



## Introduction

Budget 2013 covers the time period from April 1, 2013 to March 31, 2014 (2013-14) fiscal year (FY). Budget 2013 marks a significant change in how the budget is structured, making year to year comparisons of the budget bottom lines impossible. Suffice it to say, despite a freeze on operating funding, last year's projection of a surplus in this year has been replaced with a large deficit. The government refuses to consider revenue adjustments to address deficits, only spending reductions. In this *fACT sheet*, next year refers to the 2013-14 FY and this year refers to the current 2012-13 FY.

## Ten Year Homeless Plan

Budget 2013 increases the amount of funding for outreach support services for the newly housed from \$69.1 million this year to \$69.2 million next year. This tiny increase, not even matching inflation, will make it difficult to continue providing support services to existing Housing First clients. The freeze will make it very challenging to take on new clients, thereby threatening the momentum to end homelessness.

*Responsible Ministry: Human Services*

Funding for emergency/transitional shelters is being increased slightly from \$35.5 million this year to \$36.6 million next year. The only funding increase is to administrative dollars being spent on the new Interagency Council on Homelessness.

Hopefully a larger and more representative Council will more effectively lead the implementation of the 10 Year Plan to End Homelessness.

## Affordable Housing and Rents

The October 2012 Canada Mortgage and Housing Corporation report shows rents are up and vacancy rates dropping. The average monthly rent for a typical two-bedroom in Edmonton was \$1,071, up 3.7% from a year earlier. The vacancy rate fell by almost half to 1.7% from 3.3% a year earlier.

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 than to only help them afterwards. It is therefore disappointing that supplements to help low income Alberta

*Responsible Ministry: Municipal Affairs*

households pay their rents are being cut from \$71.1 million this year to \$64.5 million next year. Combined with a tightening rental market, this 9% decrease will cause the long wait lists for affordable rental housing to grow even longer.

Investment in developing new affordable housing continues to track downward. Much of the affordable housing previously funded will be completed this year. Further investment is needed in future years if the goal ending homelessness is to be achieved.

## Income Support (Alberta Works program)

Despite significant recovery in the jobs market in the past year, the January 2013 Alberta Works caseload is still 40% higher than pre-recession levels. There has been only a slight reduction in caseloads in the past year.

While monthly benefit levels have not been cut, the government is reducing the budget for Expected to Work (ETW) clients by \$32.5 million, or 16%. Income Support for Learners is being reduced by \$13.1 million, or 18.2%.

*Responsible Ministry: Human Services*

The bottom line is this. The only way the amounts budgeted will be sufficient is if there is a significant reduction in client caseloads in the ETW and Learner categories. Moreover, Albertans who rely on Alberta Works will continue to live well below the poverty line.

## Income Support (AISH program)

Despite rising rents and living cost increases, monthly benefit levels for Assured Income for the Severely Handicapped (AISH) recipients will remain at \$1,588 per month next year.

*Responsible Ministry: Human Services*

The overall AISH budget will go up about 4% to accommodate modest increases in caseloads, but is otherwise unchanged.

## Employment and Training Programs

Funding for employment and skills training programs are being cut significantly in the coming year. Career Development Services are being cut 18.2%, Basic Skills and Academic Upgrading by 30.9%, and Training for Work by 16.4%.

The Summer Temporary Employment Program which enables post-secondary students to obtain meaningful employment in their field of study is being scrapped entirely.

*Responsible Ministry: Human Services*

Funding for immigration and settlement programs is going up a modest 4% after this year's freeze. Funding to help these immigrants integrate into the mainstream is failing to keep pace with the 70% increase in immigrants and refugees settling in Alberta over the past 5 years.

## Persons with Developmental Disabilities

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.

*Responsible Ministry: Human Services*

Regional PDD budgets are being essentially frozen next year, with slight increases to some boards and slight decreases to others. Family support for developmentally disabled adults are going up slightly next year.

## Seniors Programs

Support for low income seniors took a big hit in the 2013 Budget. Monthly benefits for the Alberta Seniors Benefit (ASB) are being frozen for the fourth straight year.

*Responsible Ministry: Seniors*

9,000 seniors will become ineligible to receive the Alberta Seniors Benefit either because they have lived in Canada less than 10 years, or because certain items formerly deducted will now be included in calculating income thresholds.

## Child Care

After this year's positive changes to child care subsidy eligibility, overall funding for child care next year will remain at current year levels.

*Responsible Ministry: Human Services*

Funding for child care centre accreditation is being reduced slightly. Funding for child care subsidies will increase slightly to accommodate increases in the number of children in licensed care.

## Child Intervention and Protection

Funding for child intervention services will be increased by \$15.8 million next year, a 2.4% increase to \$684 million. Of this total, Child Intervention will see a 1% increase and Foster Care a 4% increase.

*Responsible Ministry: Human Services*

Family Support for Children with Disabilities is going up by 5% to \$139 million. Funding for Family and Community Support Services will remain frozen at \$76.1 million next year.

## Family Violence and Early Intervention

Funding for prevention of Family Violence and Bullying and Women's Shelters is largely status quo. They are both increasing 2 per cent at about the same rate as inflation.

*Responsible Ministry: Human Services*

In contrast to most other services, one bit of positive news is that early intervention and early childhood services are receiving increases of about 9% to \$70.9 million.

## Concluding Comments

Budget 2013 is a post-election budget. The slogan for this year's budget is 'Responsible Change.' Yet, with the exception of early childhood intervention, the changes being implemented are entirely in the direction of either freezes or outright reductions. Other cuts that will negatively impact low income Albertans include reduced support to the voluntary sector through the elimination of the Community Spirit matching grants, and the elimination of the Safer Communities Innovation Fund focusing on crime prevention. The Alberta government spent much of the past year developing a social policy framework. The framework has not resulted in any significant initiatives to eliminate child poverty in 5 years or reduce overall poverty in 10 years. Data in this *fACT sheet* is taken from the government's Budget 2013 webpage available here: <http://budget2013.alberta.ca/details/index.html>



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