



*Des communautés
plus fortes au Canada*

*Strengthening
Canada's Communities*

Pre-Budget Submission to the Honourable Greg Dewar, 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 (CCEDNet – Manitoba) for The Honourable Greg Dewar, 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 2015.

CCEDNet - 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, Aboriginal, 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.

The Province of Manitoba has implemented a cross-governmental CED policy framework with an accompanying lens. The application of this lens includes incorporating the following CED principles into all government policies and programs:

- use of locally produced goods and services;
- production of goods and services for local use;
- local re-investment of profits;
- long-term employment of local residents;
- local skill development;
- local decision-making;
- public health;
- physical environment;
- neighbourhood stability;
- human dignity; and
- interdepartmental and intergovernmental collaboration.

Strengthening the awareness, understanding, and implementation of the CED Policy Framework across all government departments at the Province will ensure the complex challenges facing our communities are addressed through a holistic and flexible approach.

More than one hundred members are represented by CCEDNet - Manitoba including the Aboriginal Council of Winnipeg, Food Matters Manitoba, Manitoba Co-operative Association, Neighbourhood Renewal Corporations throughout the province, CCPA-Manitoba, Assiniboine Credit Union, SEED Winnipeg, and other social enterprise and CED organizations. Our members represent hundreds of community organizations that are working with thousands of community members across the Province. The Canadian CED Network – MB is also an active participant in many coalitions and working groups including Make Poverty History Manitoba, Right to Housing Coalition, the Employment and Income Assistance Advocates Network, the Manitoba Co-op Vision Strategy, and the Social Enterprise Working Group.

Summary of Recommendations

These recommendations have been endorsed by the members of CCEDNet - Manitoba

1. Poverty Reduction

- A. Implement the recommendations in *The View from Here 2015: Manitobans Call for a Renewed Poverty Reduction Plan* and identify outcome based targets and timelines for measuring results to make ALL Aboard more comprehensive and effective.

2. Skills, Jobs, and Growing the Economy

- A. Allocate at least \$250,000 to co-produce the Manitoba Social Enterprise Strategy in full partnership with the social enterprise sector where the mission is job creation and training for people with barriers to employment.
- B. Fund the initial set up and operating costs of a community-designed and delivered Labour Market Intermediary in Winnipeg, rural Manitoba, and in the North to improve labour market outcomes for multi-barriered job seekers, with a primary focus on Aboriginal people.
- C. Allocate \$300,000 per community to support the start-up of social enterprises that improve food security on First Nations.

3. Housing

- A. Increase the housing budget by \$30 million to adequately fund existing commitments to increase supply without reducing other important housing initiatives, including supporting and maintaining the existing social housing stock.
- B. Pro-actively work with housing providers and make the necessary investments to ensure that there is no net loss of rent-geared-to-income (RGI) housing units due to expiring federal operating agreements.
- C. Increase the maximum Rent Assist benefit level to equal 75% of median market rent.

4. Child Care

- A. Create enough new licensed early learning and child care spaces to meet the demand for child care services as determined by the Online Child Care Registry, with priority given to creating child care spaces in lower-income neighbourhoods including in rural and Northern communities. Operating funding should be sufficient to fund a provincial salary scale that is at current market competitive rates and that applies to all child care professionals.
- B. Invest in resources and training supports to recruit, train and retain Aboriginal, Francophone and Visible Minority communities to the childcare profession.

5. Community-Led Development

- A. Expand the NPO strategy to support additional community-based non-profit organizations that employ a Community Economic Development (CED) model.
- B. Work with agencies funded through the NPO strategy to establish a clear process for renewing multi-year funding agreements, which would include providing a year's notice of renewal decisions to ensure agencies have sufficient time to plan for ongoing operational sustainability.
- C. Extend the length of funding agreements from the current three years to a maximum of five years and include cost of living increases on an annual basis.

6. Food Security

- A. Invest \$160,000 annually in a Manitoba food strategy and action plan with implementation oversight by a Food Policy Council composed of relevant stakeholders.

7. Co-operative Development

- A. Allocate the required resources to co-produce the second five-year Co-op Visioning Strategy in full partnership with the co-op sector.

Recommendations

1. Poverty Reduction

- A. Implement the recommendations in *The View from Here 2015: Manitobans Call for a Renewed Poverty Reduction Plan* and identify outcome based targets and timelines for measuring results to make ALL Aboard more comprehensive and effective.**

The introduction of All Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy in 2009 and *The Poverty Reduction Strategy Act* in 2012 were important steps that demonstrated the Province's commitment to taking a comprehensive approach to reducing poverty and social exclusion in Manitoba. The strategy built upon important initiatives that had contributed to poverty reduction over the previous decade. Since 2009, the Province has taken more significant steps, including those that support community-based poverty reduction initiatives. However, much more remains to be done.

In 2009, community groups published *The View from Here*, a community-based poverty reduction plan for Manitoba. The 2014 Hughes report released after the inquiry into the death of Phoenix Sinclair included a recommendation to implement the outstanding recommendations in *The View from Here*. Given that the policy context has changed since 2009, community groups have updated this report and launched *The View from Here 2015*. The Province of Manitoba can make All Aboard more comprehensive and effective by implementing the recommendations in *The View from Here 2015*. Several of those recommendations have been individually endorsed by CCEDNet – Manitoba members through our annual policy resolution process and they are included in this budget submission.

2. Skills, Jobs, and Growing the Economy

- A. Allocate at least \$250,000 to co-produce the Manitoba Social Enterprise Strategy in full partnership with the social enterprise sector where the mission is job creation and training for people with barriers to employment.**

The Province has a good record of partnering with social enterprises who provide training and job opportunities for people with barriers to employment. In 2014, the Province of Manitoba and the Canadian Community Economic Development Network partnered to co-create the Manitoba Social Enterprise Strategy. Once implemented, this comprehensive strategy to grow and strengthen the social enterprise sector will create more training and job opportunities for Manitobans with barriers to employment while building a stronger local economy, reducing poverty, and enhancing the sustainability of our environment. A stronger social enterprise sector will also help reduce costs in high expenditure areas such as social assistance and crime. The Province should allocate \$250,000 annually over five years to co-produce with the social enterprise sector the program and policy recommendations in the Manitoba Social Enterprise Strategy.

- B. Fund the initial set up and operating costs of a community-designed and delivered Labour Market Intermediary in Winnipeg, rural Manitoba, and in the North to improve labour market outcomes for multi-barriered job seekers, with a primary focus on Aboriginal people.**

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 Labour Market Intermediary (LMI) situated within the neighbourhood that it serves. In addition to deploying caseworkers to provide long-term support to employers and community-based training organizations, an LMI would help develop meaningful long-term relationships between employers, training organizations, and jobseekers. The government's Manitoba Works! initiative contains some features that are similar to an LMI approach, but can be scaled up more efficiently through the development of an actual LMI.

C. Allocate \$300,000 per community to support the start-up of social enterprises that improve food security on First Nations.

The Province of Manitoba has supported Aki Energy to incorporate Meechim Inc. - a social enterprise owned and operated by members of the Garden Hill First Nation that is creating new job opportunities for the local population. Meechim is providing the community with access to healthy and affordable food through a multi-pronged approach that includes importing from urban and southern Manitoba suppliers, sourcing locally, and introducing commercial scale market gardening and poultry raising opportunities.

First Nations people living on reserves have access to few employment opportunities and diabetes has become a major issue. Social enterprises like Meechim can provide training and job opportunities in First Nations struggling with unemployment and poverty while tackling the diabetes crisis through greater access to healthy food.

The Province of Manitoba should aim to replicate Meechim's initial success by supporting other communities to develop and launch social enterprises that provide employment for local people while increasing healthy food production and consumption. Start-up costs will require an investment of approximately \$300,000 per community. These projects should complement and be coordinated with other initiatives focused on Northern food security (i.e. Northern Healthy Foods Initiative).

3. Housing

- A. Increase the housing budget by \$30 million to adequately fund existing commitments to increase supply without reducing other important housing initiatives, including supporting and maintaining the existing social housing stock.**
- B. Pro-actively work with housing providers and make the necessary investments to ensure that there is no net loss of rent-geared-to-income (RGI) housing units due to expiring federal operating agreements.**
- C. Increase the maximum Rent Assist benefit level to equal 75% of median market rent.**

Access to safe and affordable housing where rent is geared to income is one of the biggest challenges facing low income Manitobans. The Province of Manitoba has made some very important commitments in recent years to address the shortage of affordable and social housing across the Province and it is important that these commitments reflect net increases in total supply.

Housing and Community Development did not receive a funding increase in Budget 2014, despite new commitments. Community groups are concerned that without an increase to the housing budget in 2015, existing commitments will be met at the expense of other important housing initiatives. For example, funds are needed to maintain the existing housing stock, to add to supply, and to help ensure that there is no net loss of social housing units as federal operating agreements expire.

A comprehensive solution requires a multi-pronged approach that includes increasing financial assistance to help low-income Manitobans pay for their housing costs. The Province of Manitoba introduced Rent Assist in 2014 for people on and off Employment and Income Assistance. The Province has committed to increasing the maximum Rent Assist benefit level to 75% of median market rent within four years. However, Manitobans need improved access to affordable housing now. Funding for Rent Assist should be increased now without reducing other important income benefits available to low-income Manitobans.

4. Child Care

- A. Create enough new licensed early learning and child care spaces to meet the demand for child care services as determined by the Online Child Care Registry, with priority given to creating child care spaces in lower-income neighbourhoods including in rural and Northern communities. Operating funding should be sufficient to fund a provincial salary scale that is at current market competitive rates and that applies to all child care professionals.**

The Province of Manitoba has taken significant steps to increase the number of funded childcare spaces across the province. Despite significant investments in new spaces, child care centres, and wages for early childhood educators, much more remains to be done to meet the need for additional spaces as determined by the Online Childcare Registry. The Registry suggests that there are at least 12,000 children across the province who are waiting for a child care space.

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.

B. Invest in resources and training supports to recruit, train and retain Aboriginal, Francophone and Visible Minority communities to the childcare profession.

Early childhood educators should be representative of the people they serve. 27% of Aboriginal children are not ready to learn in school compared to 11% of other Manitoba children. There is also a growing newcomer population with unique challenges and similar data shows that recent immigrant children are not as ready to learn in school than other children. Improving outcomes for Aboriginal and newcomer children requires culturally and linguistically appropriate services and an emphasis on encouraging more Aboriginal people and newcomers to become early childhood educators. The Province of Manitoba should invest in resources and training supports such as tuition and living allowances that support more low-income Aboriginal people and newcomers to get into the childcare profession. It should also invest in supporting and expanding successful community-based early childhood education training programs for Aboriginal people and newcomers.

5. Community-led Development

- A. Expand the NPO strategy to support additional community-based non-profit organizations that employ a Community Economic Development (CED) model.**
- B. Work with agencies funded through the NPO strategy to establish a clear process for renewing multi-year funding agreements, which would include providing a year's notice of renewal decisions to ensure agencies have sufficient time to plan for ongoing operational sustainability.**
- C. Extend the length of funding agreements from the current three years to a maximum of five years and include cost of living increases on an annual basis.**

Many community-based non-profits working toward poverty reduction and community renewal do not have access to adequate and long-term funding. This creates a need to search and apply for, and report to, multiple funding sources. The additional administrative burden leads to inefficiencies and less time to engage the community in the long-term thinking, planning, and action that is needed to achieve sustainable results through a comprehensive CED approach.

Short-term and inadequate funding that fails to reflect increased annual costs of program delivery exacerbates already insecure, low-paying jobs with inadequate benefits. This makes it difficult to attract and retain qualified staff, leads to turnover, and diminishes organizational capacity and stability. It also means organizations fall further behind each year in their ability to pay the rising market costs of their operations.

Many CCEDNet - Manitoba members have indicated that their participation in the NPO strategy has generated several benefits including: having more capacity to plan and evaluate over a longer term, having greater ability to attract and retain better qualified staff by providing greater job security, and having the ability to leverage other long-term funding partnerships. Building on this success, the Province should extend the length of funding agreements from the current three years to a maximum of five years and include cost of living increases on an annual basis to further strengthen that ability for community-based non-profits to plan and act long-term, attract and retain qualified staff, and improve overall organizational capacity, stability and efficiency. Furthermore, the NPO Strategy should be expanded to support additional community-based non-profits that employ a CED model.

It is important to note some of the challenges organizations have faced with the NPO strategy. The Province of Manitoba has not sufficiently communicated information to participating NPO-funded agencies regarding the process for renewing multi-year funding agreements. In particular, the failure to confirm funding agreement renewals in a timely manner has left many agencies in a state of uncertainty about how to plan for operational sustainability. Agencies require sufficient notice of renewal confirmation in order to plan for meeting the application deadlines of alternative government funding sources.

6. Food Security

- A. Invest \$160,000 annually in a Manitoba food strategy and action plan with implementation oversight by a Food Policy Council composed of relevant stakeholders.**

Other Canadian jurisdictions have developed food policy councils that foster cooperation between government and food system stakeholders including health and anti-hunger and food justice advocates, the business community, food producers and processors, educators, non-profit organizations, newcomers, and Aboriginal people. A food policy council would bring these stakeholders together to develop a comprehensive and coordinated food security strategy and action plan that simultaneously addresses some of the factors contributing to our health care costs including multiple social, economic and environmental problems related to food. Creating a Manitoba food strategy and action plan with a mandate to develop and implement a food security strategy with relevant stakeholders would strengthen food security, improve health, green our communities, and create economic opportunities for producers and processors in a strong local food economy.

7. Co-operative Development

- A. Allocate the required resources to co-produce the second five-year Co-op Visioning Strategy in full partnership with the co-op sector.**

Co-operatives create economic democracy, root ownership locally, distribute profits equitably, and often create jobs and services in communities where they are otherwise lacking. The Province of Manitoba, in partnership with the co-operative sector, has generated good policy, public education, and co-op development results through a successful five-year Co-op Visioning Strategy that was co-created and co-produced. A second five-year Co-op Visioning Strategy has been co-constructed in full partnership with the co-op sector and financial resources are required to co-produce the Strategy so that the co-op sector continues to grow and strengthen, resulting in greater benefits for Manitoba communities.

There are more than 375 co-operatives, 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 percent of new co-ops are still operating after five years, compared with 35 percent for other new businesses. After 10 years, the figures are 44 percent and 20 percent respectively.