



LOBBYIST REGISTRAR'S REPORT ACTION REQUIRED

Registration of Non-Profit Community Services

Date:	October 21, 2008
To:	Executive Committee
From:	Linda L. Gehrke, Lobbyist Registrar
Wards:	All
Reference Number:	

SUMMARY

In accordance with Council's resolution of July 15, 2008, the Lobbyist Registrar suspended the registry; consulted with the non-profit community services sector on difficulties arising in the registration process; and now reports back to the Executive Committee on whether the non-profit community services sector should be exempted from the registry, or means by which the registry can be amended to make the registration less onerous for this sector.

RECOMMENDATIONS

The Lobbyist Registrar recommends that:

1. The non-profit community services sector be exempted from the registry.
2. The City Solicitor be authorized to introduce the necessary Bill in Council amending Chapter 140 of the Toronto Municipal Code.

Financial Impact

These recommendations will have no financial impact.

DECISION HISTORY

Minutes of the Council of the City of Toronto July 15, 16 and 17, 2008; Min. 23.13, Policy changes to the Lobbyist Registry:

<http://www.toronto.ca/legdocs/mmis/2008/cc/minutes/2008-07-15-cc23-mn.pdf> .

ISSUE BACKGROUND

Section 140-4 of the Toronto Municipal Code requires not-for-profit community services to register only when they wish to lobby regarding applications for grants, awards or other financial benefits, or when they hired a consultant to lobby for them. On July 15, 2008, Council adopted a motion suspending the registry for the non-profit community services sector; and requested the Lobbyist Registrar to consult with the non-profit community services sector on difficulties arising during the registration process and possible solutions, and to report back to Executive Committee on whether the non-profit community services sector should be exempted from the registry, or means by which the registry can be amended to make the registration less onerous for the non-profit community sector.

COMMENTS

The Consultation Process

The non-profit community services sector may be described as those organizations that are eligible to apply for City of Toronto grants through City funding programs, encompassing the broader community services sector of non-profit organizations governed by volunteer boards. The types of programs funded by the City are described by the City of Toronto Grants Directory, www.toronto.ca/grants/grants_directory.htm.

The Lobbyist Registrar met with representatives of the non-profit community services sector and with City staff in Social Development Finance and Administration. The consultation meetings involved a full and frank discussion of the problems the community services sector is experiencing with the requirement to register.

The following sector representatives were consulted:

- Mr. Peter Alexander, Senior Policy Advisor, United Way Toronto;
- Mr. John Campey, Executive Director, Community Social Planning Council of Toronto;
- Ms. Lynn Daly, Executive Director, Christie-Ossington Neighbourhood Centre; and
- Ms. Lynne Walcott, Director of Community Response and Advocacy, St. Christopher House.

Difficulties with the registry identified by non-profit community services

1. “Chill” on Civic Engagement

a. Barrier to Communication with Councillors

The community services and City staff expressed concern that the requirement to register creates a “chill” in communication between community services and the councillors. This conflicts with the City grants program requirement that community services maintain good communications with councillors. City staff expressed concern that the issues of funding and other non-registrable issues are often inextricably intertwined. During the grant application period, community services may feel that they cannot talk to councillors at all unless they register. This may carry over to periods outside the grant application period.

b. Disclosure of Names of Volunteer Board Members

Non-profit community services are dependent upon their volunteer members. They expressed concern that volunteer members may not wish their names to appear on the registry website, and that this requirement may deter them from serving on boards for community service agencies. Community services also expressed concern about the practical difficulties they have keeping track of lobbying activities by volunteer members. This is an additional administrative burden.

In response to these concerns, I note that the only situation in which volunteer members of a non-profit community service would be required to register would be if they are a “senior officer” who is responsible for filing returns of the community service organization. Otherwise, volunteer members of a not-for-profit community service are not required to register and their names would not appear on the registry website.

2. Additional Administrative Burden for Community Services Staff

a. Information about Other Government Funding

Community services experience significant practical difficulties with the requirement to provide information about other government funding. Typically, the agencies in the community services sector exist by obtaining funds from multiple sources at all levels of government. In effect, they are required to provide information about other government funding twice, first in the application for funding and again upon registering with the Lobbyist Registrar.

I note that the requirement to provide government funding information has been simplified as a result of Council’s motion adopted on July 16, 2008. Pursuant to

this change, the only information that is required is the name of the government and the ministry, department, branch or agency that provided funds to the organization. However, for organizations with multiple funding sources, providing even the revised funding information could create a significant administrative burden.

b. Excessive Administrative Burden

Community services say that the task of compiling the information needed to register is time-consuming and puts an excessive burden on administrative staff, who are thinly distributed in the sector. The information the registry requires duplicates the information they provide to City staff when they apply for grants. They estimate that the time required for administrative staff to meet the lobbyist registry requirements would be one person-week per year, per agency.

Community services strive to put all of their funding in direct services to the community, leaving little room for extra administrative demands. Additional administrative demands on community services “take valuable resources away from the very community programs that they have been funded to deliver”: Staff Report to Community Development and Recreation Committee, CD16.5 *Options to Streamline and Improve Funding Administration* (May 23, 2008), page 3.

c. Little Transparency Gained

The benefit to be gained from requiring non-profit community services to register when they wish to lobby about grant applications is transparency. City staff and the community services say that transparency already exists in the grants funding process. Since the funding process already provides for transparency and the information the registry requires is already being provided through the grants funding process, there is little transparency gained from requiring them to register.

d. Part of the Alternative Services Delivery Model

City staff note that community services funded by the City are acting in partnership with the City to provide services that the City has determined are a priority. They are part of the City’s alternate service delivery model.

Reasons for Recommendation

Several options were considered, including exempting volunteer board members from the requirement to register and removing the requirement to provide information about other government funding. However, these options would not entirely resolve the “chill effect” on communication with councillors; nor would they relieve the sector of the excess administrative burden of the requirement to register. As well, these options would

require changes to the registry, which carry costs in information technology staff time and resources as well as a risk of creating instability in the online registry when such changes are made.

The non-profit community services sector and City staff made strong submissions that the sector should not be required to register. Given the already existing transparency of the grants funding process, exempting non-profit community services from the registry would result in little or no loss of transparency. Exemption from the registry would result in little or no financial cost to the registry or to the non-profit community services sector, and no risk to the stability of the registry website. Exempting non-profit community services is consistent with the role of this sector as part of the City's alternative service delivery model, and with the City's concern about streamlining the administrative processes of these organizations.

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SIGNATURE

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