

2018 Alberta Provincial Budget

The 2018 budget is titled A Recovery Built to Last and prioritizes economic and job diversification, protection of vital public services, and returning government spending to balance by the 2023-24 fiscal year. Real GDP for the province has grown 4.5% since 2017 and is expected increase another 2.7% for 2018-19. The yearly deficit is \$8.8 billion, down from \$10.3 billion in 2017. The Net Debt to GDP ratio is 8.7% for Alberta and remains the lowest in Canada across all provinces. Given the volatility of Alberta's revenue due to the price of oil, a risk adjustment of \$500 million is included for 2018-19 and increases to \$700 million in 2019-20 and \$1 billion in 2020-21.

Revenue Measures

With the provincial economy recovering and population growth expected to rise from 1.4% in 2018 to 1.6% by 2021, there is a projected increase in government revenues this year. Revenue for the Alberta government is estimated to be \$47.9 billion in 2018-19, and with an increase to \$50.7 billion in 2019-20, and \$53.8 billion in 2020-21.

Alberta's carbon levy, implemented through the Climate Leadership Act (CLA), began on January 1, 2017. The total carbon levy rebates to households will be \$525 million for 2018.

Poverty Reduction

The Alberta Child Benefit (ACB) continues to be a game-changer for low-income families since its introduction in 2016. For 2018, it will provide \$175 million of financial support to the lowest income children in Alberta and their families. The ACB gives \$1,128 for one child and up to \$2,820 for each family given that their net income is less than \$42,255. In total, 120,000 vulnerable families are supported across the province.

The Alberta Family Employment Tax Credit (AFETC) helps lower- and middle-income working families provide for their children and gives parents an incentive to keep working. The AFETC is expected to provide \$153 million in benefits to about 180,000 families in 2018-2019. The AFETC is refundable, meaning a household can receive the benefit even if they do not owe provincial income taxes. Maximum benefit amounts have marginally

increased since 2017, with one child families receiving \$783 and families with four or more children entitled to up to \$2,064.

Affordable Housing and Homelessness

In Budget 2018, Homeless and Outreach Support Services has received a very modest increase from \$187 million to \$197 million. This will lead to more than 100 new permanent supporting housing units that will open in 2018-2019. It will continue to invest \$50 million per year for various shelters and trauma-informed programs that serve women and children leaving violence. Therefore, the budget scheme for Homeless and Outreach Services will remain largely the same as Budget 2017.

Seniors and Housing will receive \$683 million for 2018-2019. The budget provides \$366 million for the Alberta Seniors Benefit program, supporting approximately 155,000 low income seniors while another \$256 million is delivered through the Alberta Social Housing Corporation, helping 75,000 Albertans access affordable housing. This includes \$132 million for family and seniors housing, \$68 million towards rental assistance, and \$16 million targeted towards special needs.

Childcare and Child Intervention

The expense budget for the Ministry of Children's Services is \$1.5 billion in 2018-19. The estimated cost for child intervention services is up to \$826 million while childcare costs are \$392 million.

For 2018, the Ministry of Children's Services is creating 4,500 affordable child care spaces at 78 different sites through the Early Learning and Child Care Centre program to help working parents, as for some family's child care is as expensive as a second mortgage. The ELCC program allows parents to access \$25/day child care and only 1,300 spaces currently exist across 22 ELCC Centres. Additional funding for the ELCC framework is also obtained from the federal budget, with \$45 million being contributed from Ottawa over the next three years.

Employment and Income Support

Community and Social Services will receive a budget of \$3.7 billion. Of this, \$1.3 billion is for the delivery of disability service programs, as compared to \$1.1 billion in Budget 2017. Total allocation has increased by \$64 million to account for the expected caseload growth. This includes a newly established advocate who will be responsible for promoting the rights and interests of people with disabilities while examining broader issues affecting the community.

For Budget 2018, Employment and Income Support is expected to cost \$939 million, an increase of \$33 million. Employment growth is expected to increase by 2.0% this year, leading to the unemployment rate to fall to 6.8%. In October 2018, the minimum wage will increase to \$15 per hour which will bring it closer to the living wage and help working families to meet their basic needs. This is also motivated by the knowledge that 60% of minimum wage earners are women.

The Assured Income for the Severely Handicapped (AISH) currently assists 62,000 more adults to live more independently and has benefited from increased investments made to disability programs in Alberta. For AISH, this is an increase of \$62 million, up to a total \$1.1 billion in order to account for expected growth in caseloads.

Addiction and Mental Health

There is \$87 million allotted to Addictions and Mental Health for 2018-19, a \$6.4 million increase. This is predicated on mental health issues affecting 20% of Albertans and it is estimated that 10% of the population will require addiction treatment. This sustains previous budgeting from 2017 in order to prioritize increased awareness of mental health issues and the support required.

Community Supports and Family Safety (CSFC)

There is \$123 million budgeted in 2018-19 for CSFC, including \$101 million for Family and Community Support Services. Funding for FCSS has stayed consistent since the 2016-17 budget after a substantial increase in 2015.

Education

Budget 2018 sets aside \$80 million over 3 years to ensure that all students, teachers, and school leaders learn about Indigenous perspectives and experiences, treaty history, agreements, and residential schools. Included in this is \$37 million for key initiatives that support First Nations, Metis, and Inuit students such as the Innovation in First Nations Education grant program.

The school nutrition program will receive \$16 million for the 2018-2019 year in order to provide daily meals to 30,000 students in schools throughout the province. Families in poverty may have difficulty providing food to their children at home. Lunch meals are an important way to help children meet their nutritional needs while helping them to succeed in school.

This year there is a focus on advancing gender equality using a Gender-based Analysis Plus approach. Each Ministry has adopted Centres of Responsibility to assess gender and diversity implications their work.

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

This *fACT Sheet*, prepared by the **Edmonton Social Planning Council**, is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.

Edmonton Social Planning Council
#200, 10544 - 106 Street, Edmonton, Alberta, T5K 1C5
www.edmontonsocialplanning.ca
[@edmontonspc](https://twitter.com/edmontonspc)