

## “Working to Make Life Better”

Budget 2017 covers the period from April 1, 2017, to March 31, 2018, corresponding to the 2017-2018 fiscal year (FY). There are also revenue and spending projections for the following two fiscal years.

This year’s budget is called *Working to Make Life Better* and forecasts a deficit of \$10.3 billion. A contingency amount of \$500 million is included to protect against lower than forecast oil prices or to provide funds to respond to unforeseen emergencies.

### Revenue Measures

There are no changes to the personal or corporate income tax rates. Revenue for the Alberta government is estimated at \$45 billion in 2017-18 and is expected to grow to \$47.6 billion in 2018-19 and \$51.8 billion in 2019-20. Alberta’s carbon levy, implemented through the Climate Leadership Act (CLA), was implemented on January 1, 2017. It puts a \$20 per tonne price on carbon, which will increase to \$30 per tonne in 2018. The carbon levy will affect consumers by increasing the price of gasoline by 4.49 cents per litre in 2017 and by 6.73 cents per litre by 2018. In addition, Albertan consumers will pay \$1.517/GJ more for natural gas for home heating purposes by January 1, 2018.

Approximately 60% of Albertan households are receiving carbon levy rebates. By 2018, when rebates are fully implemented, payments will be \$300 for the first adult in a family, with \$150 for a spouse and \$45 for up to four children. Rebates are non-taxable, refundable, and require the completing of a tax return. Most low income Albertans, seniors, those using public transit and those living in small homes will likely receive more in carbon levy rebates than they would be required to pay in extra home heating and gasoline costs.

### Poverty Reduction

On July 1, 2016, the Alberta government made a major investment in poverty reduction by introducing the Alberta Child Benefit (ACB). The ACB provides \$174 million of financial support to the lowest income children and their families in Alberta. The ACB provides families with yearly benefits of up to \$1,114 for one child and \$557 for each of the next three children. Families with a net income of \$25,832 or less will receive the maximum benefits. The benefit will be fully phased out at \$41,786 of net family income, providing up to \$2,785 to Alberta’s most vulnerable families.

The Alberta Family Employment Tax Credit (AFETC) supports low income families in Alberta by providing a maximum of \$773 for families with one child and up to \$2,038 for families with four or more children. Benefits begin to be phased out at \$41,786, an increase from \$41,250 in Budget 2016.

Benefit amounts and phase-out thresholds are indexed to inflation and will increase 1.3% in 2017-18. These programs will provide approximately \$320 million to Albertan families. The government is acknowledging that rising living costs impacts parents’ abilities to care for their children and is taking responsibility to help move Albertans out of poverty.

### Affordable Housing and Homelessness

Considerable investment is going towards building or renovating affordable housing in the budget’s Capital Plan. \$248 million

is being allocated in 2017-18 with a total of \$737 million over a four-year period. These additional provincial dollars combined with federal funding should go some way to begin addressing the wait list of 15,000 households needing affordable housing.

There is \$187 million budgeted in 2017-2018 for homeless and outreach support services, an increase from \$181 million budgeted in 2016-17.

Budget 2017 allocates \$90 million for homeless support and outreach services, including the Housing First Program. This represents an increase of approximately \$3 million from the previous budget. Funding for women's shelters experienced only a slight increase to \$49 million from just under \$48 million previously. Additionally, funding for homeless shelters increased to \$43 million from \$40 million in 2016-17.

An additional \$683 million is budgeted for seniors and housing. The budget also provides \$365 million for the Alberta Seniors Benefit, supporting approximately 150,000 low income seniors. This represents a small increase from \$357 million in 2016-17.

\$480 million allocated for income support programs. There is also an additional \$257 million budgeted in the Ministry of Health for benefits for adults and children, compared to \$206 million in 2016-17.

This substantial increase represents a new approach by the Alberta government. An economic downturn will not mean that the programs and services that the most vulnerable Albertans rely on should be reduced. The government is taking an active role in helping to provide stability for Albertans looking for work and in reducing poverty in Alberta communities.

### Child Intervention

The expense budget for the Ministry of Children's Services is \$1.4 billion in 2017-18. The ministry was created to ensure children receive the services and supports they need. There is \$766 million allocated in Budget 2017 for child intervention. In the 2016-17 budget, child intervention was under the Ministry of Human Services. Specifically for child intervention services, there was \$734 million allocated in the previous budget. This stable

## *The 2017 Budget includes a new ministry, the Ministry of Children's Services.*

### Childcare

Budget 2017 provides \$321 million for childcare programs, an increase of \$14 million from 2016-17. This amount goes towards support for childcare centre pilots and provides stable funding for the subsidy program and accreditation. Funding for Early Intervention for Children and Youth is \$103 million, an increase of \$11 million from the previous budget.

source of funding will help to strengthen the child intervention system, serving approximately 10,000 children and youth across the province.

### Addiction and Mental Health

Budget 2017 provides \$80.6 million in funding for Addiction and Mental Health. This represents a substantial increase from \$49 million forecasted in the 2016-17 budget.

### Employment and Income support

There is a total of \$826 million budgeted in Community and Social Services for these programs, including \$605 million for income support. This is a significant increase from \$683 million budgeted in 2016-17, with

### Community Supports and Family Safety (CSFC)

There is \$124 million budgeted in 2017-18 for CSFC, including \$101 million for Family and Community Support Services. Funding for FCSS has stayed consistent since the 2016-17 budget after a substantial increase in 2015.

### Sources

Alberta Government. (2017). Budget 2017: Information, documents and quarterly reports on Alberta's budget. Retrieved from <https://www.alberta.ca/budget.aspx>