



April 18, 2012

Hon. James Flaherty, P.C., M.P.
Minister of Finance
House of Commons
Ottawa, ON K1A 0A6

Re: **Economic Action Plan 2012**

Dear Minister Flaherty:

The National Alliance for Children and Youth (NACY) is a coalition of nonprofit agencies and organizations from across Canada who support and work with children, youth and their families. We are writing on behalf of our members to comment on the Economic Action Plan 2012 tabled in the House of Commons on 29 March.

We wish to acknowledge and recognize the important new investments that your government proposes in the Youth Employment Strategy, First Nations education, and the Community Infrastructure Improvement Fund. We believe that these represent important priorities that will benefit children and youth in communities across Canada.

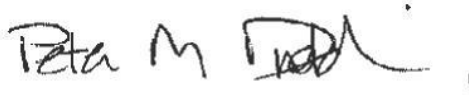
We would like to highlight a few of the proposals communicated in this Budget:

- The Budget 2012 maintains the Federal Government's target to balance the budget by 2015-16. In order to achieve this, spending will be reduced in a number of departments over the next three years. The cuts to government departments will have a major impact on the communities served by child and youth charitable and nonprofit organizations and thus we call on the Government to ensure transition support and funding to minimize the short and long term impact.
- We applaud the Government for the additional \$50 million that will be invested over the next two years in the Youth Employment Strategy. On a related note, we feel the elimination of the Katimavik program in the middle of the third year of a funding agreement is of concern. We believe that the existing commitment of \$14 million to Katimavik for the 2012/2013 fiscal year should be honoured.
- The proposed measures to *enhance charities compliance with the rules with respect to political activities* will place an increased and unnecessary administrative burden on already under-resourced organizations. Our members are very familiar with the restriction on partisan political activity; they already expend considerable resources

to ensure their compliance and transparency with all rules and regulations. It is anticipated that some charities will be concerned that this change may further complicate the provisions regarding political activity and result, overtly or inadvertently, in a further advocacy chill. As front line service providers in communities across Canada, they play an important role in contributing to the development of public policy through their unique knowledge and perspective. Organizations that are well informed about issues affecting Canada's citizens should not be discouraged from participation in legitimate public education activities.

We are committed to working with the Government of Canada and all parliamentarians to ensure that all children, youth and families have access to effective and sustainable services. The work of the voluntary sector is a critical element to achieve this goal.

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read "Peter M. Dudding", with a stylized flourish at the end.

Peter Dudding
Chair