

Introduction

The 2023-24 Alberta budget, titled Securing Alberta's Future, covers finances from April 1, 2023 until March 31, 2024. This is the fifth budget of the governing United Conservative Party (UCP) before the upcoming provincial election, scheduled for May 29, 2023. This budget seeks to address the high cost of living brought on by record high inflation as well as economic diversification, community safety, and reform of the health care system.

As with previous budgets, Budget 2023 boasts low taxation, which limits important investments in public services that support Albertans. If Alberta had the same tax structure as the next lowest taxed province (Ontario), the government would generate an additional \$19.7 billion in revenue (2023-24).*

This fACT Sheet will focus on developments related to social programming that impact those living in low-income and poverty. Investments that positively impact marginalized populations result in long-term savings in other public services, such as health care and the criminal justice system, and increase the overall well-being of our communities.

Revenue Measures

Alberta's fiscal situation and revenue sources have seen dramatic shifts in recent years. At the beginning of the COVID-19 pandemic, the province was projecting running large deficits due to the declining price of oil. In Budget 2021, non-renewable resource revenue was budgeted at \$2.9 billion and anticipated modest increases for subsequent years. Now \$27.5 billion is forecast for non-renewable resource revenue for the 2022-23 fiscal year, exponentially higher than the original estimate of \$4.7 billion during that time period. The surge in revenue from resource royalties is due to higher oil prices and increasing oil production.

Total revenue for the 2023-24 fiscal year is forecast at \$70.7 billion and the budget is projected to post a surplus of \$2.4 billion by March 2024. On top of the increases in revenue from non-renewable resources, there are also small increases in personal and corporate income taxes, as well as transfers from the Government of Canada.

Once again, Alberta's fiscal outlook continues to keep the province on a financial roller coaster. While windfalls are always advantageous, financial sustainability will continue to be a challenge when the province experiences a downward trend in the price of oil.

Child Care & Child Benefits

Budget 2023 is allocating \$904 million over the next four years to index the Alberta Child and Family Benefit (ACFB) along with Assured Income for the Severely Disabled (AISH) and other income support programs. Payments through the ACFB increased 6% in 2023. The indexing of this benefit is alongside the monthly affordability payments of \$100 per month per child for the first six months of 2023, a total of \$600.

Operating expenses for the Ministry of Children's Services will be \$2.9 billion in 2023-24, increasing by 1.5% per year to \$3 billion by 2025-26.

\$1.3 billion is budgeted for 2023-24 for the continued rollout of the Canada-Alberta Early Learning and Child Care Agreement, increasing to \$1.6 billion in 2025-26. So far child care fees for children up to kindergarten age have been reduced by an average of 50% since the agreement was implemented in January 2022. Alberta is aspiring to further lower fees to an average of \$15 per day in 2023-24 and \$10 per day by 2026.

For school-age children, the School Nutrition Grant will be increased by 20% to recognize the rising cost of food due to

inflation and to address growing hunger among the student population.

Affordable Housing and Homelessness

Budget 2023 intends to improve access to affordable housing and increase long-term financial stability by providing \$316 million over three years. This includes \$202 million for the Affordable Housing Partnership Program, \$68 million for the Affordable Housing Strategy and \$46 million for Affordable and Specialized Housing. An additional \$54 million is included for the Indigenous Housing Capital Program.

Budget 2023 additionally dedicates \$105 million over three years to address homelessness. Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing is receiving increased funding of \$23 million over three years. This funding towards the province's affordable housing strategy is intended to expand and enhance the functionality of the digital portal services for housing operators, collect timely and accurate data, reduce red tape, and support small communities with developing housing needs assessments.

Addictions and Mental Health

The Alberta Government continues to promote a recovery-oriented system of mental health and addictions services rather than one grounded in harm reduction. Budget 2023 dedicates operating expenses of \$148 million in 2023-24, \$157 million in 2024-25, and \$191 million in 2025-26, to the Ministry of Mental Health and Addictions, with additional funding to address system gaps and reduce wait times.

Employment and Income Support

In light of increasing inflation and affordability concerns, the Government of Alberta is implementing a number of measures to reduce pressures on Albertans.

Budget 2023 is dedicating \$1.1 billion in operating expenses over the next three years to support what they refer to as “vulnerable” Albertans. AISH, Alberta Seniors Benefit, and Income Support will be increased by 6% and payments will be indexed to keep in pace with inflation. However, years of freezes to these benefits still means these income support levels are still below the poverty line. This funding includes \$20 million over two years to food

banks and civil society organizations addressing food security, \$22 million over two years for low-income transit passes, which will include extending Edmonton’s low-income transit pass pilot, and \$102 million to increase wages for social sector workers.

The budget also has initiatives in place to increase the representation of under-represented groups in employment. \$300 million is provided annually for occupation related skills training, work and employment assistance for unemployed workers, support to employers for hiring and training and support for under-represented groups and persons with disabilities. This funding will include bridging employment supports for immigrants.

Students in Post-Secondary Education

The cost of post-secondary education has been a major concern for students across Alberta. To address this issue, the Government of Alberta has implemented several initiatives to make post-secondary education more affordable and accessible.

These measures include capping tuition at 2% annually starting 2024, lowering interest rates on student loans, and aiding students with loan payments. The

projected 2023 budget for post-secondary expenses is \$5.6 million, indicating an increase from the 2022 budget of \$5.3 million.

As a strategic plan, the *Alberta 2030: Building Skills for Jobs* aims to strengthen the relationships between post-secondary programs and the demands of employers. In Budget 2023, the areas with the most funding of \$111 million are non-trade construction, energy, technology, and business. Nothing is mentioned regarding funding of the arts and humanities.

Support for Refugees and Newcomers

Budget 2023 aims to include measures to provide greater support to newcomers, particularly Ukrainian refugees, recognizing the importance of inclusive policies and supporting settlement services. Over 22,000 Ukrainian refugees have settled in Alberta since the Russian invasion of Ukraine one year ago.

The Government of Alberta is providing \$23 million to support Ukrainians and contributing \$12 million to schools helping the new Ukrainian students with language, social, and educational programs. Ukrainian evacuees will continue to

acquire \$20 million annually in health care, child care, income support, and aid finding work.

Final Reflections

Budget 2023 contains several long advocated for investments into social services. Increases to the ACFB, AISH, Alberta Seniors Benefit, and Income Support benefits, along with the indexation of future payments is long overdue and needed. Nevertheless, we are still playing catch up after years of stagnant benefit rates. Alberta's commitment to advancing \$10 per day child care is also notable.

With the significant surplus last year, more bold investments could have been made into the social services sector to meaningfully address poverty and get to the root causes, which include wealth inequality, systemic racism, and equitable access to health care.

*Government of Alberta. (2023). Fiscal Plan, 2023-2026. pg. 121.



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