



Introduction

Budget 2012 estimates a deficit of \$886 million in the April 1, 2012 to March 31, 2013 (2012-13) fiscal year (FY). Thereafter, the budget projects surpluses. The Alberta government's overall fiscal position is strong and forecast to grow stronger. The 2012-13 FY deficit will be covered by the Sustainability Fund, which is expected to contain \$3.7 billion in short-term savings as of April 1, 2012. In this *fACT sheet*, next year refers to the 2012-13 FY and this year refers to the current 2011-12 FY.

Ten Year Homeless Plan

Budget 2012 increases the amount of funding for outreach support services for the newly housed from \$54.1 million this year to \$69.1 million next year, an increase of 28%. This increase is welcome and should allow support services to continue to be provided to Housing First clients.

Funding for emergency / transitional shelters is being reduced from \$38.5 million this year to \$35.5 million next

Responsible Ministry: Human Services

year. This is in keeping with the 10 Year Homeless Plan which is based on reducing reliance on shelters in favour of more permanent housing. Funding is also provided to establish an Interagency Council on Homeless to lead the implementation of the 10 Year Homeless Plan.

Affordable Housing and Rents

The October 2011 Canada Mortgage and Housing Corporation report shows that rents are up and vacancy rates dropping. The average monthly rent for a typical two-bedroom in Edmonton was \$1,034, up 2% from a year earlier. The vacancy rate fell to 3.3% from 4.2% a year earlier, and further declines are forecast as the economy recovers.

People who can't afford to pay their rents risk becoming homeless. It is more cost-effective to help low income Albertans pay their rents before they become homeless

Responsible Ministry: Municipal Affairs

than to only help them after they do. It is therefore disappointing that supplements to help low income Alberta households pay their rents are being cut from \$77.1 million this year to \$71.1 million next year. This decrease will likely cause the long wait lists for affordable rental housing to grow even longer.

The investment in developing new affordable housing is also going down considerably. Much of the affordable housing funded in previous years is still to be completed. However, further investment is needed in future years.

Income Support (Alberta Works Program)

Despite significant recovery in the jobs market in the past year, the January 2012 Alberta Works caseload is still 40% higher than pre-recession levels.

Since Fall 2009, the number of Albertans receiving employment insurance (EI) has dropped faster than the drop in Alberta Works caseloads. This suggests some EI beneficiaries are going on to Alberta Works since they are not able to find employment after exhausting their EI benefits. The government is counting on employment growth next year to reduce caseloads.

Responsible Ministry: Human Services

Budget 2012 provides for an average 5% increase for Alberta Works recipients on April 1, mostly paid for by a drop in caseloads. Related adult and child health benefits are remaining unchanged.

Despite the modest increase (the first in over 2 years), vulnerable Albertans who rely on Alberta Works will continue to live well below the poverty line.

Income Support (AISH program)

Monthly benefit levels for Assured Income for the Severely Handicapped (AISH) recipients are going up to \$1,588 on April 1, a \$400 per month increase. The earnings exemption is being doubled to \$800 per month.

Responsible Ministry: Seniors

These increases mean that, for the first time, severely disabled Albertans will see their incomes lifted to the poverty line. These increases will do a lot to enable these vulnerable Albertans to improve their quality of life and participate more fully in the community.

Employment and Training Programs

Responsible Ministry: Human Services

Funding for employment and skills training programs is staying largely the same, with some programs seeing modest increases and others modest cuts. For example, more money is going to Program Planning and Delivery and less money to Career Development Services. The budget for the Summer Temporary Employment Program to fund summer student positions remains at \$7.4 million.

\$54.6 million is being provided for immigrant settlement programs next year, almost identical to this year's funding. Immigration to Alberta is steadily increasing. Funding to help these immigrants integrate into the mainstream is failing to keep pace.

Persons with Developmental Disabilities

Responsible Ministry: Seniors

Services for persons with developmental disabilities (PDD) are delivered through six regional boards. Most of the services of those boards are contracted through community agencies.

Regional PDD budgets are being increased to \$661 million, a 8% increase. Part of this increase will be for wage supplements for front-line staff working for contracted agencies.

Seniors Programs

Responsible Ministry: Seniors

Monthly benefits for the Alberta Seniors Benefit (ASB) are being frozen for the third straight year as are the qualifying income thresholds to receive the benefit.

The modest funding increases will be used to cover the growing number of low and modest income seniors eligible for benefits due to an aging population.

Child Care

Responsible Ministry: Human Services

Overall funding for child care is going up 8.4%. \$12 million is being added to child care subsidies to increase the income level for full subsidy to \$50,000 per year from \$35,000 for qualifying families. Assuming phase-out rates remain the same, partial subsidies should also increase for

families with incomes of \$50,000 to \$100,000 per year.

Funding for accredited child care centres is going from \$82.7 million to \$85.5 million, which should allow for rising costs though not much else.

Child Intervention and Protection

Responsible Ministry: Human Services

Funding for child intervention services will be increased by \$75 million next year, a 12.3% increase to \$682 million. The increase will address higher caseloads, increasing case complexity, and wage adjustments to reduce the disparity between wages of front line workers with contracted agencies and the public sector.

Funding for foster care support is going up by \$11.4 million to \$184 million, a 6.6% increase from this year. Family Support for Children with Disabilities is going up by 9% to \$142.7 million. Funding for Family and Community Support Services is fixed at \$76.1 million next year, an increase of less than 1 per cent.

Family Violence and Early Intervention

Responsible Ministry: Human Services

Funding for prevention of Family Violence and Bullying and Women's Shelters is largely status quo. Both are increasing 3 per cent at about the same rate as inflation.

Similarly, early intervention services for children and youth not currently involved with the child protection system are receiving modest increases in the 2% to 3% range.

Concluding Comments

Budget 2012 is a pre-election budget. The slogan for this year's budget is 'Investing in People,' a billing it mostly lives up to. The most significant initiative was the \$400 per month increase for AISH recipients. Alberta Works recipients will receive a much more modest 5% increase to their monthly benefits. Funding for support services for the formerly homeless is increasing. The amount being spent to build new affordable housing units is going down, as is the money available for rent supplements. Additional investment is also being made in child protection, child care, and services to developmentally disabled adults. There is no commitment to a comprehensive strategy to reduce poverty, though the government has committed to developing a social policy framework. Data in this *fACT sheet* is taken from the government's Budget 2012 webpage available here: <http://www.finance.alberta.ca/publications/budget/budget2012/pdf.html>.



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