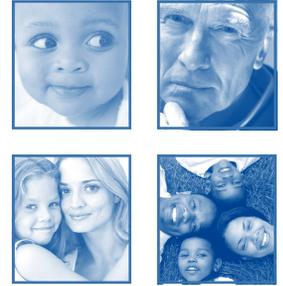




FACT sheet

April 2007



Alberta Budget 2007 Analysis

Introduction

This Budget 2007 Fact Sheet is not intended to be a comprehensive analysis as at least some programs in almost all government Ministries impact low-income Edmontonians. Rather, it is a mix of information and analysis focusing on areas of greatest impact and interest to those living in poverty or low-income.

Income Support (Alberta Works program)

Responsible Ministry: Employment, Immigration and Industry

Budget 2007 continues the trend of recent years of dividing income support (Alberta Works) clients and basing the amount of assistance on whether they are active learners or expected / not expected to work.

This year's budget introduces a new category in the Expected to Work clients – those deemed temporarily unable to work. This group covers 6,600 households, representing 14,300 people (including 7,400 children).

Effective July 1, 2007, those clients not expected to work and those clients temporarily unable to work will

receive a five per cent increase in their monthly benefits. Learners will receive their five per cent increase on August 1, 2007. This leaves the remaining Alberta Works recipients who are expected to work with no increase in their benefit levels meaning they will keep falling further behind as living costs rise.

The budget also contained no increases in earnings exemptions. Singles on welfare will continue to only be able to earn \$115 monthly, and families \$230 monthly, with any additional earnings subject to a 75 per cent claw back in benefits.

Income Support (AISH program)

Responsible Ministry: Seniors and Community Supports

Monthly benefit levels for Assured Income for the Severely Handicapped (AISH) recipients will increase five per cent to \$1,050 monthly effective April 1, 2007.

An additional \$10 million is being invested to expand employment opportunities for those on AISH.

This year's increase should allow AISH recipients living in subsidized accommodation to just keep up with

inflation. Those not living in subsidized accommodation will fall further behind.

This is the third consecutive year that AISH rates have increased. However, there is still no mechanism in place to ensure AISH recipients automatically receive increases as living costs rise. There is such a mechanism in place to adjust MLA salaries.

Persons with Developmental Disabilities (PDD)

Responsible Ministry: Seniors and Community Supports

Services for persons with developmental disabilities are delivered through six regional boards. Most of those services are contracted through community agencies, many of whom are struggling to recruit and retain staff

in Alberta's hot job market.

It is unlikely that the modest 3.5 per cent increase in the PDD budget will allow contracted community agencies to retain staff let alone address growth in caseloads.

Seniors Programs

Responsible Ministry: Seniors and Community Supports

\$285 million is budgeted for the Alberta Seniors Benefit in 2007-08, a modest \$18 million increase from what was budgeted to be spent the previous year. If there was going to be an increase in the monthly benefit level it would likely have been announced. It is therefore

likely that the increase will be used to cover the growing number of seniors eligible for the benefit.

A 14.7 per cent increase in funding for seniors lodges was announced which will allow the addition of 250 more lodge units.



Child Care

Responsible Ministry: Children's Services

The cancellation of the Child Care and Early Childhood Learning Agreement by the federal Conservative government has slowed but not stopped long overdue improvements to Alberta's child care services.

The government has budgeted \$134 million for child care in 2007-08. This is 13.6 per cent more than the \$118 million that was actually spent the year before, but 8 per cent less than the \$147 million that was budgeted

to enhance child care. It appears that some of the first year money received from the federal government was not spent in anticipation of the cancellation of the federal/provincial agreement.

The extra funding for child care in Budget 2007 should allow continued modest enhancements to help child care centres retain staff and seek accreditation.

Child Protection Services

Responsible Ministry: Children's Services

Funding for child intervention and child welfare services will go up by 6.3 per cent, slightly above inflation, which should leave a bit of room for caseload growth. The funding level will do little, however, to raise the low wage levels of staff working for contracted community agencies. This will likely lead to continued high turnover rates as employees leave for better paying and/or less stressful jobs.

Programs to prevent family violence are receiving an 11

per cent increase, which should allow some service improvements including more effective prosecution of abusers.

Funding for programs to address child sexual exploitation is being kept at the same level as the previous year.

There is a significant 72 per cent increase in funding for a Fetal Alcohol Spectrum Disorder Program.

Affordable Housing

Responsible Ministry: Municipal Affairs and Housing

Municipalities will be required to spend \$100 million of the budgeted \$400 million increase in municipal funding announced in Budget 2007 on affordable housing initiatives. While a significant and welcome investment, the cost of building, renovating and operating affordable housing is rising rapidly. So this new funding should only be seen as a starting point.

Despite the fact that the Affordable Housing Task Force

submitted its report to the government a month ago, there are no new dollars in Budget 2007 to implement its recommendations. While additional unbudgeted dollars are being promised, it is unfortunate that they were not included in Budget 2007. Given the urgency of the housing crisis, funding to address the issue should be properly debated and scrutinized as part of the overall budgetary process.

Concluding Comment

In reviewing Budget 2007, it is clear that fighting poverty and addressing the needs of its most vulnerable citizens is not the government's top priority.

Spending on capital projects (highways, buildings, infrastructure) is going up by over one-third; overall program spending by ten per cent.

Meanwhile, increases to vulnerable Albertans who depend on income supports is going up by only five per cent and in some cases not at all. Rapid increases in rents and other living costs mean many vulnerable Albertans will fall even further behind. Similarly, community agencies that contract with the provincial government for child care, child protection and family support, the developmentally disabled, continuing care, home care and many other vital services will continue to struggle to recruit and retain staff in Alberta's hot job market. This lack of priority to people services is unfortunate in a province that continues to run multi-billion dollar budget surpluses.

