

OTF Investment Summary Report
Approval of Community Investments and Ontario Fund
November 25, 2015



2015/2016 Cycle 1
OTF Granting Investments

OTF Investment Summary Report

2015/2016 Cycle 1

Introduction

This is a summary of the OTF investments for its inaugural granting cycle under the new investment strategy in the 2015/16 fiscal year. These investments are recommended for Board approval by the Grant Review Teams (GRTs) and the Ontario Fund Committee.

This Investment Summary Report includes:

Section 1: Executive Summary Community Investments and Ontario Fund Grants

Section 2: Community Investments and Ontario Fund Granting Overview and Analysis

Section 3: Concluding Remarks

Appendix A: List of Recommend Applications Community Investments and Ontario Fund for Board Approval

Appendix B: List of Declined Applications Community Investments and Ontario Fund for Board Approval

Section 1: Executive Summary Community Investments and Ontario Fund Grants

1.1 Cycle Summary: Grow, Capital and Seed Investment Streams

Highlight: High demand for OTF's available funds in response to OTF's new Investment Strategy

We received 1,432 applications requesting \$271M. This is a 17% increase in the number of applications and a 37% increase in the funds requested from the last granting cycle prior to redesign. A total of 326 applications and \$53.5M are recommended for approval. This investment is expected to impact 824,300 Ontarians, improve 491 programs, and result in 210,000 square feet of new space and 410,000 square feet in renovated capital space.

Total demand for OTF funds under the new investment strategy was high, at \$5.1 per dollar funded, as compared to historical levels which were in the \$3.50 range. However, the last granting cycle in March 2015 also had a higher demand at \$5.6 per dollar funded. This higher demand could be a combination of pent-up demand resulting from a longer than normal gap between granting cycles and perhaps a better match between our investment strategy and the sector's needs. As we move to continuous granting cycles, we will be in a better position and gather better evidence to understand the relationship between demand for funds and our investment strategy.

Demand was strong across all Action Areas and Investment Streams, and this is reflected in the recommended grants. Each Action Area and Investment Stream is recommended at similar levels to demand. A review of the applications being approved showed that good applications that score high and align with our grant results in each Action Area were brought for consideration to GRT and Ontario Fund meetings and ultimately recommended.

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It appears that the new investment strategy has had the desired effect of allowing **larger and deeper grants** to be made. The average grant this cycle is \$163,954: this is 60% larger than the previous 3-year average grant size of \$97,990. The increase in the size of grants has not fully come at the expense of **small, new, or volunteer run organizations**. Indeed, applications from smaller organizations are not recommended in large amounts in the Grow stream, but they are being funded at high levels in both Capital and Seed streams. For example, 43% are recommended to organizations with less than \$100,000 in revenue and 17% of Capital grants are recommended to volunteer run organizations.

We continue to invest funds in **priority populations** at similar levels to the last granting cycle. Two percent and a half (2.5%) of grant dollars go to Francophone communities, the same level as the last granting cycle. Four percent (4%) go to Aboriginal communities, as compared to 5% in the last granting cycle. We see an increase in funding going to Diverse and Cultural Communities and People with Disabilities; these communities are being granted at 19% and 18% respectively, as compared to 10% and 13% in the previous cycle.

High Level Insights and Learnings

Overall, the results of the new investment strategy are positive. Within each Action Area, Strategy Leads are seeing strong investments aligned to OTF priority outcomes. Now, with results we can measure, and over time, we will see the cumulative impact of these investments reflected in positive changes to the Canadian Index of Wellbeing. We are doing ongoing, deep analysis of application and grant data to determine the overarching trends, and this will be reported in future meetings as we need to go through more granting cycles to start to detect patterns.

In parallel, our Evaluation team has held Learning sessions at all GRT meetings and the results of these will be integrated into future plans. It is clear, however, that there is a need to increase training and outreach to reduce the number of technical declines of good applications due to misalignment with grant results.

Finally, we are tracking a number of results to understand what the trends are.

- Invested Versus Allocated -- In this cycle, GRT and Ontario Fund committees invested 85% of their allocations in total, leaving approximately \$9M unspent for this granting cycle.
- Volunteer Scoring -- 15% of volunteers did not score at least one application assigned to them. We are compiling feedback to investigate why this occurred.
- Technical Decline Reasons -- Of the 357 applications that were technically declined, 247 (68%) were declined for not aligning with either the stated Investment Stream or grant result. Strategy Leads will work with granting staff, volunteers, and the public to increase knowledge with the goal of reducing this number.

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Through the Knowledge Management strategy, our Evaluation tools and approaches, Public Affairs and strategy leads will all work together to deliver outreach and training to volunteers and the public to ensure we improve our ratio of good applications and build knowledge about our investment strategy amongst our GRT members.

1.2 Action Area Summaries and Noteworthy Grants

Active People

OTF's new strategy in the Active People Action Area has allowed for continued investment in infrastructure improvements required to increase physical activity levels, but has also enabled enhanced measurement of impact. The evidence is seen in what GRTs approved; more than 310,000 sq. ft. of renovated and new space in recreation facilities, 186 km of multi-use trail development, and more than 5,300 hours of additional programming time available to get people active. In addition to investments in capital projects, the focus on priority outcomes that improve quality and increase participation has catalyzed initiatives that support the training of more than 24,000 leaders, the enhanced safety of spaces and programming, and the engagement of target audiences who typically have lower physical activity levels.

While capital investment has historically accounted for 50-60% of OTF's granting in the sport and recreation field, this first round under our new strategy has seen a noticeable increase in evidenced-based initiatives within the Grow Investment Stream. The Action Area's emphasis on quality is exemplified by a grant to Parks and Recreation Ontario and their community partners to support "HIGH FIVE Silver". This initiative will develop and implement new standards and training for more than 1,800 frontline workers who, in turn, will ensure quality physical activity programs and injury prevention for more than 37,000 older adults across Ontario.

Connected People

Approximately 10,000 Ontarians who are socially isolated will gain more and better social connections as a result of OTF's investments in this granting cycle. Among the beneficiaries are seniors, newcomers, persons with disabilities, and youth. The variety and volume of social isolation focused initiatives aligns with our stance that social isolation is a major barrier to wellbeing, inclusion and full participation in society. Approaches range from the application of new technology and barrier-free access renovations to the use of the arts and physical activity as catalysts for increased social connection. In addition, more than 26,000 people will have a say in improving the services and programs that matter to them. Supporting this is our investment in the creation of over 136,000 square feet of new and renovated spaces where social connections and increased community collaboration can flourish.

In this Action Area, there are several notable initiatives in which a variety of groups have come together to take a multi-pronged approach to local issues. One example is the Hastings and Prince Edward Poverty Roundtable's "Engaging Community" project. This collaboration of over 120 community organizations, private enterprise and individuals will engage 1,400 people, especially those with lived experience of poverty, as key actors in a broad based poverty reduction strategy impacting 18 urban and rural municipalities in the Quinte, Kingston, Rideau area. An excellent

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example of diverse groups working together to improve community life, this initiative also ensures that the voices of the direct beneficiaries lead to updates in 30 programs and services within their community.

As part of our ongoing work in this Action Area, we will continue to share examples of good approaches to achieve the results outlined in our strategy. This is an area where OTF's commitment to open data and knowledge gives us the opportunity to crowd source best practices that represent the diversity of approaches to reducing social isolation and shaping better communities.

Green People

In this inaugural granting round, investments under Green People will contribute to the direct conservation of over 535 hectares of habitat and will engage close to 1,600 people in conservation efforts in their communities. There is also marked emphasis on initiatives that aim to lower our ecological footprint by enhancing people's connection with the environment and encouraging direct action to reduce our impacts. Evidence-based initiatives are designed to reduce greenhouse gas emissions, manage urban storm water, enhance tree cover and decrease agricultural runoff. Consistent with our new strategy, we are seeing the non-profit community facilitate behavioural change at multiple scales, among individuals and across sectors that use resources more intensively, such as business and agriculture.

This sectorial approach is exemplified by grants to Sustainability Co-Lab and ReThink Green, one their network members. ReThink Green will apply Co-Lab's proven "Regional Carbon Initiative (RCI)" model to engage businesses across Northern Ontario in setting and achieving ambitious GHG reduction targets. Moreover, recognizing the importance of moving beyond GHG's, Sustainability Co-Lab will expand its RCI model into a Regional Sustainability Initiative (RSI), incorporating metrics for impacts such as water consumption and waste production. It is expected that over 300 resource sector participants will lower their footprint thanks to OTF's support of these grants.

Inspired People

Focused investments in arts and heritage infrastructure will create 171,676 square feet of space for presenting performances, exhibitions and screenings. These repurposed spaces will raise the artistic quality of presentations and deepen the audience experience. Complementing this investment in physical space, 1,310 artists and educators will increase skills and knowledge through training, mentorships and apprenticeships. As well, over 327,800 people, including 9,000 young people, will connect with the arts through community-based arts creation, presentation and learning activities. Outcomes generated through arts engagement activities will foster intergenerational connections and promote intercultural understanding in communities.

An initiative of note is the "Inner City Angels and Mariposa in the Schools" collaborative in Toronto. Twenty emerging artists, 54 pre-med interns and 210 teachers will be trained and will deliver programming using an integrated arts approach to show the interconnectedness of the physical and natural environment, social justice issues and wellbeing. Eight thousand young people from inner-city schools are expected to benefit through

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an increase in their social intelligence, resiliency and creative thinking skills. Upon completion of the grant, both entities will merge and expand integrated arts programming to educate the next generation of leaders.

Promising Young People

Over 100,000 children and youth will develop stronger social and emotional skills as a result of our investments this granting cycle. It is interesting to note that some of the mechanisms by which this will take place crosses different sectors. For instance, grantees have provided evidence of, and new approaches to, emotional and social skill development through engagement with the arts, increasing physical activity, improved literacy, and connecting with families, culture, and community. Outcomes identified that may also result from these grants include academic achievement, reduced recidivism, and the prevention of violence and mental health issues.

One notable initiative is the “Aspire program” of Safe City Mississauga. Aspire is a one-on-one no-cost after school tutoring service for student’s kindergarten to grade 6 living in under-serviced / at-risk Mississauga neighbourhoods. Evaluations conducted on the program indicated increased self-esteem, social connections, and academic achievement; as well as improved family relationships and behaviours such as initiative, self-regulation, and organization. These results have also been noted as contributors to violence prevention.

Prosperous People

Through OTF’s new strategic focus on increasing economic opportunities, over 12,000 people in this granting cycle will increase their economic wellbeing by starting businesses and gaining skills to stay employed. Among these are more than 2,500 people, including marginalized immigrant women, seniors, people with disabilities and youth at risk, who will develop enterprises that span the social, environmental and cultural sectors. Evidence-based approaches include ‘train the trainer’ models, peer mentorship, incubators, design studios, and customer-coached businesses programs. Outcomes identified include improved agricultural techniques, better business practices and increased employment for people who are in low income.

One notable initiative is Artscape’s “Creative Entrepreneurship Program”, an intensive training initiative aimed at helping arts professionals launch and grow sustainable businesses. This initiative expands the established “Artscape Launchpad Program”, which resulted from eight years of research and partnerships with representatives from regional arts service and trade organizations and from all of the GTHA’s major post-secondary institutions. By the end of the program, Artscape will have helped launch a minimum of 180 new creative sector businesses.

1.3 Sign-Offs

Sign-Off from Chairs: Each GRT Chair and the Chair of the Ontario Fund Committee have signed off on the final list of grants recommended by the GRT or Ontario Fund.

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Compliance with OTF Policy: The CEO has met with the Vice-President, Community Investments, and the Vice-President, Provincial Programs and Partnerships to review granting policy compliance. The CEO confirms that all recommended grants are within the granting policies of the Foundation.

1.4 Recommended Motions

In the Community Investments program, the Grant Review Teams have recommended 287 grants, in the amount of \$42,490,500, for Board approval.

For the Ontario Fund, the Ontario Fund Committee has recommended 39 grants, in the amount of \$10,958,600, for Board approval.

All the grants recommended for approval are listed in Appendix A.

Grant Review Teams and the Ontario Fund Committee declined 1,106 applications requesting \$217,486,900 in funding. All the applications recommended for decline are listed in Appendix B.

Board members may request additional information about any of these grants by contacting the Regional Director responsible for the catchment or program. Board members also have the option of requesting the brief “website descriptions” of the grants in any catchment area. (Regional Director names are listed in Schedule 3.)

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The following motion is recommended:

That the Board approve:

- a. The Community Investment and Ontario Fund Summary Report, as presented by the GRT Liaison and Provincial Programs Committees;
- b. The Community Investments, as recommended by the Grant Review Teams;
- c. The Ontario Fund Investments, as recommended by the Ontario Fund Committee and
- d. The decline of grant applications as per GRT Chairs' and Ontario Fund Committee reports.

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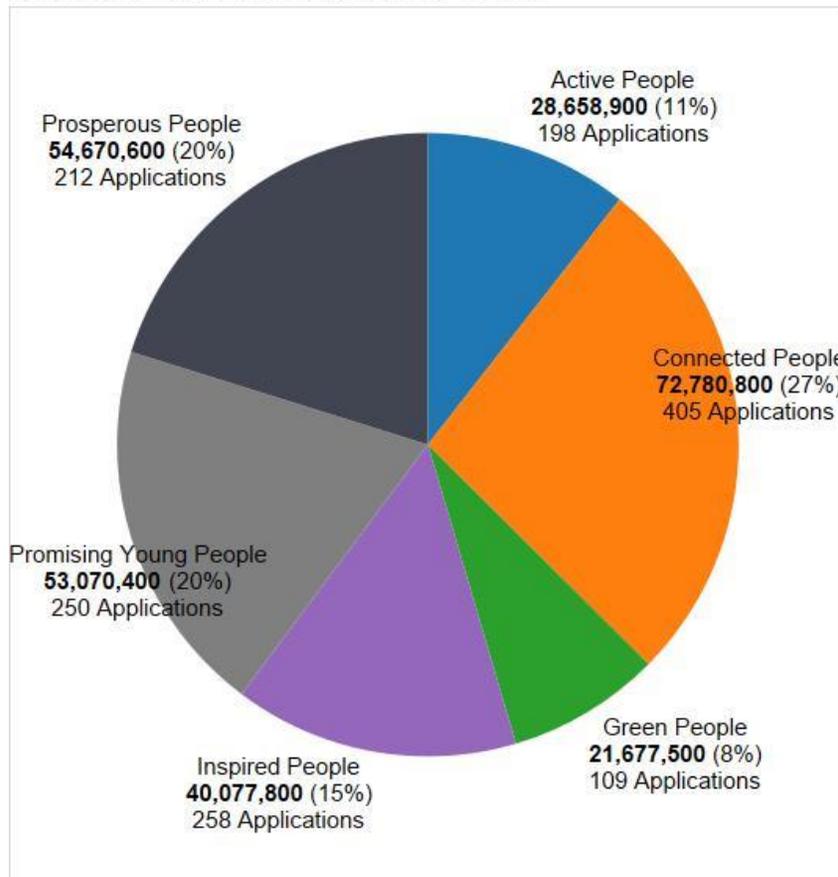
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Section 2: Community Investments Granting Overview

2.1 Action Area Overview

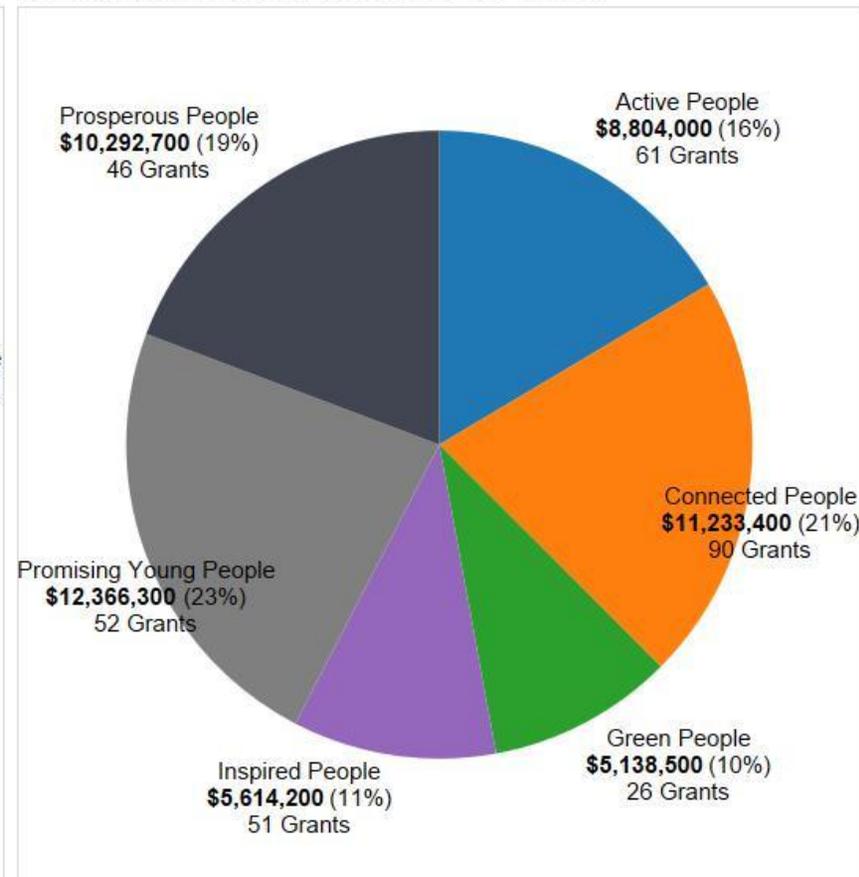
326 applications for a total of \$53.5M are recommended for approval. As can be seen below, there is a relatively even distribution of both requested and recommended dollars across Action Areas. Promising Young People is the Action Area with the largest amount recommended at 23% of the total, while Green People is the smallest with 10% of the total. Historically, granting to the environment has been lower than other sectors, with 13% of total funding in the last fiscal year.

Requested Dollars by Action Area OTF Overall



\$ Requested
270,936,000

Recommended Dollars by Action Area OTF Overall



\$ Recommended
\$53,449,100

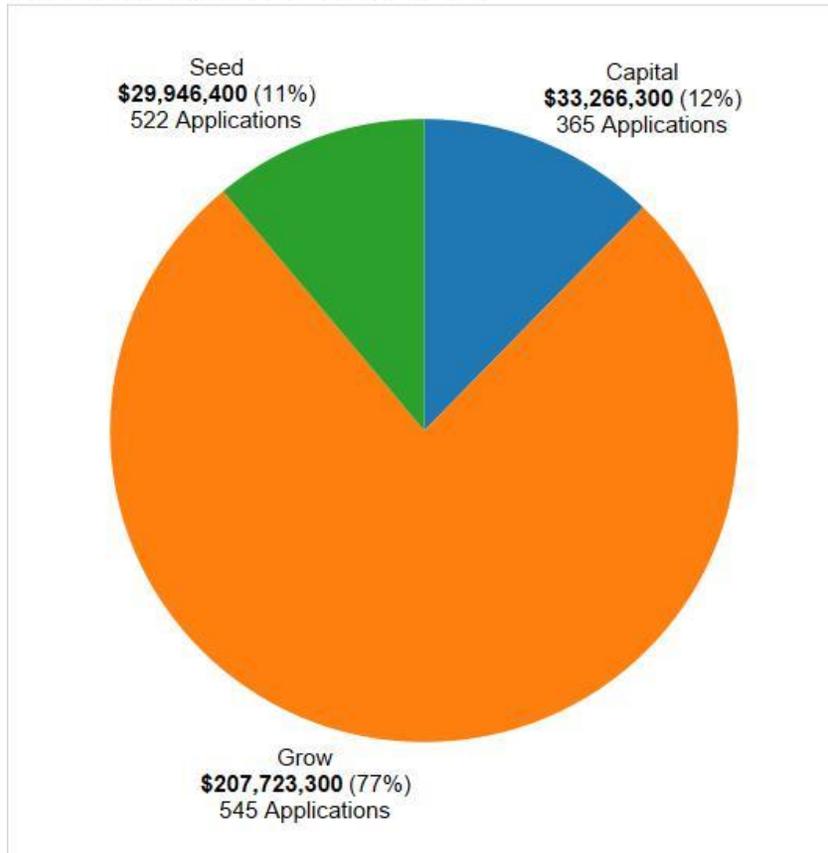
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2.2 Community Investment Stream Overview

As depicted in the charts below, all of the Investment Streams have recommended grants being funded at similar levels to demand. There is more going to the Grow stream (74%) and less going to Capital (14%) than nominally targeted. It should be noted that Grow grants are permitted to spend a portion of their grant on capital expenditures related to their project.

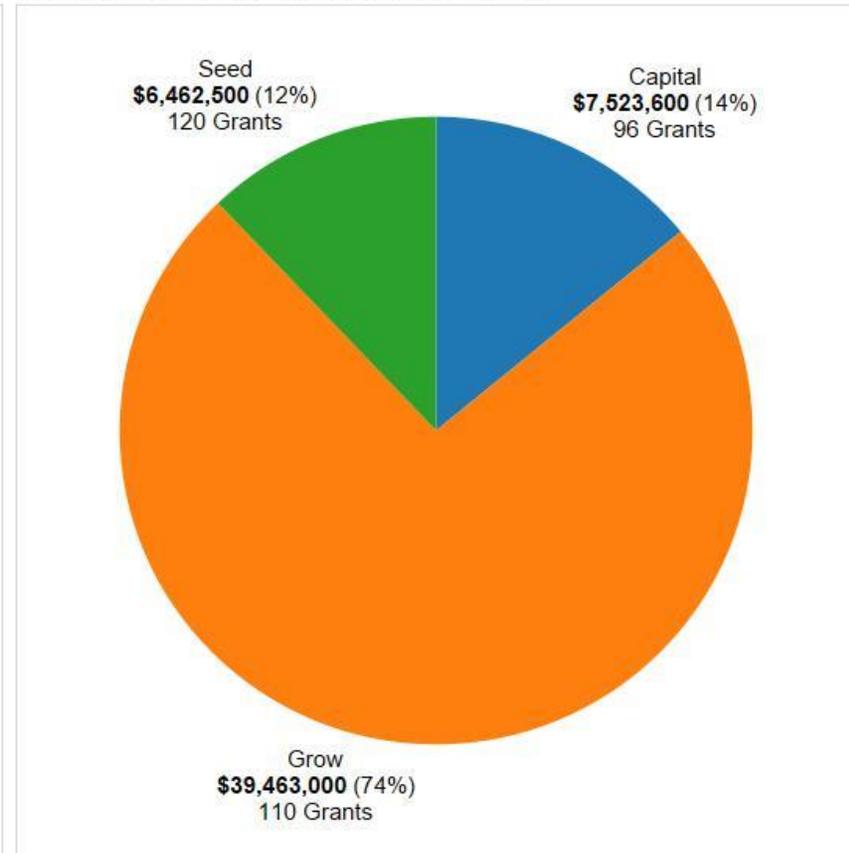
Requested Dollars by Stream OTF Overall



\$ Requested

\$270,936,000

Recommended Dollars by Stream OTF Overall



\$ Recommended

\$53,449,100

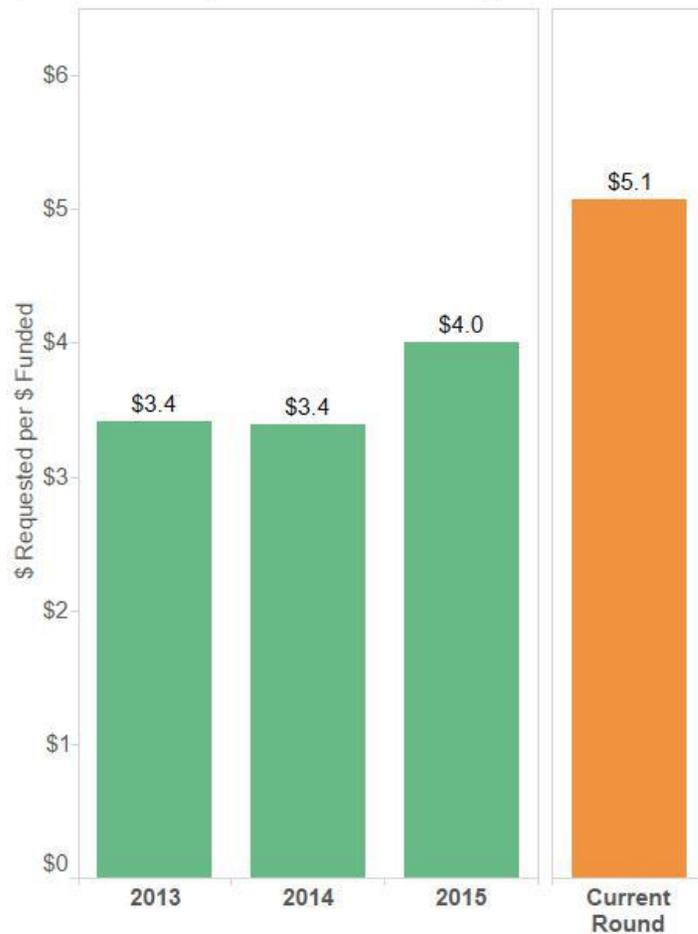
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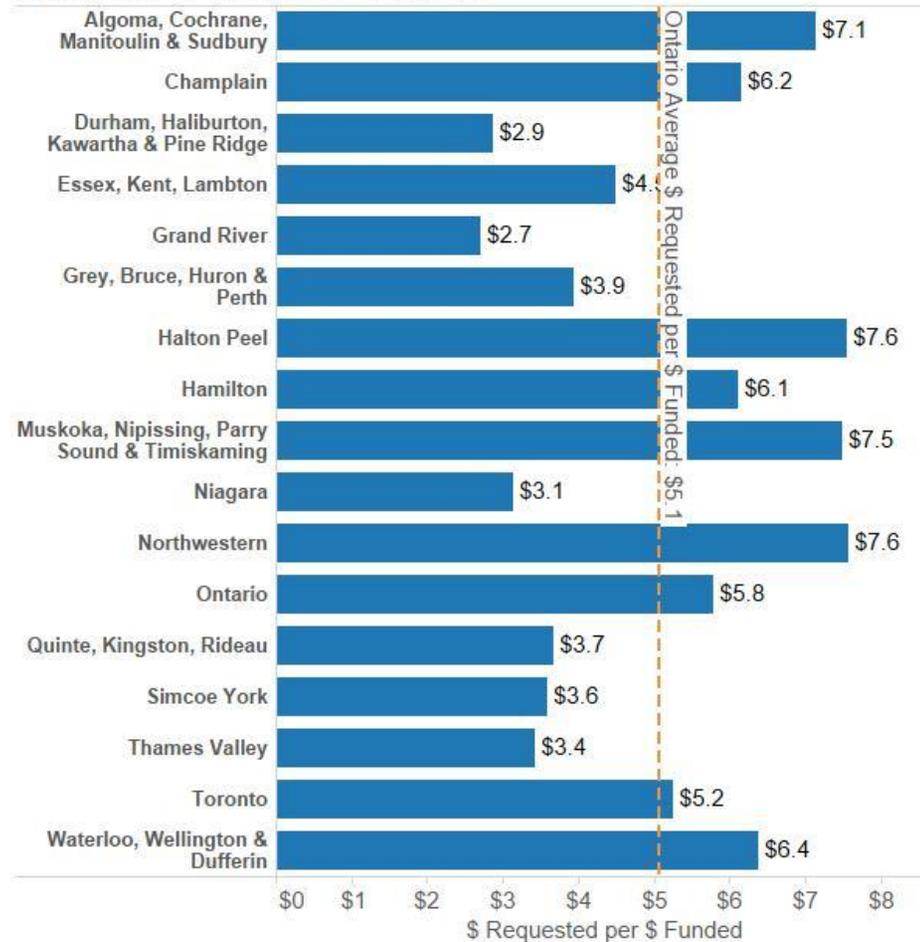
2.3 Application Demand

The ratio of \$5.1 requested per dollar funded is high compared to past fiscal years that were in the \$3.40 to \$4.00 range. It should be noted that the last granting cycle in March 2015 had a ratio of \$5.6 per dollar funded. We are continuing to track this to determine if the larger amount of time between granting cycles is the cause, or if the new approach is attracting greater demand. In anticipation of potentially high demand, catchments were permitted to grant up to 2/3 of their annual allocation, though some chose to fund a lower proportion, such as Halton-Peel and Northwestern.

\$ Requested vs. \$ Funded Historical Comparison



\$ Requested vs. \$ Funded by Catchment



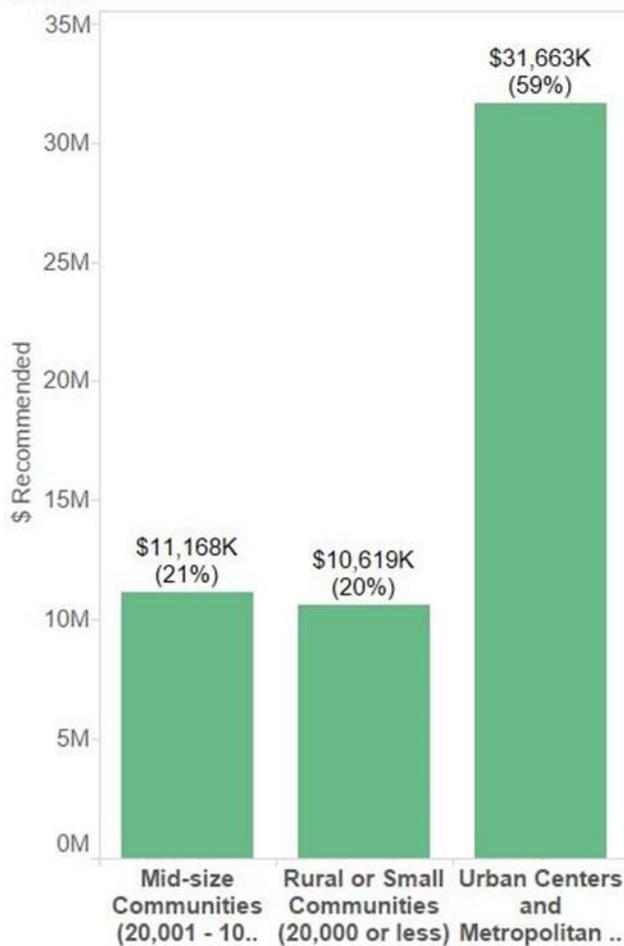
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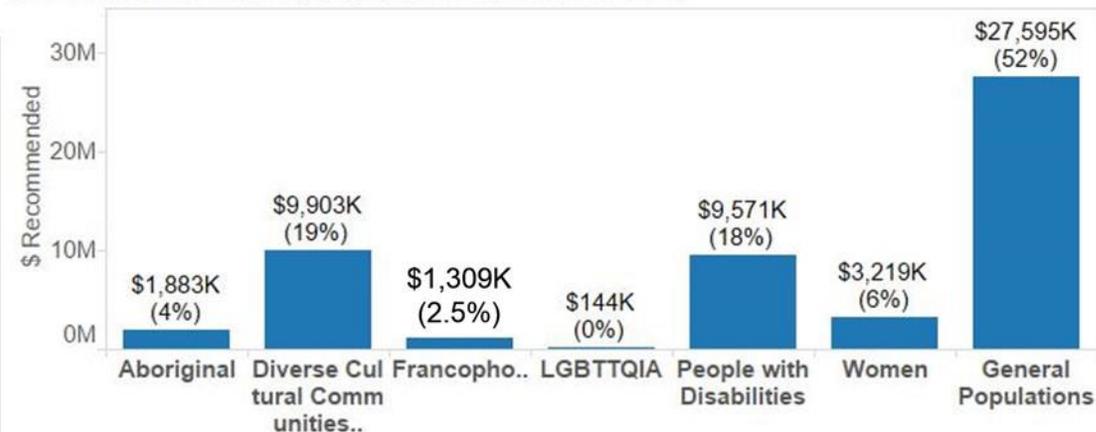
2.4.1 Investment Equity – Populations

Through the recommended grants in this cycle, the Foundation is investing in priority populations at levels similar to the past. Two percent and a half (2.5%) of grant dollars go to Francophone communities, a comparable proportion to what was allocated to this community in the last cycle. Diverse and Cultural Communities and People with Disabilities are being granted in higher proportions at 19% and 18% respectively, as compared to 10% and 13% in the previous cycle. We are tracking the amounts going to these populations to see what the trends are. It should be noted that applicants are required to select a single population group they are targeting and so the amounts going to priority populations are likely to be more accurate going forward than in the past when there was manual coding by staff involved.

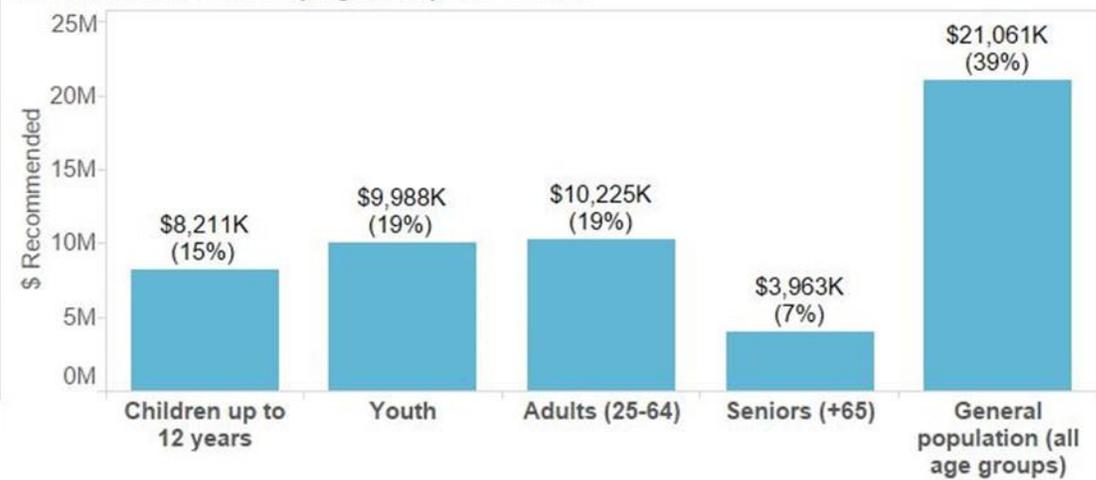
Recommended Dollars by Community Size OTF Overall



Recommended Dollars by Population Served OTF Overall



Recommended Dollars by Age Group OTF Overall



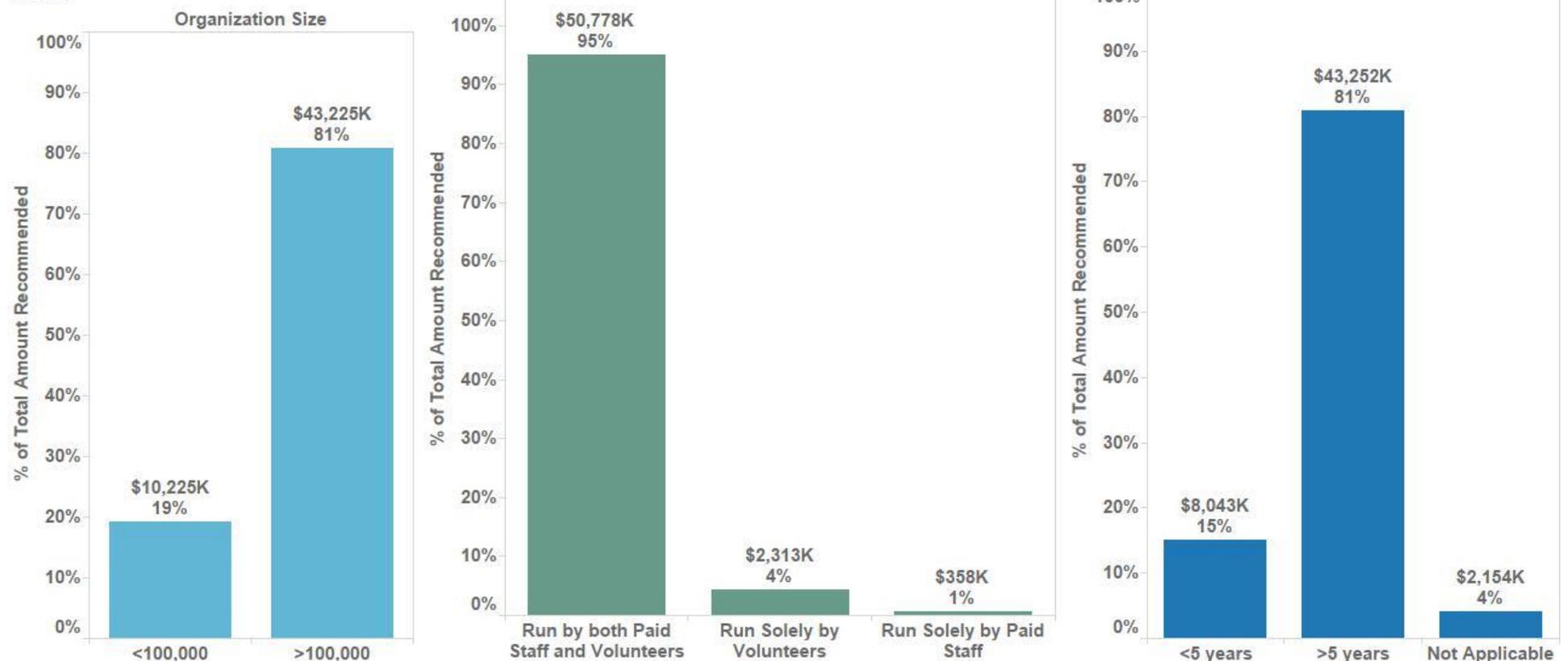
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2.4.2 Investment Equity – Organizations

In the last cycle, 16% of grants went to volunteer-only organizations and 20% to organizations younger than 5 years. These figures are 4% and 15% this cycle. These newer and volunteer-only organizations are recommended for few Grow grants, but are being funded at high levels in both Capital and Seed streams. For example, 17% of Capital grants are recommended to volunteer-run organizations and 28% of Seed grants are recommended to organizations less than 5 years old.

Recommended Dollars by Organization Size OTF Recommended Dollars by Type of Staff Running Organizations OTF Overall Recommended Dollars by Age of Organization OTF Overall



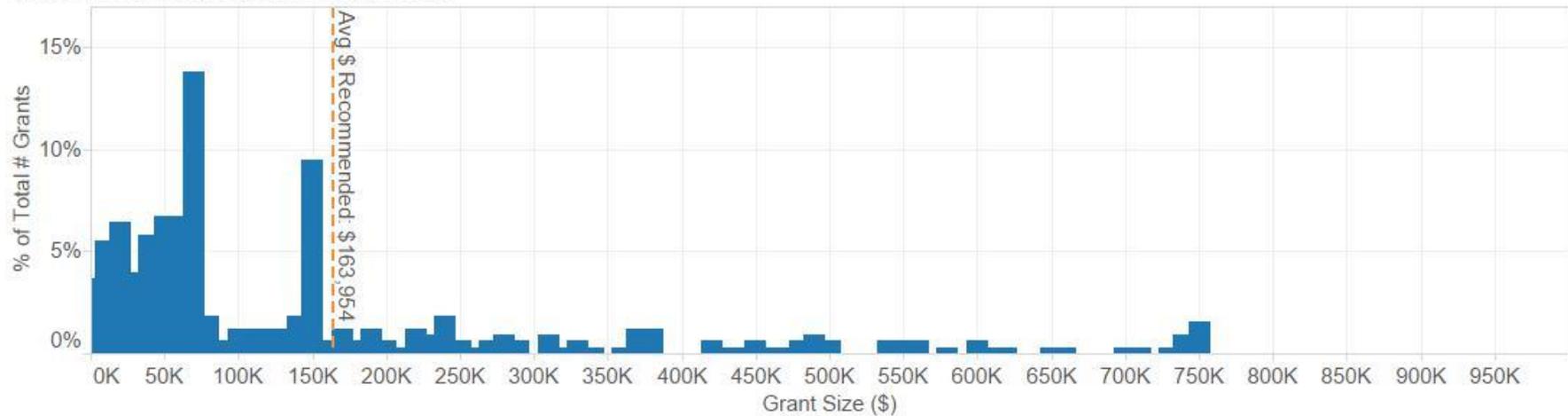
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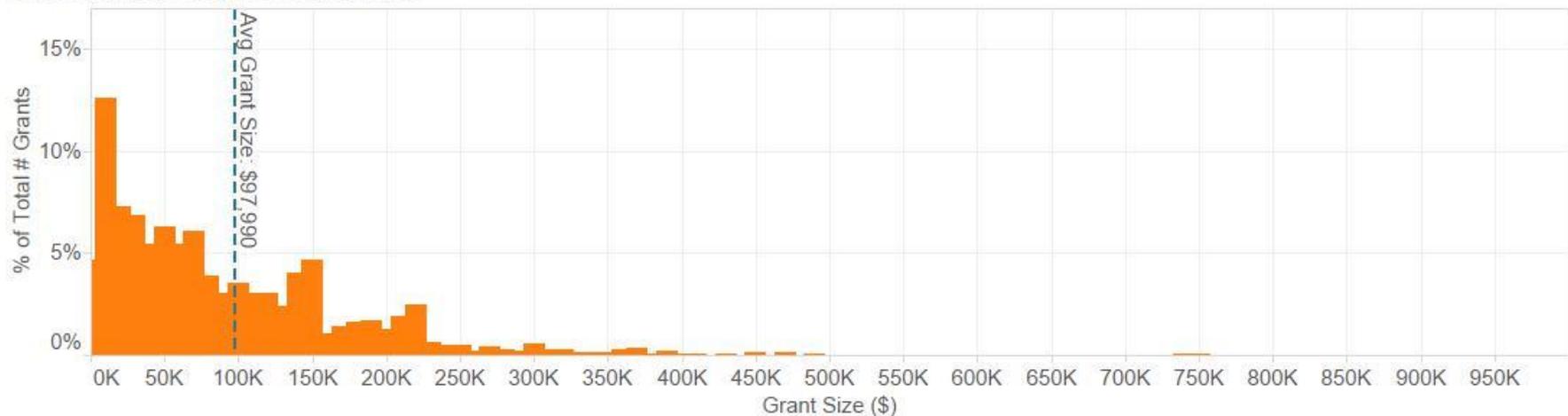
2.5.1 Larger, Deeper Grants – Grant Size

As expected, the new investment strategy has led to an increase in the average grant size. This is not solely due to the larger amounts available in the grow stream. There are numerous grants over \$300,000, as compared to very few above this level in the last 3 fiscal years. As can be seen, the large number of Seed grants close to the maximum \$75,000 allowed and Capital grants close to the maximum \$150,000 allowed has shifted the lower end of the distribution up as well. There are both fewer small grants and more large grants.

Grant Size Distribution for Current Round



Grant Size Distribution Before RD2015



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Section 2: Concluding Remarks

This report was put together in less than 48 hours by the Business Intelligence and Evaluation team within IM working in collaboration with the Strategy Leads for their insights into their specific action area expertise. The ability to analyze our investments and be able to understand patterns, opportunities and challenges as they relate to our investment strategy will place OTF in a significant position of leadership. Our new granting model enables us to gather data that has been structured based on best evidence from each Action Area as to what they tell us about our communities in Ontario. These types of results combined with our strong commitment to our Learning agenda and the results we gather from GRT learning sessions and from grantees and applicants will enable OTF being responsive to what supports and strategies we need to put in place for our investment strategy to yield the results for which it was designed.