

Introduction

The 2024-25 Alberta budget, titled A Responsible Plan for a Growing Province, covers finances from April 1, 2024 until March 31, 2025. This is the sixth budget of the governing United Conservative Party (UCP) as they enter their second term in government. This budget seeks to address the challenges a growing province faces while ensuring a sustainable future for the next generation.

This budget is in line with the government's fiscal framework introduced in 2023, which prioritizes a balanced budget, controlled spending, and using surplus revenue to pay off debt and save for the future.

As with previous budgets, Budget 2024 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 (British Columbia), the government would generate an additional \$19.0 billion in revenue (2024-25).*

The 2024 Budget also contains investments into the Alberta Heritage Savings Trust Fund, with the government committing to depositing an additional \$2 billion into the fund, increasing the value of the Heritage Savings Trust Fund to a forecast \$25 billion.

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

After a surge in oil prices in recent years, non-renewable resource revenue is expected to decrease for this year's budget with the cooling of oil prices. Budget 2024 estimates \$17.3 billion in non-renewable resource revenue for the 2024-25 fiscal year, down from the \$19.4 billion forecast for the previous year. Revenue from personal income taxes is estimated at \$15.6 billion in 2024-25, an increase of \$365 million from last year's forecast. Revenue from corporate income taxes is estimated at \$7 billion for this year, down \$176 million from last year's forecast. Revenue from federal transfers, premiums, fees, and licenses has largely stayed the same while investment income has seen a drop of \$1.2 billion.

Total revenue for the 2024-25 fiscal year is forecast at \$73.5 billion, which is \$2.1 billion lower than projected in the previous year's budget. They are projected to post a surplus of \$367 million by March 2025.

Child Care & Child Benefits

Budget 2024 is projecting \$355 million towards Alberta Child and Family Benefit (ACFB) payments, an increase of \$31 million. This increase is due to population increases alongside indexation of income thresholds and benefit amounts to inflation. Low-income families with two children are now eligible for payments of up to \$3,641 annually.

In 2021, Alberta signed an agreement with the Government of Canada to increase access to affordable and high-quality child care. This resulted in fees being reduced to \$15 a day as of January 2024, and are projected to reach \$10 a day by 2026. Budget 2024 provides a total of \$1.5 billion for child care services, an increase of \$201 million from 2023-24. Funding is intended to grow by an additional \$102 million over the next two years, reaching \$1.6 billion in 2026-27. This funding will create more child care spaces, lower fees for parents, and support service providers.

Affordable Housing and Homelessness

Budget 2024 increases support to the Seniors Lodge, Social Housing and Specialized Housing and Rental Assistance programs by \$38 million in 2024-25, and another \$61 million over 2024-25 to

2026-27. Total funding for 2024-25 is \$257 million. This funding is intended to address operational pressures and maintain service quality at housing facilities. It also aims to expand the Rental Assistance Program to an additional 550 households, bringing the total to 12,700.

The Capital plan allocates \$717 million in capital grants towards advancing Alberta's Affordable Housing Strategy, including \$254 million in new funding. This funding is intended to support the construction of 3,300 new affordable housing units and complete the construction of 1,800 that have already been committed or are currently in progress.

Capital funding also includes: \$405 million, \$75 million of which is new, in funding to support the goal to create 13,000 affordable housing units, \$91 million to fund the maintenance of government-owned social housing buildings, and \$75 million, \$30 million of which is new, to Indigenous communities to construct, purchase, or redevelop housing for Indigenous peoples in need.

Lastly, Budget 2024 allocates \$24.5 million in 2024-25, and \$70 million over the next three years, towards the implementation of the Homelessness Task Force Action Plan. This funding is intended to support the creation of hundreds of new shelter spaces, as well as to support operations at

current shelters.

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 evidence-based harm reduction principles. The budget as a whole allocates \$1.55 billion to continue building the Alberta Recovery Model. Budget documents refer to addiction as a “deadly disease,” and funding decisions reflect this mindset. While investments into recovery centers is welcome, recovery does not work for everyone, and many people will be left out of these services.

Operating expenses for the Ministry of Mental Health and Addiction is \$171 million in 2024-25, rising to \$262 million by 2026-27. The ministry intends to establish a new mental health and addiction organization and a “centre of recovery excellence.”

The Capital Plan includes \$328 million, consisting of \$191 million provincial funding and a \$137 million federal contribution, to develop recovery communities and children and youth mental health facilities located in various communities.

Capital funding also includes \$10 million over 3 years to plan for the development of

five Adult Mental Health and Wellness Centres that will be used for the implementation of the so-called “Compassionate Intervention legislation” also known as involuntary treatment.

Income Supports

In 2023, the provincial government announced that a number of income support programs would be indexed for inflation going forward. As a result of the restoration of indexing, payments for the Assured Income for the Severely Handicapped (AISH), Alberta Seniors Benefit, and the Alberta Child and Family Benefit were all increased by 4.2% in 2024, reflecting the rate of inflation in 2023.

Addressing Family Violence and Gender-Based Violence

The Ministry of Children and Family Services is allocating \$85 million for the Prevention of Family and Sexual Violence program in 2024-25, which oversees women's shelters and services for the victims of sexual assault counselling centres, among other functions. Another \$15 million will be allocated over the next three years to support the implementation of Alberta's Safe Streets Action Plan, which will support women's shelters and sexual assault centres.

In addition, the Ministry of Arts, Culture and Status of Women is developing a 10-year strategy to end gender-based violence and will allocate \$15.7 million per year for the next three years towards this objective, for a total of \$47 million.

Affordability Measures and Food Security

To address affordability challenges for seniors, a new 25% discount for seniors on personal registry services and medical driving tests will be implemented in Budget 2024. It is estimated to provide \$16 to \$20 million per year in benefits to seniors.

Alberta's School Nutrition Program will see an increase of \$5 million to enable school jurisdictions to create, continue, or enhance nutrition programs in schools across the province. This one-time grant increases the pre-existing funding by 25%, bringing the total from \$20 million to \$25 million. The program provides daily meals to approximately 58,000 students.

Justice and Policing

Legal Aid Alberta will receive a \$110 million grant in 2024-25 which will expand financial eligibility guidelines for low-income Albertans needing to access legal

services. As of April 1, 2024, those making up to \$30,000 a year are eligible for no-cost legal assistance, an increase from the current threshold of \$24,456.

The *Safe Streets Action Plan* aims to deploy 100 new street-level police officers in high-crime locations in Edmonton and Calgary, with the intention to increase the visible law enforcement presence and tackle criminal activity.

Final Reflections

Budget 2024 maintains funding to several important social services, including the ACFB, AISH, and Income Supports, continuing to index each to inflation. Yet these benefits have not caught up with the cost of living in Alberta since there were several years where indexing was paused, resulting in years of lost ground. The budget also sees increased investments into affordable housing, homelessness, and child care. The province continues to invest in recovery-based services at the expense of harm reduction. This budget prioritizes controlled spending and saving for the future, yet many Albertans struggle today. More bold investments could have been made into the social services sector to meaningfully address poverty and get to the root causes, which would result in cost savings in other areas such as emergency medical services and the criminal justice system.



*Government of Alberta. (2024). Fiscal Plan, 2024-2027. pg. 121.

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