs who live on low incomes and/or in rural Manitoba.

The Department of Growth, Enterprise & Trade's Cooperative Development Services branch, the Entrepreneurship Manitoba Special Operating Agency, and the Crown Corporation Communities Economic Development Fund (CEDF) have all been restructured, halting some services such as business consulting and self-serve business library research, reducing cooperative development services, and putting others under moratorium such as the CEDF Business Loan program to rural

communities and individuals.

Community-based agencies continue to deliver small business, cooperative, and enterprise support services; however, some services have ceased, or have been reduced to specific demographic groups. Many community-based agencies are no longer able to reach the general population of low-income and rural Manitobans resulting in inadequate business and enterprise development supports for these Manitobans. However, the Employment and Income Assistance program continues to refer low-income individuals to non-profit organizations for business and enterprise support services even though cuts to these programs have occurred.

**D. Explore innovative social finance options in partnership with the Winnipeg Social Finance Working Group, including reviewing existing social finance policy and programming, and maintaining the budget allocation to the CED Tax Credit**

The Province of Manitoba can play a role as a market enabler and developer, and can co-design policy and models with community stakeholders to ensure investments and policy target strategic priorities and provide for a fair sharing of risk and return. Due to differences in structure and ownership, cooperatives, non-profits and social enterprises have particular challenges that are not well addressed by the existing mainstream financial sector. Access to the appropriate capital and financing is essential to the sustainability and success of any organization. Social enterprises and non-profit organizations may need support navigating and stacking financing and grant programs to launch or expand their operations.

The Province of Manitoba should work with the Winnipeg Social Finance Working Group, a coalition of leading organizations, non-profits, and financial institutions, to mitigate some of these challenges, and ensure existing social finance policy and programming, including existing tax credits and access to capital, reaches relevant enterprises, leveraging money for local development.

The CED Tax Credit budget allocation should be maintained, and the application process should be streamlined and simplified, removing unnecessary administrative challenges. The government should increase investment in the Coop Development Tax Credit.

**E. Implement a Government of Manitoba Social Procurement strategy that generates additional value through enhanced economic, social, and environmental outcomes, while increasing purchasing from social enterprises, cooperatives, and nonprofits; local and sustainable food; and increasing job and training opportunities for people facing barriers to employment.**

Social enterprises, cooperatives and non-profits use a business model to generate community benefits: employment, reduced poverty, environmental sustainability, reduced crime, improved health outcomes and more inclusive, strong and sustainable local economies. The Province of Manitoba, Manitoba municipalities and the broader public sector (including crown corporations, hospitals, academia and schools) purchase significant amounts of goods and services. Increasing purchases from social enterprises, cooperatives and non-profits will scale up their positive economic, social and environmental outcomes and generate a greater return on investment to government and society. One exceptional example is Manitoba Housing's use of social enterprise for the construction, maintenance and energy efficiency retrofits on Manitoba's affordable housing stock. This practice has created jobs for people with barriers and has begun

to break the cycle of intergenerational poverty. At the same time, energy efficiency retrofits have decreased the financial burden of rising energy bills to social housing providers and low-income households, while enhancing the sustainability of our environment. There is an immediate, attainable and cost-effective opportunity to scale these outcomes.

The value of public procurement can be greatly enhanced by intentionally generating economic, social and environmental outcomes. This can be done using the following three tools, or a blend of each:

- Demanding social, environmental and economic outcomes when purchasing goods and services by including them in the bid evaluation process, through tools such as Community Benefit Clauses;
- Purchasing the social, environmental and economic outcomes directly as a program (for instance, funding a social enterprise as a training program that also provides goods and services to government);
- Creating set-asides in purchasing that can only be accessed by social enterprises, cooperatives and/or non-profits.

#### **4. Community-led Development**

- A. Invest in community-led development with multi-year, streamlined funding with the following characteristics:**
- a. A targeted approach that identifies and invests in key neighbourhoods and communities in the greatest need of physical, social and economic revitalization;**
  - b. Multi-year agreements to a maximum of five years, including cost of living increases on an annual basis;**
  - c. Creating effective communication channels between the Province of Manitoba and community-based organizations, allowing agencies to provide feedback and make recommendations, as well as providing agencies with a year's notice of renewal decisions, thereby ensuring agencies have sufficient time to plan.**

In Manitoba, there are thirteen Neighbourhood Renewal Corporations (NRCs) doing neighbourhood revitalization work in urban and rural communities. The priorities of NRCs are set by the communities they serve. NRCs coordinate and plan local affordable housing development, community safety, food security, green space development, recreation, and healthy living, etc. The work advances CED principles and poverty reduction by building community capacity and empowering communities to revitalize these priority neighbourhoods, towns and cities. These organizations are primarily stakeholders for community-led development and have been funded by Neighbourhoods Alive! for over a decade. This program was paused in 2016 and then activated late in 2017 only for short term projects, which is a significant shift away from the principles noted in our recommendations.

The strategic investment in community organizations supported via Neighbourhoods Alive! (NA) has successfully begun to reverse 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 communities for revitalization. The development of 5-year neighbourhood plans that guide multi-faceted and multi-pronged initiatives increases efficiencies by helping neighbourhoods to streamline and eliminate duplication in programming, and by

ensuring coordinated, effective funding allocations toward established community priorities. This is the kind of work that should be further invested in, and this flexible and innovative funding model could show similar long term trends in different areas, if the above principles are followed.