

Introduction

The 2022–23 Alberta budget, titled *Moving Forward*, covers finances from April 1, 2022 until March 31, 2023. This is the fourth budget of the governing United Conservative Party (UCP) as they near the end of their term. A provincial election is expected in spring 2023. It is also the second budget that addresses the COVID-19 pandemic, which has had a profound impact on the health care system as well as various marginalized and underserved populations.

As with previous budgets, Budget 2022 boasts low taxation, which limits important investments in public services that support Albertans. If Alberta had the same tax structure as the next lowest taxation province (Ontario), the government would generate an additional \$14.8 billion in revenue (2022–23). *

This *fACT Sheet* will focus on developments related to social programs that impact those living in low-income and poverty. Investments that positively impact vulnerable populations result in long-term savings in other public services, such as health care and the criminal justice system.

Revenue Measures

Alberta's fiscal situation and revenue sources have seen dramatic shifts and swings since the pandemic began. The previous budget, released in February 2021, projected \$43.6 billion in revenue for 2021–22, which is now expected to be \$18 billion higher (\$61.6 billion). This is chiefly due to a rebound in oil prices, resulting in an exponential increase in revenue from non-renewable resources. There are also increases in personal and corporate income taxes, as well as federal transfers from the Government of Canada.

While rising oil prices are advantageous for provincial coffers, reliance on this form of revenue keeps Alberta on a financial roller coaster. The volatile situation makes long-term planning and financial sustainability a challenge at best.

Nevertheless, this budget will post a surplus of \$511 million, which can support increased funding for these programs.

Seniors Care and Benefits

Nearly \$3.7 billion has been set aside for Community Care, Continuing Care, and Home Care programs, an increase of \$219 million from the previous year. A total of 1,515 new continuing care beds will open in 2022–23. Additional funding for Home Care will enable more older adults to age in place in their own homes and to help them stay independent and connected with social supports.

The Alberta Seniors Benefit, which provides low-income Albertans aged 65 or older with financial assistance for living expenses, will be maintained. However, demand for the program was lower than forecasted as a result of access to pandemic-related federal support programs.

Child Care and Benefits

The Canada-Alberta Early Learning and Child Care Agreement, signed in November 2021, is part of the government's goal of "improving access to affordable, high-quality, safe and inclusive child care options that create employment opportunities and support parents' participation in the workforce." The Agreement will provide \$666 million in operating expense funding in 2022–23 for a total of over \$2.6 billion dollars by 2024–25 to enhance the affordability, accessibility, inclusivity, and quality of licensed child care programs. These investments will lower child care fees to an average of \$10-per-day per child by 2026.

In 2022–23, the budget will allocate \$879 million towards parent subsidies for licensed programs and program affordability grants, and will create 10,000 new licensed child care spaces in the not-for-profit sector. The government aims to increase child care spaces by 12% by 2024–25. Another \$197.1 million is allocated to support the child care workforce through child care certification, professional development, and wage top ups.

Funding for the existing Alberta Child and Family Benefit is comparable to spending in the previous year.

Affordable Housing and Homelessness

In light of the November, 2021 release of the Government of Alberta's affordable housing strategy, *Stronger Foundations*, Budget 2022 includes an additional \$14 million over the next three years to fund rental assistance programs for approximately 3,000 households in need of affordable housing.

The *Stronger Foundations* strategy seeks to overhaul the affordable housing sector to make it financially sustainable, and accessible for those in need. The province will finance strategy goals using federal funds from the National Housing Strategy as well as the sale of underused affordable housing stock. It remains to be seen whether selling off existing stock will tangibly benefit those in core housing need.

The City of Edmonton's request for \$49.7 million to build permanent supportive housing units and an additional \$8.9 million to operate those units was not included in this budget.

In line with the last budget, the province will maintain funding for Homeless Support and Outreach Services at \$193 million, supporting women's shelters and Albertans who are unhoused.

Addictions and Mental Health

The government is committed to promoting recovery-oriented addictions and mental health services. In 2019, the government committed \$140 million over four years to increase access to mental health and addiction services with a recovery focus. The current budget invests an additional \$20 million towards a “recovery-oriented system of care.” There is no mention of harm reduction or supervised consumption sites within the budget documents, which casts doubts about the future of these practices.

The government will allocate \$30 million to support the well-being and mental health of children in school and to students experiencing academic challenges within school settings.

Employment and Income Support

Despite calls from advocates, Assured Income for the Severely Handicapped (AISH) is once again not indexed for inflation. The current maximum benefit rate of \$1,685 per month is well below the \$2,000 per month advocates feel should be a starting point to keep up with the rising cost of living. There are no significant changes in funding for income supports. According to the ministry, there has been reduced demand for traditional income supports, partially due to clients accessing pandemic-related supports like CERB or CESB.

The government is focused on helping connect unemployed Albertans and people with disabilities or other barriers to the labour market. In 2022–23, \$105.9 million will be allocated to connect individuals with meaningful employment and training opportunities.

Cost of Living Pressures

Rising household expenses continues to be a pressing concern for Albertans. This includes increased utility prices during the winter months. Although financial pressures will not be addressed this season, a natural gas rebate program to protect consumers will be introduced between October 2022 and March 2023. Natural gas consumers with less than 2,500 gigajoules (GJ) of annual natural gas consumption will receive a rebate when regulated natural gas companies charge regulated rates above \$6.50/GJ.

Family and Community Support Services

Funding for Family and Community Support Services will be maintained at \$100 million. To address pressing social challenges—particularly against the backdrop of COVID-19—the Ministry of Community and Social Services is providing \$7 million for the Civil Society Empowerment Fund to help non-profit

organizations and charities address social problems for Albertans. In addition, \$13 million will be provided for sexual assault services and over \$5 million will be provided for family violence prevention programs.

While rising oil prices are advantageous for provincial coffers, reliance on this form of revenue still places Alberta on a financial roller coaster. This volatile situation makes long-term planning and financial sustainability a challenge at best.

Conclusion

Underfunding of public services has been a persistent challenge in provincial budgets. While spending on programs has overall increased this year, it remains low in proportion to inflation and population growth. Since many federal pandemic-related support programs have ended, or will be phased out in 2022, Albertans in need will almost certainly turn back to provincial programs. The surplus posted by the Government of Alberta provides an opportunity to re-invest in various social programs that can contribute to longer term sustainability for all Albertans. It remains to be seen whether they will pursue this option.

The Edmonton Social Planning Council is an independent, non-profit, charitable organization focused on social research.

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*Government of Alberta. (2022). *Fiscal Plan, 2022–25*.