



Introduction

Budget 2014 covers the time period from April 1, 2014 to March 31, 2015 (2014-15) fiscal year (FY). Budget 2014 estimates an operational surplus of \$2.6 billion, and a consolidated surplus of \$1.1 billion when capital spending and net savings are included. The government's revenue picture has brightened considerably since last year's budget due to higher than expected energy prices and a lower Canadian dollar. As a result, operational spending will increase next year though by less than inflation and population growth. In this *fACT sheet*, next year refers to the 2014-15 FY and this year refers to the current 2013-14 FY.

Ten Year Homeless Plan

After being effectively frozen in the current year, Budget 2014 increases the amount of funding for outreach support services for the newly housed from \$69.7 million this year to \$87.8 million next year. This increase will allow for modest expansion of services for both homeless adults and youth, as well as rental assistance to keep existing Housing

Responsible Ministry: Human Services

First clients in their homes.

Funding for emergency/transitional shelters is being increased slightly from \$36.6 million this year to \$36.7 million next year. Due to the large influx of people into Alberta, transitioning people out of shelters rapidly is falling behind, and shelter numbers are on the rise.

Affordable Housing and Rents

The October 2013 Canada Mortgage and Housing Corporation report shows rents are up and vacancy rates dropping. The average monthly rent for a typical two-bedroom in Edmonton was \$1,141, up 5.6% from a year earlier. The vacancy rate fell to 1.4%, which is close to a record low.

People who can't afford to pay their rent risk becoming homeless. It is more cost-effective to help low income Albertans pay their rents before they become homeless than to only help them afterwards. It is therefore disappointing that supplements to help low income Alberta

Responsible Ministry: Municipal Affairs

households pay their rents are going up only \$300 thousand to \$64.8 million. This is essentially the same low levels as the current year. In a tightening rental market, this freeze will cause the long wait lists for affordable rental housing to grow even longer.

There were modest investments to \$137.2 million in developing new affordable housing with about 70% going to seniors housing and the balance to community housing. Further investment is needed in future years if the goal of ending homelessness is to be achieved.

Income Support (Alberta Works program)

The strong labour market has led to a reduction of about 5% in social assistance (Alberta Works) caseloads in the 2013 calendar year compared to 2012.

There was no announcement about increases in monthly benefit levels for Alberta Works clients. Benefits have been frozen for the past two years despite increases in housing and other living costs. Monthly social assistance benefits in Alberta are amongst the lowest of any Canadian province and well below the poverty line.

Responsible Ministry: Human Services

The combined income support budget for Learners, Expected to Work, and Not Expected to Work clients will increase \$32.2 million, or 7.6%, next year.

Should Alberta Works caseloads remain stable or fall further there should be sufficient funds for a modest increase in monthly benefit levels later this year.

Income Support (AISH program)

Despite rising rents and other living cost increases, monthly benefit levels for Assured Income for the Severely Handicapped (AISH) recipients will remain at \$1,588 per month next year.

Responsible Ministry: Human Services

The overall AISH budget will go up about 4% to accommodate modest increases in caseloads, but is otherwise unchanged.

Employment and Training Programs

Responsible Ministry: Human Services

Funding for employment and skills training programs are significantly lower in the coming year than they were this year. The Ministry's explanation for these lower numbers is that they do not include anticipated dollars from the federal government for labour market development. Additional dollars will be added later this year when negotiations with the federal government over the Canada

Jobs Grant and labour market development agreements are concluded.

There was no reinstatement of the Summer Temporary Employment Program, which enabled post-secondary students to obtain meaningful employment in their field of study.

Persons with Developmental Disabilities

Responsible Ministry: Human Services

Services for persons with developmental disabilities (PDD) are now being delivered centrally rather than through regional boards. Most of the services are contracted through community agencies.

PDD budgets were essentially frozen in last year's budget forcing the government to add some funding part way through the year to address caseload growth. There is a further increase of about 6% in next year's PDD budget.

Poverty Reduction

Responsible Ministry: Human Services

Since making the promise in April 2012 to end child poverty in five years and reduce poverty overall in ten years, there have been few significant initiatives in the two provincial budgets that will lift low income Albertans out of economic poverty.

An Alberta Child Benefit to parallel federal child tax benefits has not been put in place. Despite almost 60% of children living in poverty having at least one parent working full-time, Alberta's minimum wage is the lowest in the country.

Child Care

Funding for child care subsidies next year will go up about 4% to \$186 million to accommodate increases in the number of children in licensed care.

Responsible Ministry: Human Services

Funding for child care centre accreditation was frozen in this year's budget, but is increasing almost 14% in next year's budget to \$95.9 million.

Child Intervention and Protection

Responsible Ministry: Human Services

Funding for child intervention services will be increased by \$41.6 million next year, a 6.1% increase to \$728 million. Of this total, Child Intervention and Supports for Permanency will see 9% increases and Foster Care a 1% increase.

Family Support for Children with Disabilities is going up by 4% to \$143 million. Funding for preventative services through Family and Community Support Services will remain frozen at \$76.1 million next year.

Family Violence and Early Intervention

Responsible Ministry: Human Services

Budget 2014 contains significant additional investment in prevention of family violence including a 12% increase in funding for shelters for women to \$33 million. A \$20 million

program for Family and Community Safety to build community capacity to address root causes of violence and abuse was announced.

Concluding Comments

Budget 2014 modestly reinvests in people services, in some cases reinstating funding cut in last year's budget. The Alberta government spent the past two developing a social policy framework including strategies on poverty reduction. Some promising investments are being made in areas like early childhood development, intervention services, and addressing family violence. These need to be supplemented by measures to lift families out of poverty by raising their incomes.

Data in this *fACT sheet* is taken from the government's Budget 2014 webpage available here: <http://finance.alberta.ca/publications/budget/budget2014/index.html#documents>



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