



June 16, 2020

The Honourable Ahmed Hussen, P.C., M.P.
Minister of Families, Children, and Social Development
140 Prom Du Portage
Gatineau, QC, K1A 0J9

Subject: Funding Request Overview

Dear Minister Hussen,

I am writing to you today, following up on the correspondence sent to you by Dr. Pamela Valentine, President and CEO MS Society of Canada on June 4th, 2020.

First of all, thank you again for taking the time to meet with Members of the Health Charities Coalition of Canada, hear about our important work as well as the tragic consequences COVID-19 and economic downturn has had on our organizations. These are organizations that have been struggling to find a way to navigate the impact of the pandemic, support patients with diseases across Canada, try to maintain pre-existing commitments to health research and support governments and Canadians with information and educational support services for specific diseases.

As you know, the health charities we represent have seen a 50% drop in revenue compared to this time last year. At the same time, demand for services has increased and research initiatives have been put at risk, jeopardizing years of work and hundreds of millions of dollars of investment. We have been challenged to navigate this environment with volunteerism put on hold and the vast majority of government programming unfortunately built with restrictive criteria that has left national health charities largely ineligible.

Health charities have all been dealing with these challenges in their own way to try and prevent layoffs, through salary reductions (with executive leadership teams taking a greater reduction), furlough days, vacancies and unpaid leave of absences. Despite these efforts, there have been a significant number of permanent layoffs, upwards of 50% of the workforce in larger charities and more significant reductions in smaller charities.

This is why we are approaching government, seeking support based on the principles government has established in the development of emergency funding programs to date. Government is providing support to those significantly impacted by the crisis and economic shutdown as well as balancing that need for support to arrive quickly, while protecting public dollars from misuse. Programs need to be structured in a manner where organizations and companies cannot double dip, and support is short-term, but extended as required based on economic conditions. Funding itself is based on *real impacts*, reviewing revenue impacts on a month-by-month basis, compared to 2019. **It is in this vein that we are seeking the governments support for up to \$28 million per month**, so that national health charities can support Canadians living with disease and continue to fund vital research.

In the most recent fiscal year on record, Health Charities Coalition of Canada Members had an overall revenue of \$672 million dollars. We are witnessing a roughly 50% decrease in revenues on a month by month basis, leaving us with a shortfall of over \$28 million per month. This is why we are asking your government to support us, monthly and based on raw dollar figures. Charities needs should reduce each month as fundraising capacity is increased, COVID-19 physical distancing is loosened and as the economy begins to open back up. This support is **short-term in nature**, but flexible depending on government priorities, fiscal need and economic conditions as is the case for the suite of government programs to-date.

On a number of occasions, we have provided information to Health Canada, the Prime Minister's Office, Finance and a number of other Ministers and Ministers' Offices that the existing suite of federal supports are not providing health charities with equitable relief that other sectors or not-for-profits may be receiving. By way of background, we are requesting support of some nature based on revenue reductions as the following programs are not necessarily structured in a manner that health charities are able to capitalize on:

- The **Emergency Community Support Fund** does not help the national health charity sector:
 - The funding through the **Canadian Red Cross** is preferential for organizations with revenues of \$1.5 million or less and specifically notes that registered charities are ineligible;
 - The funding announced through the **United Way** is delivered community-by-community and intended for project specific, micro-grants. The administration requirements for these limited funds would be excessive for the value of the grant and do not reflect efficiency in a consolidated service delivery model;
 - The funding announced through **Community Foundations** is narrow in scope with a wide range of ineligible expenses. The principle of the program is to support organizations in either small towns or large cities, with the maximum grant amount of \$75,000. National organizations are ineligible - and in fact, each regional office (if they even have one) would need to independently submit

applications, which is administratively burdensome and potentially challenging from a financing accountability standpoint.

- **Canada Emergency Wage Subsidy (CEWS):** Only supporting a component part of individuals' salaries at a time when revenues are down so significantly, it has forced charities to lay off staff (upwards of 50%), and the program itself is not geared towards sustainability with health charities needing to operate at full capacity – with many employees (health care professionals, etc.) that have salaries bound by broader contractual agreements that charities must abide by.
- **Canada Emergency Commercial Rent Assistance (CECRA):** Revenue cap limits eligibility, significant administrative burden and many health charities are excluded with the 70% revenue loss criteria.
- **Small and medium-sized businesses unable to access other support measures:** while this \$675 million in financing support being delivered through economic development agencies could be of assistance to many health charities, it does not appear that charities or not-for-profit organizations are eligible.
- **\$450 million for researchers:** intended for universities and research institutions that are eligible for funding through the granting agencies of which charities are not.

The Health Charities Coalition of Canada represents a \$650 million industry, supporting 2,500 employees and 2.9 million patients. This support would protect research projects already underway (some partnered with government), enable our staff to support Canadians with diseases, allow our fundraising teams to operate at full capacity so we can get back on our feet as well as keep health professionals employed, professions that have contractually established wages outside of the control of health charities.

Thank you for your work to date, and we look forward to working with you and the Minister of Health on a mutually beneficial solution to the existential crisis our charities face.

Sincerely,



Connie Côté
CEO, Health Charities Coalition of Canada

cc:

Dr. Pamela Valentine, President and CEO MS Society of Canada
Tammy Moore, Chair, Health Charities Coalition of Canada, CEO, ALS Society of Canada