



ALBERTA ALTERNATIVE BUDGET

High Stakes, Clear Choices

MARCH 2018

TABLE OF CONTENTS

3	INTRODUCTION
4	THE MACROECONOMIC LANDSCAPE
10	2018-19 ALBERTA ALTERNATIVE BUDGET
11	HEALTH CARE
15	LONG-TERM CARE
22	K-12 EDUCATION
31	INDIGENOUS PEOPLES
38	CHILDCARE
44	POVERTY
49	AFFORDABLE HOUSING & HOMELESSNESS
54	GENDER EQUALITY
61	ECONOMIC DIVERSIFICATION & JUST TRANSITION
64	CONCLUSION
65	ACKNOWLEDGEMENTS

INTRODUCTION

Budgets are always about choices, and that principle has inspired alternative budgeting exercises across Canada for over two decades. This year's Alberta Alternative Budget was written in collaboration with individuals in the non-profit sector, labour movement and advocacy sector. It provides a wish list of spending initiatives, along with a plan to finance them.

We begin with a section on Alberta's macroeconomic context, discussing the impact of the drop in the price of oil on the provincial economy; we then offer a proposal for a five percent provincial portion of a Harmonized Sales Tax. This is followed by sections on health care, long-term care, education (K-12), post-secondary education, Indigenous peoples, childcare, poverty, affordable housing and homelessness, and gender equality. The document concludes with a chapter on economic diversification and development.

We have not sought organizational endorsements of the present document. Nor have we asked volunteers who have assisted with it to stipulate whether or not they are formally representing their respective organizations. It is our hope that this will become an annual exercise, whose scope will increase each year.

THE MACROECONOMIC LANDSCAPE

Alberta's public services are strained due to decades of underfunding from previous governments and the province's dependence on inherently volatile energy markets. We applaud the current government's efforts to address these chronic funding shortfalls through changes to both personal and corporate taxes, as well as increases to tobacco and fuel taxes. However, the problems caused by underfunding cannot be corrected in the short term, and we are concerned with the government's indication that the 2018 budget will be focused on cuts to public spending, instead of addressing the province's revenue problem.

The AAB will continue to provide funding to programs and infrastructure that bring value to Albertans. We will introduce revenue streams not tied to resource revenues; and we will still allow Alberta to maintain its tax advantage over other provinces.

ECONOMIC LANDSCAPE

Without a doubt, Alberta's economy has been recovering after the deepest recession in a generation. Economic growth in 2017 is expected to have been somewhere between 3 – 4 percent, with forecasters predicting growth above the two percent mark for each of the next two years. The labour market has been climbing out of its trough, and the persistent wage declines of the last two-and-a-half years has ended. In fact, the province saw several months of year-over-year average earnings growth to close out 2017.

After a rough couple of years, with Alberta's unemployment rate reaching 9 per cent (the highest rate in over 20 years) Alberta's labour market saw significant signs of improvement in 2017. The unemployment rate declined slowly throughout the year, from a 2017 high of 8.8 percent in January, down to a low of 6.9 percent in December. The province finished the year with three consecutive months of job gains, adding over 26,000 jobs in December, including over 15,000 full-time positions.

The strong job growth to end 2017 not only brings total employment in the province back above pre-recession levels, it actually marks the highest level of employment Alberta has ever seen. This is certainly a great indicator that the recovery is taking hold in the labour market. However, even with the recent employment growth, the unemployment rate is still above historical levels for the province, suggesting there is still room for improvement in the labour market as the recovery continues. Furthermore, it is important that we consider the types of jobs that have been created, and whether they are of the same quality as those that existed before the recession. There has been a significant shift over the last several years away from the goods producing sector to the service sector, which can often mean more precarious work at lower wages.

Alberta Employment

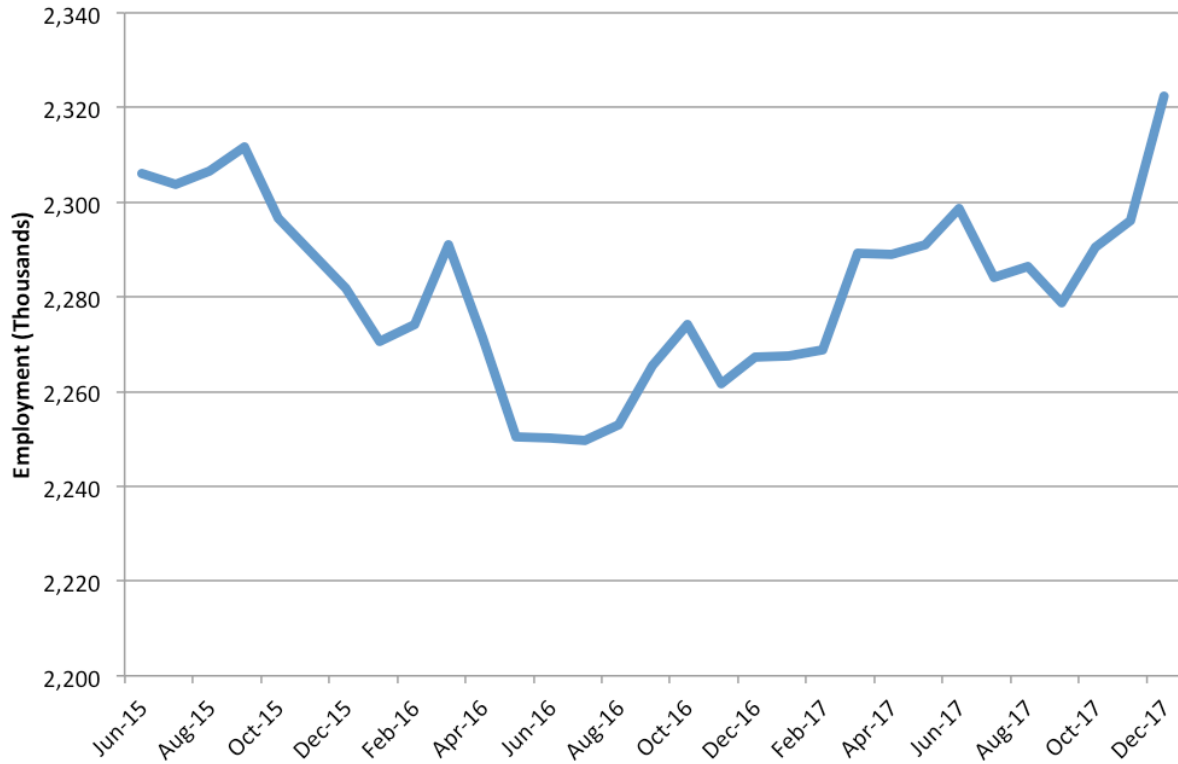


Chart 1, Source: Statistics Canada, CANSIM Table 282-0087

Labour Force Participation Rate



Chart 2, Source: Statistics Canada, CANSIM Table 282-0087

PROGRAM EXPENDITURES

Programs and services funded by the provincial government provide economic security and protect the most vulnerable in Alberta. Funding for health care ensures Albertans have access to care when they need it so that they can live and work productively. Accessible and affordable childcare and education help ensure children in our province receive care in their early years and then as young adults have access to high quality, publicly-funded education. Further, poverty reduction and housing strategies improve the lives of low-income people throughout Alberta.

The current fiscal challenges are the result of previous Alberta governments making our province's financial situation dependent on resource revenues. Stable program funding is not possible with energy prices that are based on inherently volatile energy markets. Oil and gas revenues are unreliable.

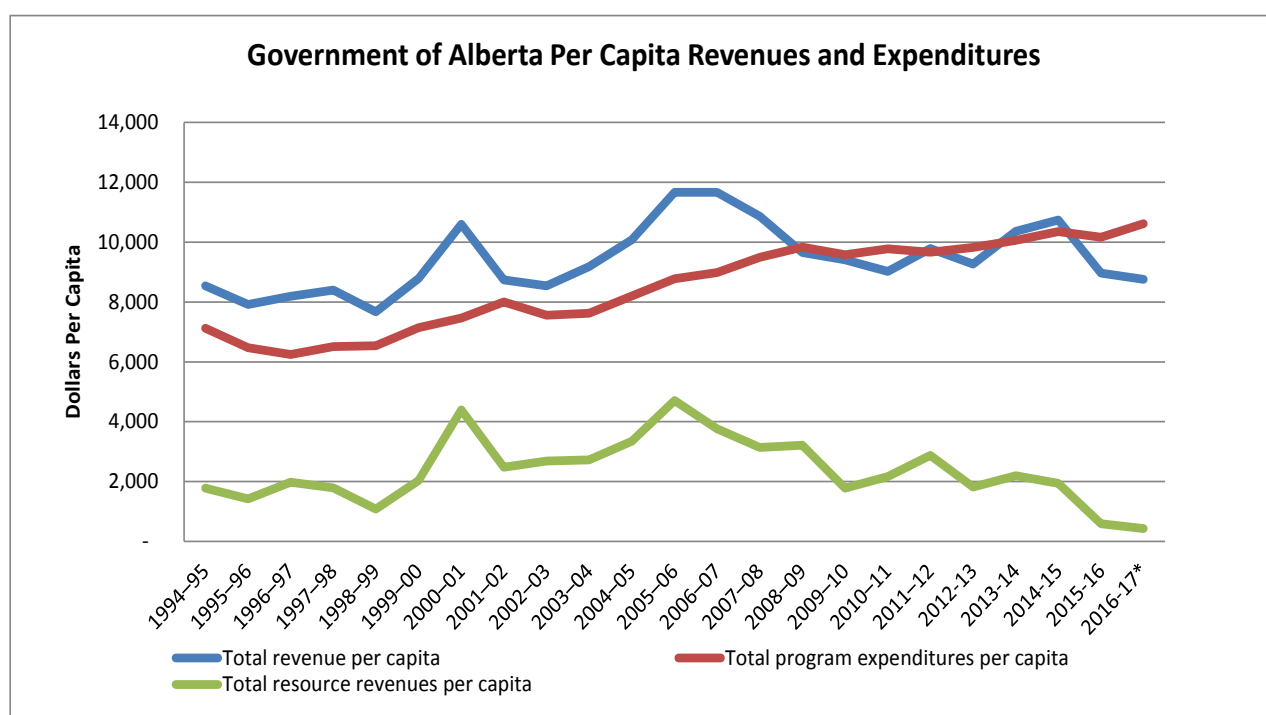


Chart 3, Sources:

1. Federal Fiscal Reference Tables, <http://www.fin.gc.ca/frr-trf/2014/frr-trf-14-eng.asp>
2. Statistics Canada. Table 051-0001 - Estimates of population, by age group and sex for July 1, -Canada, provinces and territories, annual (persons unless otherwise noted)
3. Statistics Canada. Table 326-0021 - Consumer Price Index, Alberta, annual (2002=100)
4. Government of Alberta Treasury Board and Finance. "2016-17 Second Quarter Fiscal Update." (2016)
5. Provincial revenues and expenditures are reported on a fiscal year basis adjusted for inflation, 2007 constant dollars. CPI and Population estimates are reported on an annual basis. 2016-17* data are reported as a forecast.

ALBERTA GOVERNMENT FISCAL WOES AND OUTLOOK

The drop in oil prices has left a huge hole in Alberta's finances. In its most recent fiscal update for 2016-17, the current budget deficit is expected to be \$10.8 billion. However, even with the current budget deficit putting the province into a net debt position for the first time in almost 20 years, the province's net debt-to-GDP ratio is projected to remain, by far, the lowest in the country.

There is nothing new about the current fiscal situation, as energy prices have always been volatile and thus so have government revenues. The volatility of energy prices has created a structural deficit problem for the Alberta government. The imbalance of expenses over revenues has been an issue largely ignored by previous provincial governments.

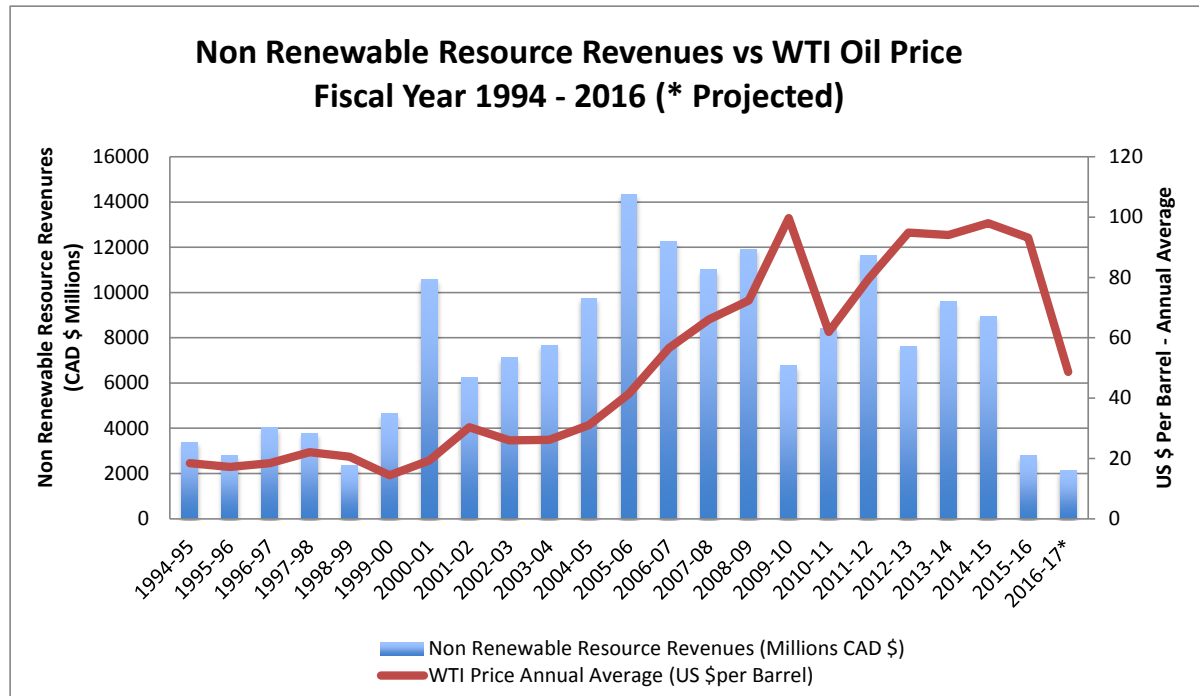


Chart 4, Source: Government of Alberta Department of Energy, US Energy Information Administration

For 2016-17, the Government of Alberta forecast \$2.1 billion in non-renewable resource revenues . This amounts to five percent of total government revenues, and is the lowest level of non-renewable resource revenue as a percentage of total government revenue in over 40 years. Due to the failure of previous governments to diversify Alberta's economy and identify other, more stable sources of revenue, we now have a significant revenue shortfall.

Alberta Resource Revenue as % of Total Revenue (*Forecast)

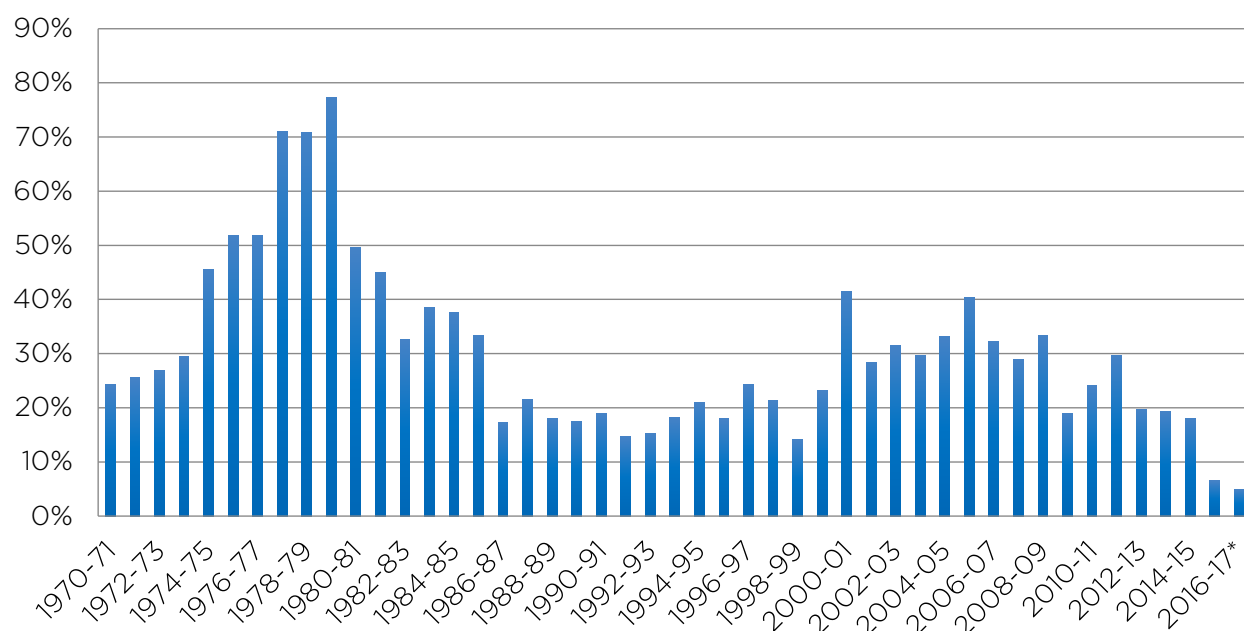


Chart 5, Source: Government of Alberta Department of Energy

ALTERNATIVE REVENUE STREAMS

To reduce our reliance on resource royalties, the Alberta government must diversify its revenue streams. Alberta's corporate taxes are among the lowest in the country, our royalty rates are among the lowest in the world, and our low personal income tax rates enable the wealthiest of Albertans pay some of the lowest income taxes in Canada. According to the Alberta Treasury Board and Finance, if the province adopted a tax structure similar to the next lowest taxed province in the country (BC), it would generate an additional \$8.7 billion in revenue per year.

There are several places the province could look to generate new sources of revenue, but if the goal is to generate significant new revenues to shift away from a reliance on resource revenues and put the province on a path to a balanced budget, the only real option is to look to implement a sales tax. Estimates suggest that a five percent sales tax in Alberta would generate approximately \$5 billion in new revenue annually.

TAX TYPE	LEVY AMOUNT	APPROXIMATE REVENUE
Sales Tax	1% Increase	\$1 Billion
Gasoline Tax	1 cent increase per litre at pump	\$61.7 Million*
Cigarette Tax	\$1 increase per carton	\$22.8 Million*
Alcohol Tax	1% increase	\$8.7 Million*
Corporate Income Tax	1% increase	\$323.9 Million*

Table 1, *Source: Government of Alberta, Fiscal Plan 2016-19. (Pages 101-113)

We must accept that introducing a sales tax is the only option that would generate the substantial revenue required to shift the province away from its reliance on non-renewable resource revenues. The question should not be whether the province should implement a sales tax, but rather how should the province implement such a tax.

The federal government already collects a five percent sales tax in the form of the Goods and Services Tax (GST). Following the lead of several other provinces, Alberta could introduce a Harmonized Sales Tax (HST), which, in simplified terms, would allow the province to generate its own share of the revenue collected by the federal GST. This would allow the province to introduce the tax while minimizing the compliance cost to businesses in the province.¹

Introducing a five percent provincial portion of a Harmonized Sales Tax would leave the province with a combined HST of 10 percent, which would remain the lowest combined provincial and federal sales tax rate of all the provinces. This rate would still provide a sales tax advantage over neighbouring provinces of British Columbia (12 percent combined rate) and Saskatchewan (11 percent combined rate). Between 2014 and 2016, an average of \$5.3 billion in GST revenue per year was generated in the province of Alberta. Applying a 5% provincial portion to the HST could be expected to generate a similar amount of revenue for the province.²

Admittedly, a sales tax on its own would be regressive in nature, impacting low and middle-income workers in the province more than high-income earners. However, with the introduction of a sales tax rebate for low-income earners, the province could help minimize the added tax burden on low- and middle-income earners, while still generating billions in stable tax revenue. By using this stable revenue to protect our vital public services, we can create a more progressive outcome for the people of Alberta, while also accelerating the province's path to a balanced budget.

¹ <https://www.policyschool.ca/wp-content/uploads/2016/03/alberta-hst-final.pdf>

² Note, this does not incorporate any behavioral effects that would be expected with a tax increase of this magnitude. However, it should be noted that the baseline revenue figures include two years of recession, which would have a depressing effect on consumption tax revenues

2018-19 ALBERTA ALTERNATIVE BUDGET

		2018-19(MILLIONS)
Alberta Alternative Budget Proposals	Revenue (Status Quo)*	47,643
	<i>Alberta Sales Tax (5%)</i>	5,300
	<i>Less: Low Income Rebate</i>	-450
	AAB Revenue	52,493
Alberta Alternative Budget Proposals	Expenditure (Status Quo)*	56,652
	<i>Childcare</i>	1,100
	<i>Economic diversification</i>	100
	<i>Education/K-12</i>	272
	<i>Health</i>	393
	<i>Housing</i>	500
	<i>Indigenous</i>	81
	<i>Long-Term Care</i>	310
	<i>Poverty</i>	480
	<i>PSE</i>	522
	AAB Expenditure	60,410
	Risk Adjustment*	-700
	Status Quo Surplus/Deficit	-9,709
	AAB Surplus/Deficit	-8,617

* Based on 2018-19 Target from Budget 2017

HEALTH CARE

HIGH STAKES

- Despite Canadians' pride in our universal health system, we lag behind other OECD countries in coverage.
- Financial barriers prevent access in many areas such as prescription drugs, dental care, and vision care.
- Canadian private spending on health care is disproportionately higher than high performing countries' health systems.

CLEAR CHOICES

- Create a public universal prescription drug plan by investing \$393 million.
- Find savings by reducing Alberta's reliance on costly fee-for-service physician compensation.
- Enact a moratorium on any new privatization initiatives and implement robust transparency for all existing private and contracted out health services.

BACKGROUND

NATIONAL HEALTH AND SOCIAL TRANSFERS

In the projection for the 2018-2019 fiscal year, the Government of Alberta will receive \$6.2 billion through Federal Health and Social Transfers.³ These transfers make up approximately 20 percent of Alberta's provincial health budget. There will be no increase in federal funding to Alberta for the 2018-19 fiscal year, despite promises from the federal Liberals to negotiate a national health funding accord.

ALBERTA HEALTH SPENDING

Instead of prioritizing improved services and increasing the universal coverage to areas like prescription drugs, there is a focus across the elected political spectrum to "bend the cost curve" in health care. The reality is that Alberta's public spending relative to the size of its economy was projected to be the second lowest in Canada for 2017-2018.⁴

Canada's 2016 public health spending was 7.4 percent of Gross Domestic Product (GDP) with countries like France (8.7 percent), the United Kingdom (7.7 percent) and Germany (9.5 percent)

all spending more as a percentage of GDP. At the same time, private health spending as a percentage of GDP in Canada was higher than comparable countries at 3.1 percent, compared to again to France (2.3 percent), the UK (2 percent), and Germany (only 1.7 percent).⁵

What we can learn from this is that comparable OECD countries have increased levels of public spending on health services, and reduced reliance on private sector solutions which create inefficient demands for profits and create unnecessary duplicate administration.

While savings can be found in the health system, they will largely be found in areas of private spending like prescription medications, and in increasing costs due to fee-for-service physician compensation.

Alberta can shift its focus to "bending the privatization curve" by refusing to pursue any new privatization initiatives, while examining existing private delivery for costly inefficiencies.

PHYSICIAN FEE-FOR-SERVICE

One of the main drivers of health spending is physician compensation. Alberta spends

3 Department of Finance (February 2, 2017). "Federal Support to Provinces and Territories." Government of Canada. Website: <https://www.fin.gc.ca/fedprov/mtp-eng.asp#Alberta>.

4 http://www.parklandinstitute.ca/what_you_need_to_know_about_alberta_budget_2017

5 <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-u-s-similar-public-spending-private-sector-spending-triple-comparable-countries>

\$4.6 billion per year on physicians,⁶ and pays them more than other provinces.⁷ According to data from the Canadian Institute of Health Information (CIHI),⁸ Alberta relies on fee-for-service compensation for its physicians to a greater extent than other provinces. Fee-for-service payment creates an incentive to over-prescribe tests and other procedures; it also creates a disincentive to spend time on activities such as counselling patients about health-related matters and wellness strategies.⁹ These services drive the “one problem per visit” policy of many doctors, which is not conducive to effectively managing complex chronic conditions or treating individuals with multiple health problems.

HEALTH QUALITY COUNCIL

The mandate of the Health Quality Council of Alberta is to improve the appropriateness of health services by encouraging evidence-based care. The use of evidence-based tools in treating patients helps to limit the use of inappropriate tests and procedures, thereby saving costs and avoiding unnecessary medical risks. In other words, the activities of the HQCA help to ensure that investments in health care are evidence-based and cost-effective.

HOME CARE CO-PAYMENTS

Although home care is available in Alberta, it is subject to significant co-payments. Patients who cannot afford these co-payments or have other challenges accessing home care may end up in hospital, where they receive expensive care and are exposed to the risks of a hospital environment, such as infection. Similarly, patients spend unnecessary time in hospitals waiting for placement in facilities such as continuing care. In this regard, people whose care needs could be met elsewhere use 16.6 percent of hospital bed

days.¹⁰

Budgetary shortfalls led the Notley government to propose freezing wages for public sector services at the negotiating table. CIHI data indicate that only “52% of workers in health care have full time positions compared with 74% of all Canadians working outside of health.”¹¹ The majority of those with direct, ongoing contact with clients tend to be part-time employees.

PROPOSAL FOR AN ALBERTA UNIVERSAL PHARMACARE PROGRAM

The cost of prescriptions is a major barrier to many Albertans. Research suggests that even small co-pay (user) fees lead to people not filling prescriptions. When that happens, people risk poor health outcomes that can be very costly to the overall health care system down the line with increased hospitalizations and other interventions. A provincial universal coverage prescription drug plan would resolve this problem.

The only comprehensive calculation of the costs and benefits of a national pharmacare plan¹² were used to extrapolate the financial impact of a provincial pharmacare program in Alberta in absence of a national plan. Total public and private spending on prescription drugs in Alberta was \$2,580 million in 2015.¹³ According to the study, a pharmacare program with universal public coverage would result in an overall saving of about 32 percent in prescription drug expenditure in Alberta, due to reduced prices for generic and brand name drugs, and reduced product selection, with only a slight increase (about three percent) in use by previously uninsured Albertans. Based upon this national study, a provincial pharmacare program would likely result in a small increase in public spending

6 Ibid.

7 Canadian Institute for Health Information (2017). “Physicians in Canada, 2016: Summary Report.” Website: https://www.cihi.ca/sites/default/files/document/physicians_in_canada_phys2016_en.pdf

8 Ibid.

9 Centre for Reviews and Dissemination (2014). “Database of Abstracts of Reviews of Effects (DARE): Quality-assessed Reviews [Internet]. University of York. Access gained through National Center for Biotechnology Information, US National Library of Medicine. Bookshelf ID: NBK285222. Website: <https://www.ncbi.nlm.nih.gov/books/NBK67670/>

10 Alberta Health Services (2018). “Performance Measures.” Website: <https://www.albertahealthservices.ca/about/performance.aspx>

11 Canadian Institute for Health Information (September 2001). “Canada’s Health Care Providers.”

12 Morgan, Steven G., Michael Law, Jamie R. Daw, Liza Abraham, and Danielle Martin (2015). “Estimated cost of universal public coverage of prescription drugs in Canada.” *Canadian Medical Association Journal* 187, no. 7: 491-497.

13 Morgan, Steven G., Winny Li, Brandon Yau, and Nav Persaud (2017). “Estimated effects of adding universal public coverage of an essential medicines list to existing public drug plans in Canada.” *Canadian Medical Association Journal* 189, no. 8: E295-E302.

that would be more than offset by a large decrease in private-sector spending on prescription drugs.

COST PROHIBITIVE AND SECRETIVE PRIVATE CARE

Despite the change in government, private health care continues to flourish in Alberta. Notable improvements have included the decision to stop the privatization for Edmonton and North laboratory services as well as Medicine Hat laundry services. A recent welcome announcement shows a long-needed reversal of private seniors care with Alberta Health Services taking over the operation of the supportive living facility in Hinton, which was operated by the Good Samaritan Society.

Still, in the last two years, private MRIs have opened in communities like Medicine Hat, and there is even a private MRI clinic operating out of the public University of Lethbridge. Rather than expand coverage for fertility services like In-Vitro-Fertilization, the government decided to end those services at the Royal Alexandra Hospital and instead send patients to a more expensive private clinic. An entire wing of the Medicine Hat Hospital is being closed with patients being sent to private options.

Exclusive fee-based clinics charge membership fees of thousands of dollars per year, while no financial penalties exist for violations of the Canada Health Act for the clinics or doctors in violation.¹⁴

From contracted out laundry services, to seniors care, to fee-based private clinics, a lack of transparency is a recurring theme. Albertans deserve to know exactly how their public funds are being spent on private delivery, and how this is impacting patient outcomes.

Alberta can and should enact a moratorium on all new private health care delivery and contracting out, while updating any applicable legislation and regulations to provide full public disclosure of public funding arrangements with private entities. This will allow the public and advocates

to have a full picture of what has been happening in our health care system, and enable an evidence based comparison to the public system.

MENTAL HEALTH

In Alberta, one in five people are impacted by addiction and/or mental illness.¹⁵ Compared to physical health issues, an individual is almost five times as likely to suffer from mental illness than heart disease (one in 25 people) and three times more likely than those with diabetes (one in 15 people).¹⁶ Mental health issues often translate into homelessness, chronic and long-term physical ailments, disability claims, reduced quality of life, relationship problems, shortened life expectancy, substance abuse, work absenteeism, unemployment, work turnover, and death. The Mental Health Commission of Canada has pegged the economic cost to Canada of mental health problems at more than \$50 billion annually.

THE NEED FOR PHYSICIAN COMPENSATION REFORM

Funding for physicians. Physicians in Alberta are currently paid via fee-for-service models, meaning they bill the government for each case they see based on its complexity. Other jurisdictions, including Ontario, have tried to reduce health care costs with the assistance of alternative funding models, such as capitation models. A capitation model pays a physician a salary to maintain a roster of patients, and those patients are recommended for other forms of health care by their family physician.

IN SUM

In the short term, the Notley government can realize their claim to be the “heirs to Tommy Douglas” by shifting their focus on to expanding the services covered by universal public insurance starting with pharmacare, and making good on their campaign promise to “end the PCs’ costly experiments in privatization”. In the long term,

¹⁴ http://www.parklandinstitute.ca/blurred_lines

¹⁵ Swann, Dr. David, Danielle Larivee, Tyler White and Heather Sweet (December 2015). “Valuing Mental Health: Report of the Alberta Mental Health Review Committee 2015.”

¹⁶ Mental Health Commission of Canada (2013). “Making the Case for Investing in Mental Health in Canada.”

serious revenue reform will be needed to fund a modern health care system that removes cost barriers and reduces reliance on exclusive and costly private health care.

AAB ACTIONS

ACTION: The AAB will increase provincial spending in health by \$393 million annually to create a public universal prescription drug plan.

RESULT: A reduction in total prescription drug spending in the province by \$834 million, saving private sector employers and individual Albertans significant expenses, making small businesses more attractive to workers, and reducing long-term health system costs by increasing compliance with prescriptions.

ACTION: The AAB calls on the Government of Alberta to strike a health care reform task force to investigate the more efficient delivery of health care in the province. The task force should consider the move toward alternative funding schemes for physicians.

RESULT: Albertans see the possibility of improved services as physicians are no longer provided incentives for quantity over quality, while also a reduction in cost to the health system.

ACTION: The AAB will commit to zero support for new private health care delivery options or contracting out, while signalling a future commitment to transparency for private providers.

RESULT: This will force Alberta Health Services to look to public solutions, and should give the public, advocates, and decision-makers the evidence they need to bring even more services back under public delivery.

LONG-TERM CARE

HIGH STAKES:

1. The availability of long-term care beds in Alberta has not kept pace with demand. The number of seniors in the province aged 85 and over has doubled since 1999 while the number of long-term care beds in the province has remained relatively constant.
2. Demand is expected to continue to increase, as the population of older seniors (85+) is expected to double again in the next 15 or so years.
3. Since 1999, the provincial government has neglected long-term care and focused on expanding supportive living, which is less regulated, lower staffed, more likely to be operated for profit, and places a higher burden on individual residents and their families.
4. Staffing in long-term care facilities has long been well below the recommended minimum level of 4.1 hours per resident per day. Between 2011 and 2013, residents in long-term care facilities had on average 2.93 hours per day of nursing care.

CLEAR CHOICES:

1. Spend an additional \$78.7 million annually to increase the level of registered nurses to the recommended minimum level at all long-term care facilities in the province.
2. Spend an additional \$217.9 million annually to increase the level of health care aides to the recommended minimum level at all long-term care facilities in Alberta.
3. Ensure all new long-term care beds are opened in publicly-operated facilities.
4. Budget an additional \$14.3 million to ensure the 1,562 forthcoming long-term care beds that will be opened are staffed at the recommended minimum level.

BACKGROUND

The way in which seniors are cared for in Alberta has been steadily transformed over the last two decades. Access to institutional care has been restricted to only the neediest patients, while services with less support and care, such as home care and supportive living, have been promoted. The transformation was intentional, and laid out in a series of government reports.¹⁷ Through this “aging in place” concept, the government sought to restrict public spending on health care for seniors, privatize more of the delivery of health care, and shift more responsibility onto individuals. These objectives have, more or less, been achieved. But the government’s strategy failed to resolve the fundamental issue that has long plagued the sector: a lack of the two fundamental resources, namely beds and staff.

¹⁷ Government of Alberta Long Term Care Policy Advisory Committee, *Healthy Aging: New Directions for Care, Part One: Overview* (Alberta Health and Wellness: November 1999); Premier’s Advisory Council on Health, *A Framework for Reform* (December 2001); MLA Task Force on Health Care Funding and Revenue Generation, *A Sustainable Health System for Alberta* (Alberta Health and Wellness: October 2002).

BEDS

Alberta's seniors' population is growing both absolutely and as a proportion of the overall population, mirroring a national trend. In 2017, Alberta's population of seniors aged 85 years and over was more than 65,000, more than twice as many as there were when the Alberta government launched the "aging in place" strategy in 1999.¹⁸ As can be seen in Figure 1,

while the number of older seniors in the province has doubled, the number of long-term care (LTC) beds in the province has essentially flatlined over the same time period. Statistics Canada projects the number of seniors in Alberta to continue growing, potentially doubling again in the next 15 or so years.¹⁹

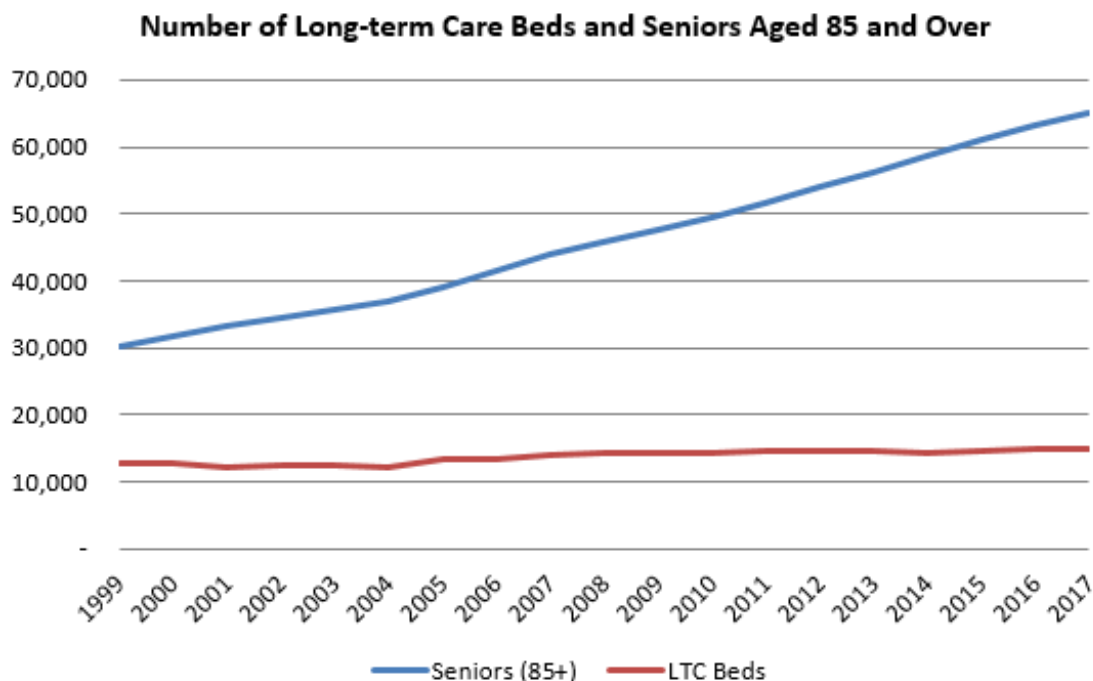


Figure 1: Number of Long-term Care Beds and Seniors Aged 85 and Over

The surge of individuals requiring serious 24-hour medical and personal care of the type provided in a long-term care home has not been adequately addressed by the expansion of other care options. Although difficult to know precisely because of intermittent and changing reporting methods, waitlists for LTC seem to have only grown over the years, not shrunk. As can be seen in Figure 2, in 2001 there were 762 individuals waiting for a long-term care bed: 385 waiting while in an acute care facility (i.e., a hospital) and 377 waiting

in the community.²⁰ By 2009, there were 1,225 individuals waiting for a long-term care bed: 550 waiting in acute care beds and 675 waiting in the community.²¹ It is not clear how that breakdown looks today. The provincial government now reports waitlists in terms of where the individual is waiting, not by the type of care they are waiting for. At the end of March 2017, there were 846 individuals waiting in acute and sub-acute for some sort of continuing care bed, up from 628 people in 2016.²²

¹⁸ Author's calculations based on CANSIM Table 051-0001.

¹⁹ The medium-growth scenario, based on 2009/2010 to 2010/2011 trends, of CANSIM Table 052-0005 projects the number of seniors aged 85 and over to reach 137,000 by 2035.

²⁰ Auditor General Alberta, *Report of the Auditor General on Seniors Care and Programs*, (Office of the Auditor General: May 2005), p.20.

²¹ Alberta Health Services, *Alberta Health Services Annual Report: April 1, 2008 – March 31, 2009*, (Alberta Health Services: n.d.), p. 31.

²² Alberta Health Services, *Alberta Health Services Annual Report: 2016-17*, (Alberta Health Services: n.d.), p. 37.

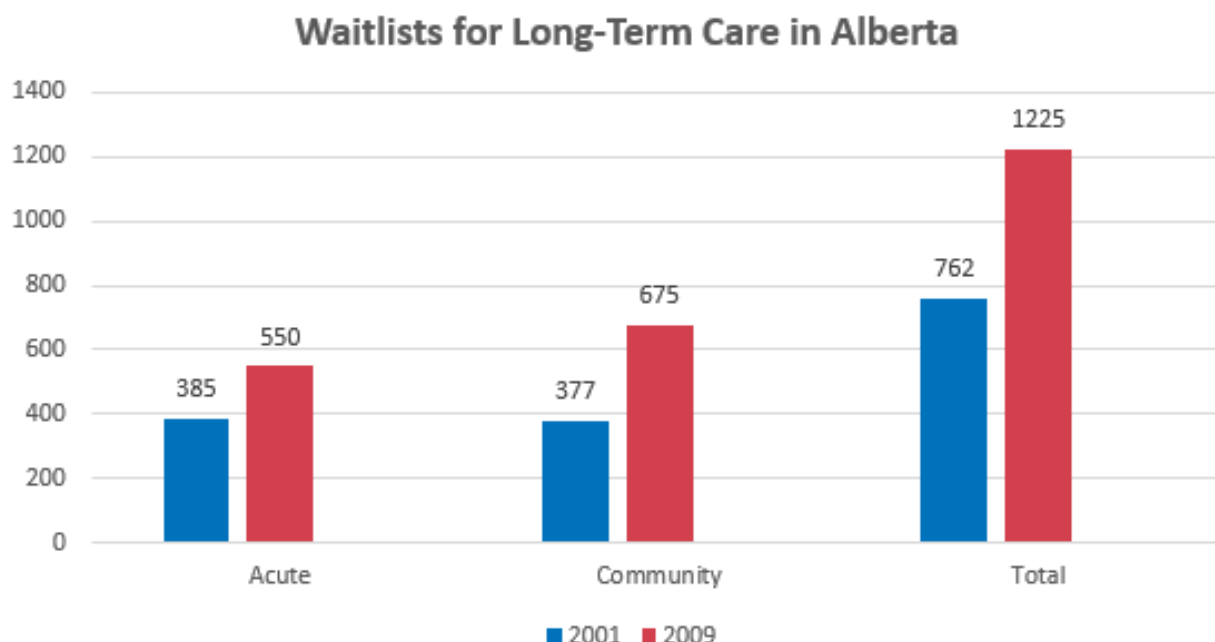


Figure 2: Waitlists for Long-Term Care in Alberta

While the demand for LTC beds has been rising, the provincial government has focused on designated supportive living (DSL). Compared to LTC, DSL facilities are less regulated, more likely to be operated by a for-profit company or corporation, and provide fewer services and health care staff for residents. The “aging in place” strategy relied on meeting the new and growing demand for 24-hour residential senior care with DSL rather than LTC facilities. This process of “deregulation” has left the frailest seniors in Alberta at greater risk of not receiving the proper level of care. But for the government, DSL facilities presented an opportunity to step back from front-line care delivery and cede responsibility to for-profit interests.

While the “aging in place” strategy was conceptualized and implemented under Progressive Conservative governments, aspects of it have since been adopted by the current New Democratic government. Both the current government and its predecessor discuss provincial bed numbers in terms of “continuing care,” which is conceptualized as including both LTC and DSL and thereby obscuring the

important difference between the two. As well, since being elected in 2015, the NDP government has continued to restrict access to the LTC beds and emphasise DSL. As can be seen in Figure 3, there is a consistent trend since at least 2010 that the number of LTC beds in the province has stagnated with only designated supported living beds increasing to a meaningful degree. The 1,116 designated supportive living beds that have been added to the system far outnumber the 222 LTC beds that have been added.²³ Accordingly, the percentage of continuing care beds located in LTC facilities has continued to decline and now sits at 59%. As recently as 2010, this figure was as high as 74%.²⁴ So while the total number of “continuing care beds” has increased over the last several years, the number of LTC beds has remained relatively stagnant.

Fortunately, the Notley government appears to recognize the need for more LTC beds and has made some efforts to meet that need. Shortly after acquiring her new post in 2015, Alberta’s Minister of Health, the Hon. Sarah Hoffman, reiterated a promise first made on the election trail, namely that the NDP government will build

²³ Alberta Health Services, *Schedule A: Alberta Health Residential Care Services Summary* [Excel Spreadsheet], 2016; Alberta Health Services, *Alberta Health Services Annual Report: 2016-2017*, (Alberta Health Services: n.d.), p. 7.

²⁴ Alberta Health Services, *Schedule A: Alberta Health Residential Care Services Summary* [Excel Spreadsheet], 2016; Alberta Health Services, *Alberta Health Services Annual Report: 2016-2017*, (Alberta Health Services: n.d.), p. 7.

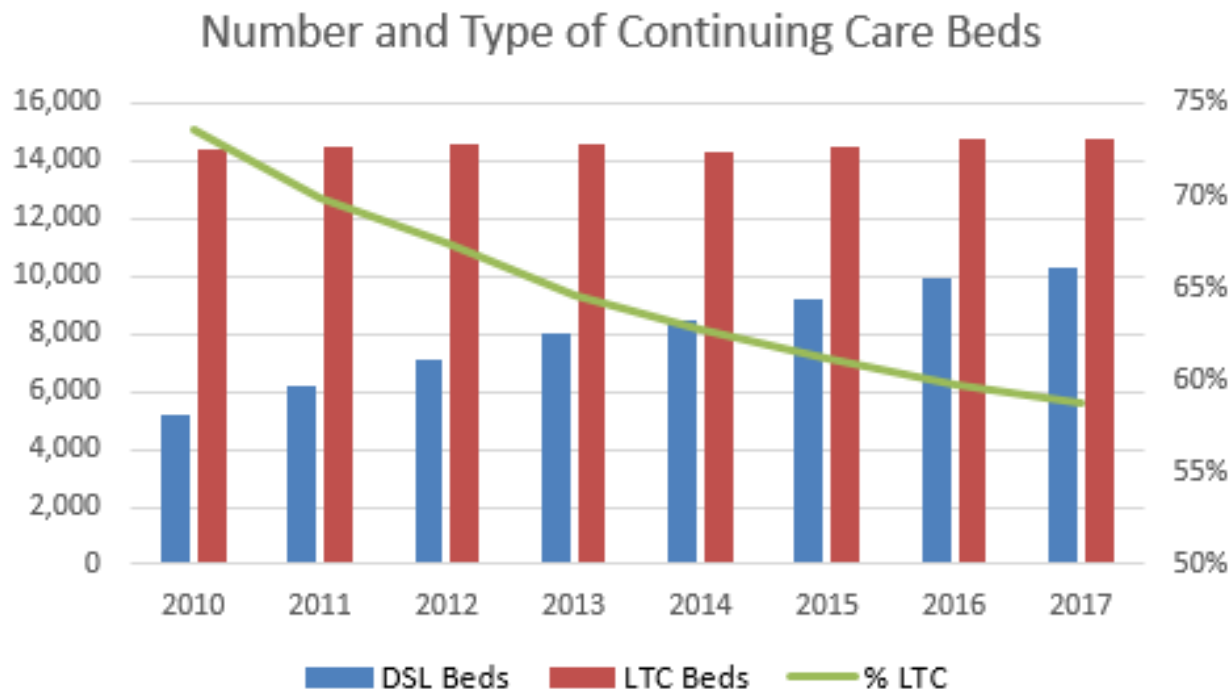


Figure 3: Number and Type of Continuing Care Beds

2,000 public LTC beds by the end of 2018. Reality has fallen far short of such ambitions, however. Only 245 beds were added by April 2016, and there was a net loss of 23 LTC beds over the following year.²⁵ To fulfill its promise, this means the government must add 1,778 LTC beds by the end of 2018.

If the government were to fulfill its promise, it would represent a significant step in the right direction. But to be truly transformative, the government must also turn its attention to the other key resource in the sector, namely, staff.

STAFF

Nursing staff (i.e., registered nurses, licensed practical nurses, and health care aides) have been in short supply in Alberta's LTC sector for some time. At the same time, the strict rationing

of LTC beds to only the neediest patients has meant the health care requirements in these facilities have gone up dramatically. Alberta's Auditor General made note of this fact in his 2005 report on continuing care.²⁶ As can be seen in Figure 4 below, in 1999 approximately one-third of residents in Alberta's LTC facilities had complex needs, requiring intensive medical care from skilled nurses; by 2013, this grew to nearly two-thirds of all LTC residents.²⁷

The number of hours of care received by LTC patients has varied over the years. In 1999, it was 2.64 hours per resident per day (hprd). This rose to 3.28 hprd in 2009, but fell again to 2.78 hprd in 2013 (the last year for which such data exists).²⁸ But these additional hours have by and large come from health care aides. Between 1999 and 2009, as the total number of hours worked by care providers increased relative to the number

²⁵ Alberta Health Services, *Schedule A: Alberta Health Residential Care Services Summary* [Excel Spreadsheet], 2016; Alberta Health Services, *Alberta Health Services Annual Report: 2016-2017*, (Alberta Health Services: n.d.), p. 7.

²⁶ Auditor General Alberta, *Report of the Auditor General on Seniors Care and Programs*, (Office of the Auditor General: May 2005), p.22-23.

²⁷ Author's calculations based on custom data requests from Statistics Canada's Residential Care Facilities Survey and Long-Term Care Facilities Survey.

²⁸ Author's calculations based on custom data requests from Statistics Canada's Residential Care Facilities Survey and Long-Term Care Facilities Survey. Hours worked is calculated by subtracting 15% from hours paid. For more details, see Campanella, *Losing Ground*, (Parkland Institute: 2016).

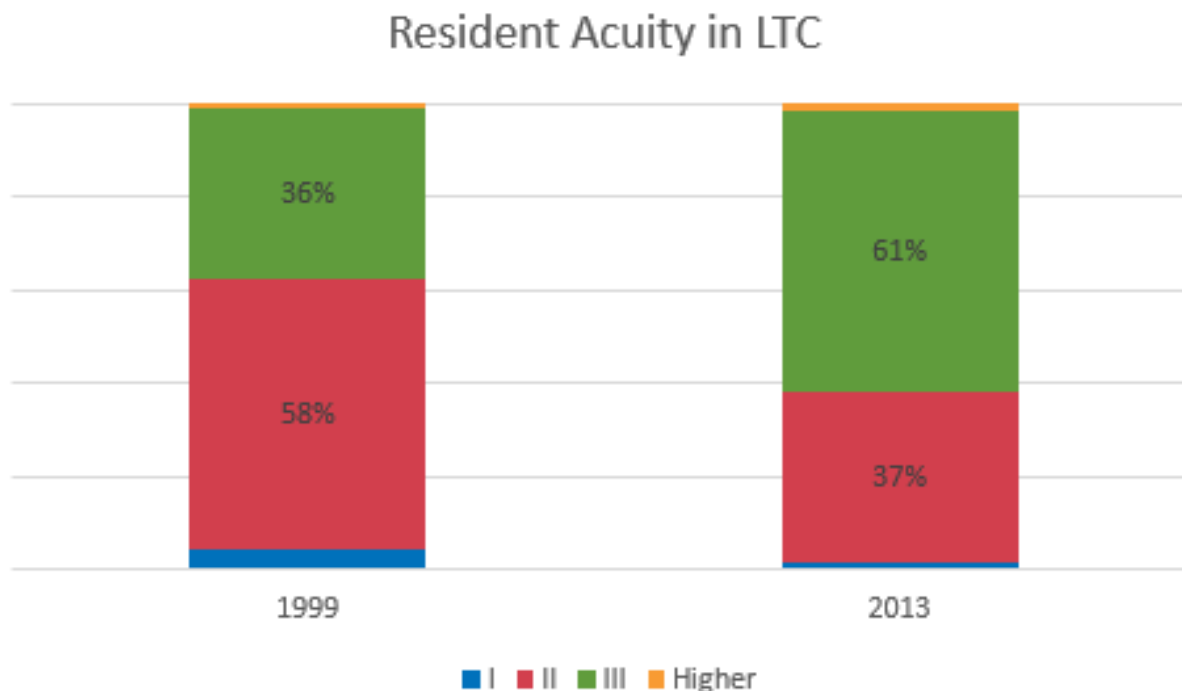


Figure 4: Resident Acuity in Long-Term Care

of residents, the actual number of hours worked by skilled nurses declined.²⁹ Figure 5 breaks down the composition of the nursing staff by percentage of total hours worked. In the three years from 1999 to 2001, 20% of care hours were from registered nurses, 37% from health care aides (HCAs), and 42% from licensed practical nurses (LPNs). By 2013, the proportion of care hours provided by LPNs and HCAs had almost flipped. From 2011 to 2013, 37% of care hours were provided by LPNs, while 47% was provided by HCAs.³⁰ Essentially, as the need for skilled nursing in Alberta's long-term care facilities went up dramatically, its provision declined.

Tallying the hours worked by skilled nurses and health care aides, LTC facilities are still understaffed relative to the recommended minimum. A landmark US study conducted in 2001 found that residents receiving fewer than 4.1 hours of nursing care (i.e., provided by registered nurses, licensed practical nurses, and

health care aides) in a day were more likely to suffer from debilitations related to inadequate care, such as pressure ulcers and weight loss.³¹ As can be seen in Figure 6, in every year for which data is available since 1999, Alberta's LTC facilities on the whole have fallen significantly short of this minimum standard.³² Between 2011 and 2013, the sector was particularly understaffed in terms of registered nurses and health care aides.

²⁹ Author's calculations based on custom data requests from Statistics Canada's Residential Care Facilities Survey and Long-Term Care Facilities Survey.

³⁰ Author's calculations based on custom data requests from Statistics Canada's Residential Care Facilities Survey and Long-Term Care Facilities Survey.

³¹ Kramer, A. and R. Fish (2001) in Health Care Financing Administration, 2002, Chapter 2, p.1-26, as cited in Irene Jansen and Janice Murphy, Residential Long-term Care in Canada: Our Vision for Better Senior's Care (Canadian Union of Public Employees: October 2009).

³² Author's calculations based on custom data requests from Statistics Canada's Residential Care Facilities Survey and Long-Term Care Facilities Survey.

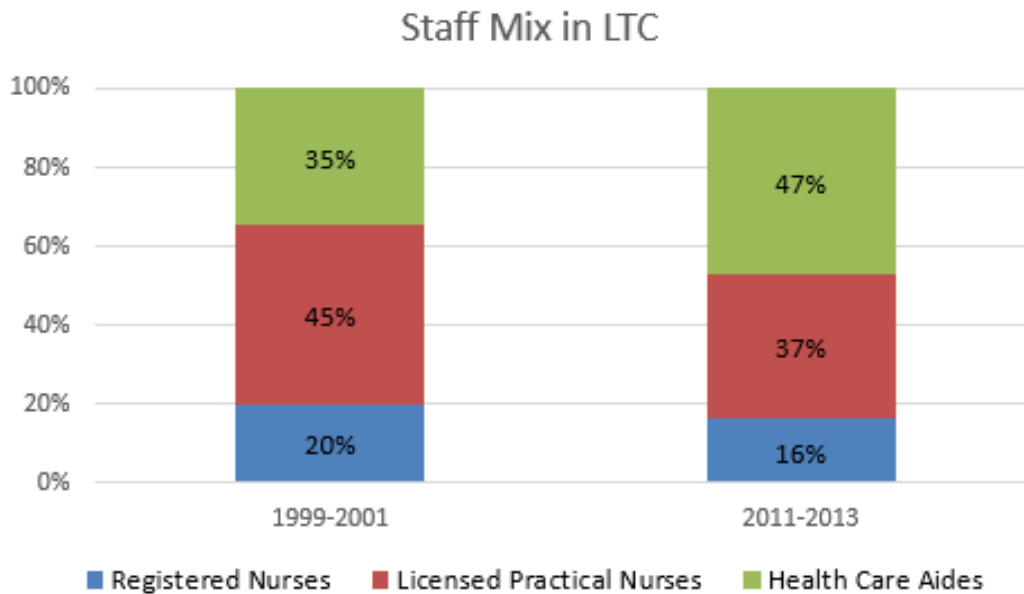


Figure 5: Staff Mix in Long-Term Care

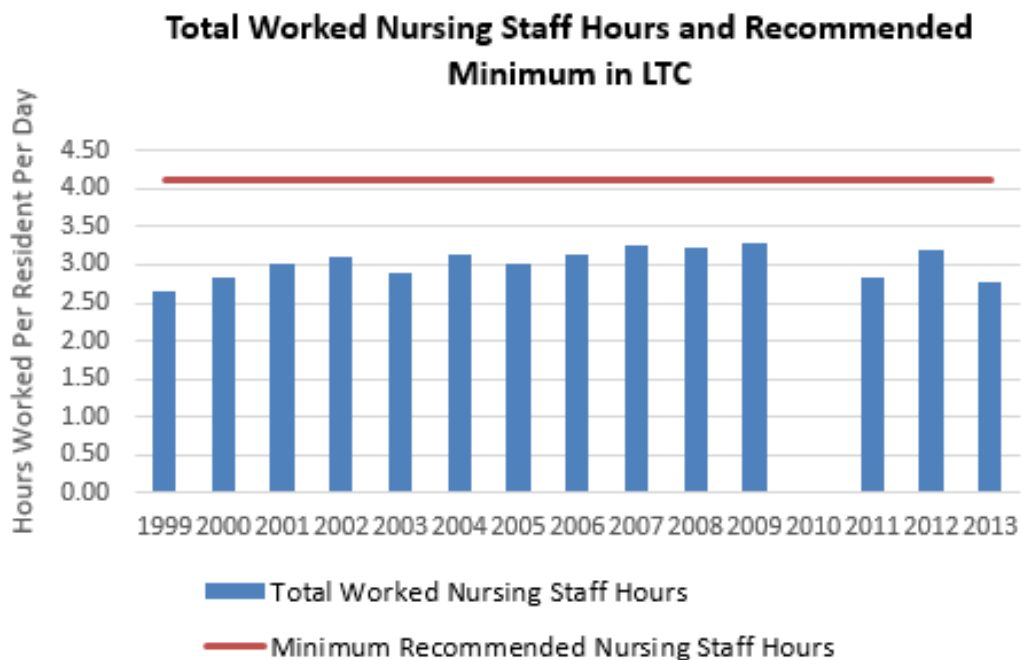


Figure 6: Total Worked Nursing Staff Hours and Recommended Minimum in Long-Term Care

AAB ACTIONS

The AAB calls for \$311 million in new, annual provincial funding for residential seniors' care. This sum will ensure that all LTC facilities in the province, including those promised to be built by the Notley government by the end of 2018, are staffed according to recommended minimum standards. The \$310 million will fund the following:

ACTION: The AAB will hire additional registered nurses. The recommended minimum staffing level for registered nurses in LTC is 0.75 working hours per resident per day (hprd). Statistics Canada measures staffing levels by hours paid, which is roughly 15% higher than working hours because of sick days and vacation time. Therefore, 0.75 working hprd is equal to 0.86 paid hprd. The latest figures show that between 2011 and 2013, public LTC facilities provided on average 0.69 paid hours of registered nursing per resident per day, while for-profit facilities provided 0.5 hprd and not-for-profit facilities provided 0.46 hprd. Based on the 2013 costs of staffing registered nurses, increasing these registered nurse staffing levels to the 0.86 minimum would cost \$8.6 million for public facilities, \$30.5 million for private facilities, and \$39.6 million for not-for-profit facilities, for a total of \$78.7 million.

RESULT: All long-term care facilities in the province would be staffed with the recommended level of registered nurses.

ACTION: The AAB will hire additional health care aides. The recommended minimum staffing level for health care aides is 2.8 hprd, which converted to paid hours is 3.22 hprd. The latest figures show that between 2011 and 2013, public long-term care facilities provided on average 2.27 paid hours of health care aide per resident per day, with for-profit facilities providing 1.57 hprd and not-for-profit providing 0.87 hprd. Based on the 2013 costs of staffing health care aides, increasing these health care aide staffing levels to the 3.22 minimum would cost \$33.4 million for public facilities, \$90.9 million for private facilities, and \$93.6 million for not-for-profit facilities, for a total cost of \$217.9 million.

RESULT: All long-term care facilities in the province would be staffed with the recommended level of health care aides.

ACTION: The AAB will staff forthcoming beds at recommended minimum levels. To meet its promise of opening 2,000 long-term care beds by the end of 2018, the government needs to materialize 1,562 such beds. These facilities should be adequately staffed. To do so will require upping the number of registered nurses and health care aides on staff compared to the current norm. Assuming each of these beds will be in publicly-operated facilities that would be staffed at the usual level for such facilities, meeting the recommended minimum staffing levels would cost \$14.3 million annually.

RESULT: Each of the 2,000 promised LTC beds would be staffed at the recommended minimum level.

ACTION: The AAB will halt the privatization of long-term care. Research has shown that publicly-operated long-term care facilities provide a higher quality of care by having more nursing staff for residents. As such, the government should halt the privatization of long-term care by ensuring all new beds are opened in publicly-operated facilities.

RESULT: The quality of care provided in new LTC facilities would be improved by ensuring they are publicly-operated.

K-12 EDUCATION

HIGH STAKES:

- There are 100,000 more students attending Alberta's public, separate and francophone schools than there were in 2009.
- Only 5 of 61 school boards in Alberta meet the class size targets adopted in 2003 by the Alberta government.
- Alberta's classrooms are twice as likely as those elsewhere in the world to include a significant number of students with special needs and second language learners.
- Base instructional grants have only received one two-per cent increase in the past six years; inflation was 10 percent over the same time period.
- 3,000 additional teachers are needed to bring the teacher population up to the same relative size (based on an equivalent student-teacher ratio) that it was in 2009/10.

CLEAR CHOICES:

- Fund enrolment growth for the additional 31,000 students expected in the next two school years.
- Reduce class size at the K – 3 level to ensure that the Alberta Commission on Learning averages are met in all school jurisdictions.
- Hire more education assistants and paraprofessionals to ensure that students with special learning needs are included in classrooms with appropriate supports.
- Address equity of education opportunity by expanding the school nutrition program, continuing to reduce school fees and re-balancing the inequitable public funding of private schools.

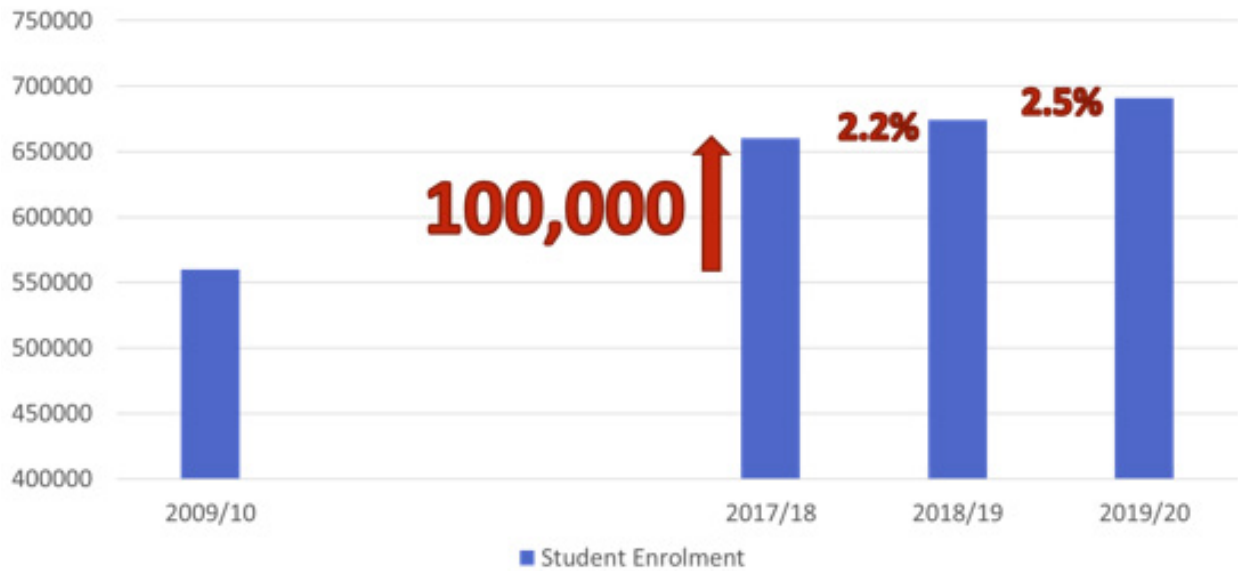
BACKGROUND:

For 2017/18, the total budget of Alberta's Ministry of Education was projected to be \$8.2 billion in consolidated operating expenses plus an additional \$1.2 billion in capital commitments (for the construction of new and modernized schools, the maintenance and renewal of existing schools, the construction of playgrounds and the building of modular classrooms). Of the \$8.2 billion in consolidated operating expenses, government contributes \$7.8 billion in operating support to public, separate, francophone and charter schools – largely in the form of per-pupil grants.

A major driver of operational funding is student population growth, which has been very high over the past decade as a result of families migrating to Alberta, Alberta's young population and our high fertility rates. Since 2009/10, the number of students attending Alberta's public, separate and francophone schools has risen by 100,000. The Government of Alberta is projecting further student population growth of 2.2 per cent for 2018/19 and 2.5 per cent for 2019/20.

In 2002, Alberta's provincial government created the Alberta Commission on Learning (ACOL) as part of a settlement reached to end a teacher's strike and work-to-rule campaign that affected over two-thirds of students in the province. The ACOL addressed concerns about class size by issuing recommended jurisdiction-wide class size averages:

Student Enrolment



Source: Government of Alberta

GRADE LEVEL	RECOMMENDED AVERAGE CLASS SIZE
K – 3	17
4 – 6	23
7 – 9	25
10 – 12	27

Source: Alberta Commission on Learning

The provincial government accepted the recommendations and established funding to reduce class sizes. While class sizes reduced in the years that followed, the targets were largely not met at the K – 3 level and support was gradually reduced in the years following 2008/09. While the student population increased since 2009/10, growth in the teaching force has lagged. Alberta school boards would need to hire about 3,000 additional teachers to bring the teacher population up to the same relative size (based on an equivalent student-teacher ratio) that it was in 2009/10.

In addition to being large, Alberta's classrooms are also very complex. In Alberta, inclusion is the preferred model for delivery for students with special education needs. Similarly, Alberta is a very multicultural society with consistently high levels of immigration. According to numbers compiled

by the Organisation for Economic Co-operation and Development, Alberta's classrooms are twice as likely as those elsewhere in the world to include a significant number of students with special needs and a significant number of students who are learning to read, write and speak the language of instruction.³³ Despite switching to an inclusive education funding model in 2012, there appear to be fewer in-class supports for special needs than before.

School boards have been plagued over the past decade by inconsistent and unpredictable funding. A number of smaller grants have been reduced or eliminated; in some years, funding was cut in the budget and then reinstated later. Even the larger grants have failed to keep up with inflationary pressures of school boards. Over the past six years, the base instructional grant has only received one two-percent increase, despite inflation of 10 per cent over that same time period. One reason for the hiring lag in education is that school boards were reluctant to expand staff when funding was unstable, unpredictable or uncertain to keep pace with inflationary pressure. The unpredictability of funding combined with the reluctance to hire has meant that some school boards have actually amassed relatively large surpluses – totalling nearly half a billion

33 Government of Alberta (2014). *Teaching and Learning International Survey (TALIS) 2013: Alberta Report*. Edmonton, AB: Government of Alberta.

dollars across the province. These funds need to be invested in schools, but school boards also need funding certainty in order to ensure that future funding is appropriately allocated to best support student learning. Future budgets should include inflationary escalators to cover rising school board costs, but some of that increased expense could be balanced by reinvesting school board surpluses where they exist.

Budget 2016 introduced a pilot school nutrition program at an annual cost of \$3.5 million. The program was expanded by an additional \$10 million annually in 2017/18, but is still short of

the \$60 million annually promised by the NDP in its 2015 election platform. The nutrition program helps address education inequity by ensuring that students are less affected by the adverse impacts of poverty. At the same time, the Government of Alberta continues to fund private schools, some that charge as much as \$10,000 to \$20,000 per year in tuition, to a far greater extent than any other province in Canada. The funding of private schools exacerbates inequity by diverting scarce public funds away from students that may need it more than those that choose an elite and expensive private education.

AAB ACTIONS

ACTION: The AAB will invest in school boards by funding enrolment growth of 2.2% for the 2018/19 school year (additional \$132 million from Budget 2017).

ACTION: The AAB will invest in smaller class sizes by hiring an additional 2,000 teachers in order to move toward the ACOL recommended class size at the K – 3 level (additional \$200 million).

ACTION: The AAB will support the inclusion of students with special learning needs by supporting an added 10 per cent investment in inclusive education funding (additional \$45 million).

ACTION: The AAB will reinvest funding currently accumulated in school board surpluses (savings of \$234 million) into ensuring all boards have funding to address inflationary pressures (additional \$157 million).

ACTION: The AAB will invest in equitable access to public education by expanding the school nutrition program (additional \$46.5 million), continuing to reduce school fees (no additional provincial funding required) and reducing the public funding provided to private schools (savings of \$75 million).

RESULT: School boards will be able to hire additional teaching and support staff to ensure that the additional students are supported.

RESULT: More students will be able to learn in classrooms that meet ACOL class size guidelines, ensuring that students have improved one-on-one time with their teacher.

RESULT: Students requiring additional learning supports will have greater access to the specialised supports they require for successful inclusion.

RESULT: School boards will have greater predictability of funding in order to maintain programs and services despite rising costs; parents will be assured that education funding is reaching the class and supporting learning

RESULT: Education funding will be more equitably distributed to ensure that the most funding reaches students who face additional barriers to success.

POST-SECONDARY EDUCATION

HIGH STAKES:

- A post-secondary degree or diploma today is of the same importance as a high school education was a generation ago.
- Over the next ten years, 70 percent of future jobs will require some kind of post-secondary training.
- Post-secondary education increases the probability of employment and increases the probability of earning decent wages.
- Since 2006, tuition fees in Alberta have increased by 20.7 per cent for Canadian undergraduate students and 68.1 per cent for international undergraduate students.
- To meet the growing needs of an increasing Alberta population and to attain the goals of economic diversification, Alberta needs to ensure that post-secondary education is universal, affordable, accessible, and of high quality.

CLEAR CHOICES:

- Eliminate all tuition fees by 2023, beginning with a 20% reduction in tuition fees for all post-secondary education students in all post-secondary education programs.
- Eliminate interest on provincial portion of student loans.
- Increase funding to the Campus Alberta Grant for Universities' and Colleges' operating expenses.
- Increase student aid through non-repayable grants to help cover costs of living while attending post-secondary education institutions.

BACKGROUND:

Albertans understand that advanced education provides both societal and individual benefits through improved employment prospects, higher average income levels, and reduced reliance on social services. A post-secondary degree or diploma today is of the same importance as a high school education was a generation ago. Keeping pace with educational expectations in Canada is essential to economic growth and diversification in Alberta.

By investing in post-secondary education (PSE), the AAB can address a number of social and economic issues that face this province.³⁴ Individuals with a post-secondary education have a higher probability of being employed and on average earn a higher wage.³⁵ Over the next ten years, over 70 per cent of future jobs will require some form of PSE.³⁶ Investing in PSE is therefore an investment in Alberta.

³⁴ Public Interest Alberta, (2015). "Post-Secondary Education is the Answer". <http://www.pialberta.org/pseistheanswer>

³⁵ Ministry of Labour. Government of Alberta. <https://work.alberta.ca/documents/employment-and-wages-with-post-secondary.pdf>.

³⁶ Darcy Hango and Sébastien Larochelle-Côté. (2016). "Over qualification, Skills, and Job Satisfaction." Ottawa: Statistics Canada, September 14, 2016; Association of Canadian Colleges. Canada's Demographic and Advanced Skills Crisis: People Without Jobs, Jobs Without People, August 2010, p.1.

The current and previous governments in Alberta understood that tuition fees are a barrier to PSE. Alberta's previous Progressive Conservative government froze tuition fees for a year and with the current NDP government, tuition fees have been frozen since 2015.³⁷ As a result, tuition fees for Canadian students in this province have barely increased since 2013-14. However, for international students, tuition fees in Alberta have been increasing, as they are not covered under the tuition fee freeze.

Students of today face ever increasing costs in obtaining advanced education. High costs of tuition, books, costs of living, and essential public services such as transit have resulted in students relying on student loan programs. Student loans mean that students who cannot afford to pay for their education up front are being disadvantaged vis-à-vis those that can. This is because students who take loans are being penalized through interest rates charged on those loans.

Large student loan debts mean that, once they graduate, students are changing their economic behaviour—sometimes staying at home longer, sometimes putting off investing in businesses.

CURRENT ISSUES

Advanced education should be accessible, affordable and of high quality for Albertans. Let us break this down in the paragraphs that follow.

TUITION FEES

Through years of cuts to PSE in Alberta, universities and colleges have relied on increasing tuition fee revenues to fund the gap in operating expenses. Across Canada, public funding as a percentage of university operating revenues declined from 77 per cent in 1992 to 55 per cent in 2012.³⁸ This has coincided with tuition fees rising across Canada to make up up for the loss of public funding. In Alberta, tuition fees as a share of university operating revenue have roughly tripled over the last 30 years, going from 12.5 per cent in 1985 to 31.1 per cent in 2015 (see Chart 1).

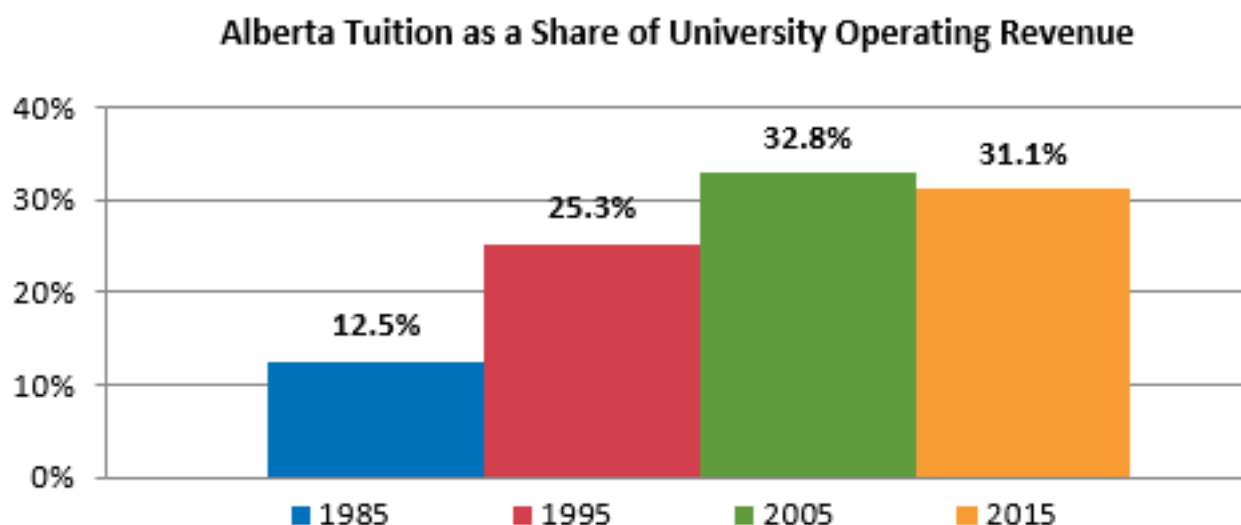


Chart 1, Source: CAUT Almanac retrieved from <https://www.caut.ca/resources/almanac/finance>

³⁷ Juris Graney, (2017). "Alberta tuition freeze continues next year, government commits \$17 million in backfill" <http://edmontonjournal.com/news/local-news/alberta-tuition-freeze-continues-next-year-government-commits-17-million-in-backfill>

³⁸ Erika Shaker, (2016). "Tiering up over tuition fees?" Canadian Centre for Policy Alternatives. <http://behindthenumbers.ca/2016/09/08/tiering-tuition-fees/>

While Alberta's provincial government has recently taken action to freeze tuition fees, the prior years of tuition fee increases and underfunding have placed a huge burden on students and their

families. Between 2006 and 2016, tuition fees for Canadian students in Alberta increased by 47.5 per cent, while international students in Alberta saw their tuition fees increase by 105.4 per cent.

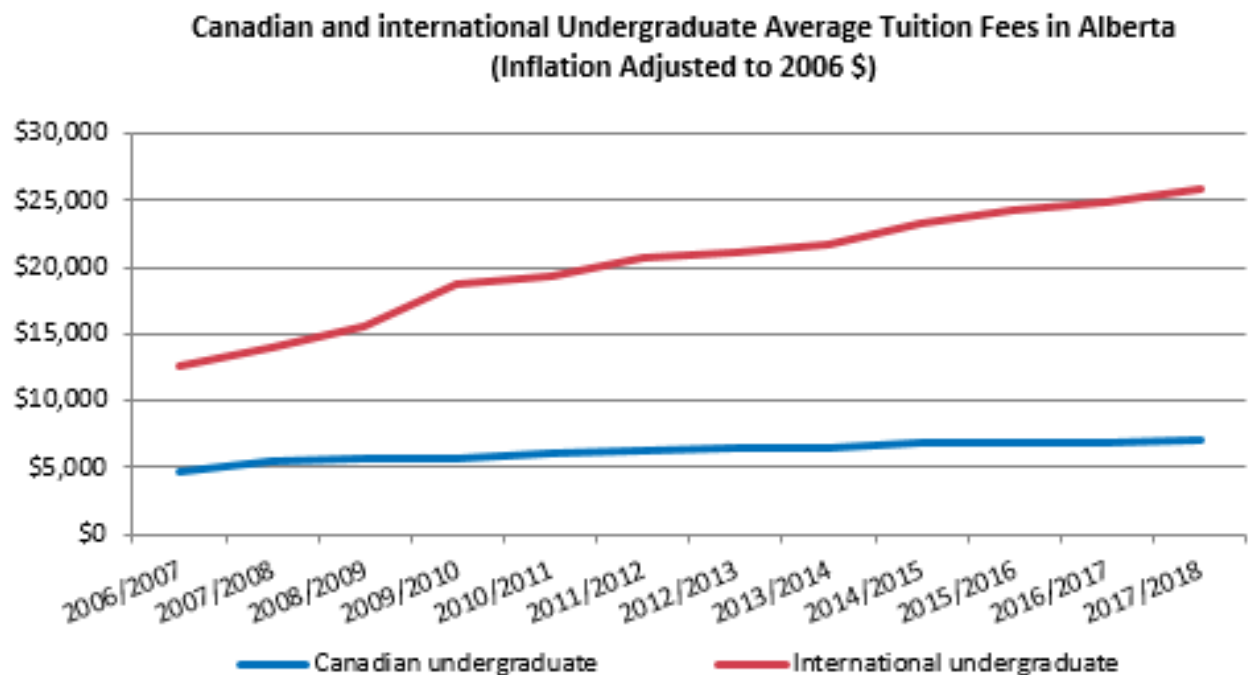


Chart 2, Source: Statistics Canada, CANSIM Table 477-0077

High tuition fees are discriminatory against students who do not have the ability to pay up-front.³⁹ For example, with a higher differential fee for international students, the tuition fees create a barrier for students that come from developing countries. In addition, higher tuition fees threaten Alberta's ability to attract and retain both Canadian and international students and scholars.

The economic benefit of international students coming to Alberta to study is substantial. According

to Canada's federal government, international students in Alberta spent approximately \$567.7 million on tuition fees, accommodation and discretionary spending in 2014.⁴⁰ Using the direct and indirect economic impact approach, international students contributed \$670.5 million to Alberta's Gross Domestic Product, generating \$386.4 million in labour income.⁴¹ Thus, the ability of this province to attract and retain international students creates an important boost to Alberta's economy.

39 Joel Harden (2017). "The Political Economy of Student Debt in Canada." April 2017; Canadian Federation of Students. <http://dev.cfswpnetwork.ca/wp-content/uploads/sites/71/2015/07/2017-Political-Economy-Student-Debt.pdf>.

40 Global Affairs Canada - Roslyn Kunin & Associates, Inc. (2016). "Economic Impact of International Education in Canada – 2016 Update." <http://www.international.gc.ca/education/report-rapport/impact-2016/index.aspx?lang=eng>

41 ibid.

STUDENT DEBT

Rising tuition fees and rising costs of living have led to high debt-levels for graduating students. The latest data available released in 2012 by Statistics Canada shows that total student debt in Canada was \$28 billion.⁴² Between 2000 and 2010, average student debt (both from government and

non-government sources) increased in Alberta by 100.9 percent for college graduates, 71.0 percent for graduates with a bachelor's degree, 70.3 percent for graduates with a masters degree, and 121.8 percent for graduates with a doctorate (See Chart 3).

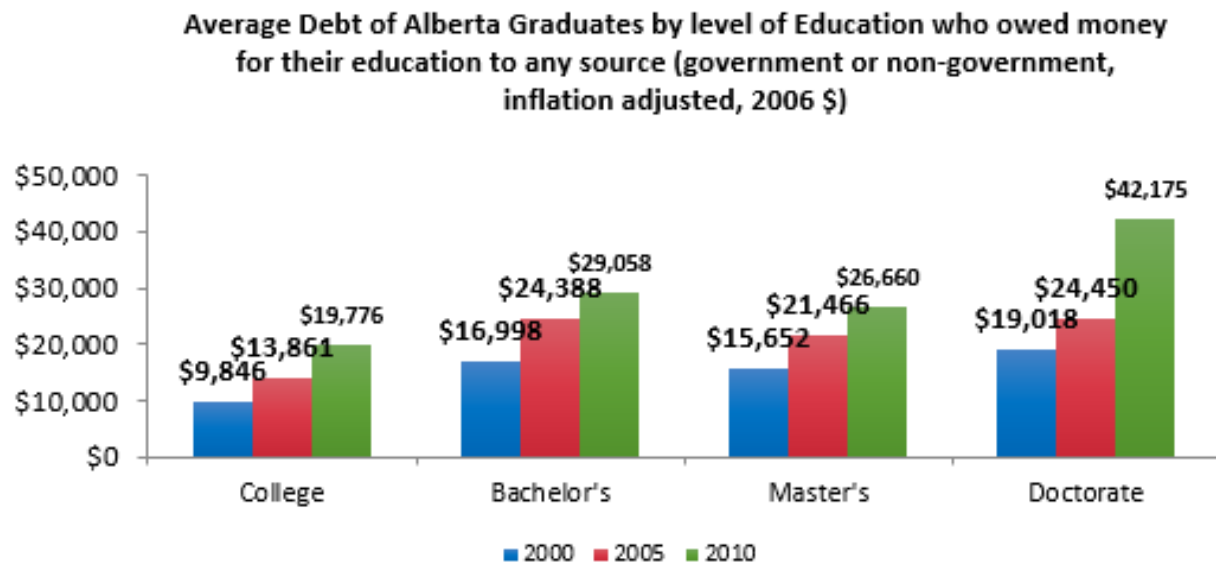


Chart 3, Source: Statistics Canada, CANSIM Table 477-0069

Rising tuition fees and funding cuts have led to an increase in the student loans received by students, and in the proportion of students who are receiving loans (see Chart 4). Comparing the 2008-09 academic year to 2014-15, the total number of students in Alberta increased by 2,833 students, while the number of student who received loans increased by 16,730. That represents a jump of 43.9 percent in the number of students who required student aid.

Students who cannot afford to pay for their education up front are paying more for the same education. This is because students who take on loans are being penalized through interest rates charged on those loans. The average student graduating with a bachelor's degree from an Alberta university in 2010 would have accumulated a debt of \$29,058.⁴³ Using the loan repayment estimator with a fixed rate with 120 months to repay the loan, a total of \$13,248.45 of interest would have to be paid on that loan⁴⁴ Needless to say, this debt burden affects the ability of graduates to invest in the local economy.

42 Employment and Social Development Canada (ESDC). (2016) "Canada Student Loans Program: Annual Report, 2013-2014." <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-2015.html>.

43 Statistics Canada, CANSIM Table 477-0069.

44 Student Loan Repayment Calculator. <http://tools.canlearn.ca/cslgs-scpse/cln-cln/crp-lrc/af.nlindex-eng.do>

ACADEMIC YEAR	TOTAL ALBERTA STUDENTS	TOTAL LOAN RECIPIENTS		TOTAL VALUE OF LOANS (MILLIONS \$)		PROPORTION OF LOAN RECIPIENTS TO TOTAL STUDENTS	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
2008-09	260267	35356	192	204.8	0.27	13.6%	0.1%
2009-10	264106	42006	325	216.5	0.46	15.9%	0.1%
2010-11	266340	47503	444	252.3	0.72	17.8%	0.2%
2011-12	265501	49882	477	275.8	0.74	18.8%	0.2%
2012-13	269737	49114	1021	269.3	1.74	18.2%	0.4%
2013-14	262744	49309	1166	274.1	2.10	18.8%	0.4%
2014-15	263100	50885	1393	285.9	2.50	19.3%	0.5%

Chart 4, Source: Advanced Education Alberta; Employment and Social Development Canada.

Reducing tuition fees can improve student lives by ensuring they can concentrate on what matters most while in school, namely, their academic performance. Further, reducing tuition fees is an effective way to both increase accessibility to PSE while also reducing student loan debt. During the late 1990s, Newfoundland and Labrador had over 20,000 students in debt, with an average student loan debt of over \$30,000 per student. Under Premier Danny Williams, however, the Progressive Conservative government brought in substantial reductions in tuition fees.⁴⁵ By the 2014-15 academic year, the number of students using the student aid system in that province had dropped to approximately 5,286 students—and average student loan at the time students were leaving school had dropped to just \$11,001.⁴⁶

POST-SECONDARY EDUCATION OPERATING GRANTS

In order to eliminate tuition fees in Alberta, the provincial government would have to directly fund tuition fee revenue to post-secondary institutions. This would have to be coupled with predictable increases to the Campus Alberta Grants, which are provided to post-secondary institutions by the Government of Alberta as base funding to support the delivery of approved credit programs, including apprenticeship programs.⁴⁷ The grants must be adequate to meet the needs of individual institutions so that the quality of education continues to improve while not impacting accessibility.

Increased funding for operating expenditures should come with stipulations. Research by Cameron Morrill and Janet Morrill has highlighted that post-secondary institutions have undermined their core mission activities of teaching and research by increasing spending on administration and highly paid managerial staff and professional ranks.⁴⁸

45 Keith Dunne and Nick Falvo. (2010). "Danny Williams' Post-Secondary Education Legacy." <https://academicmatters.ca/2010/12/danny-williams%E2%80%99-post-secondary-education-legacy/>

46 Employment and Social Development Canada (ESDC). (2015) "Canada Student Loans Program: Annual Report, 2013-2014." <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-2014.html>.

47 Advanced Education. Government of Alberta: Operating Grants. <http://advancededucation.alberta.ca/1439.aspx>

48 Cameron Morrill and Janet Morrill, (2017). "Pulling Back the Curtain on University Financial Reports". Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/publications/commentary/pulling-back-curtain-university-financial-reports>

The AAB will increase annual funding to Advanced Education by \$522 million.⁴⁹ This will help ensure that PSE across the province is universal, affordable, accessible, and of high quality. This increased funding will be distributed as follows:

1. Reduce Tuition fees by 20 per cent. Cost - \$240 million per year.
2. Eliminate interest on provincial portion on all student loans. Cost - \$132 million per year.⁵⁰
3. Increase in funding to Universities' and Colleges' Operating and Capital Grants. Cost - \$100 million per year.
4. Increase existing non-repayable student aid grants to help cover costs of living. Cost - \$50 million per year.⁵¹

AAB ACTIONS

ACTION: The AAB will increase annual funding to Advanced Education by \$522 million.	RESULT: PSE across the province is made universal, affordable, accessible, and of high quality.
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49 Ministry of Finance, Government of Alberta Budget 2017. <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-tables.pdf>

50 Estimated foregone revenue from student loan interest payments. In the Alberta Budget Fiscal Tables, the estimated balance of student loans for 2018 is \$2.549 Billion. AB Government charges CIBC Prime Rate (3.2%) + 2% = 5.2%. <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-tables.pdf>

51 It is recommended that the Government Alberta use the existing student aid system to determine the size of grants that could be based on the same determinants that would qualify students for a student loan.

INDIGENOUS PEOPLES

HIGH STAKES:

- Addressing Indigenous peoples' contemporary marginalization and under-representation in all sectors of society due to governments legislation, policies and processes, requires a focused intentional strategy built on a framework that supports reconciliation.
- Indigenous peoples are the fastest growing population in Canada, experiencing a 42.5% increase from 2006, with a 2.5 million projected increase in next 20 years.⁵²
- Over half of the First Nations population reside in the western provinces, with 14.0% in Alberta.⁵³
- Indigenous peoples are overrepresented in the homeless sector, with 30.1% of the homeless population in 7 cities across Alberta being Indigenous.⁵⁴
- Indigenous peoples' labour force participation in Alberta leads the rest of Canada with 3.5% of workers in all industries being Indigenous.⁵⁵

CLEAR CHOICES:

- The AAB will use the Truth and Reconciliation Commission (TRC) Calls to Action and the United Nations Declaration on the Rights of Indigenous People (UNDRIP) as a framework for reconciliation with respect to multi-jurisdictional laws, policies, and operational practices, that includes budget processes and decisions.
- The AAB will invest in cultural capacity building by disbursing \$2.2 million across all 22 departments (i.e., \$100,000 X 22) for an Intergovernmental Relations Position that will focus on inter-ministerial relations with Indigenous peoples and developing a multi-jurisdictional approach to Indigenous issues.
- The AAB will invest \$51 million in urban initiatives by providing: (a) \$1 million to Friendship Centres across Alberta; and (b) \$50 million in Indigenous Permanent Supportive Housing.
- The AAB will invest \$4M in Indigenous Data Governance for Treaties 6, 7 and 8, and Métis Nation of Alberta to support Indigenous-governed data governance and the development of response strategies.
- The AAB will invest \$24 million in expanding Climate Change Leadership.
- The AAB will honour its duty to consult and accommodate (referred to as free, prior and informed consent in UNDRIP) with Indigenous peoples respecting their participation in new economies by developing and implementing Government Resource Revenue Sharing (GGRS) Model(s), such as those implemented by the BC, Yukon and NT governments.

52 Statistics Canada. (2017). Aboriginal peoples in Canada: Key results from 2016 Census Released: 2017-10-25. Retrieved from www.statcan.gc.ca/daily-quotidien/171025/dq171025a-eng.htm

53 Ibid.

54 7 Cities on Housing and Homelessness. 2016. Alberta Point-In-Time Count of Homelessness. February 2017. Prepared by Three Hive Consulting for 7 Cities on Housing and Homelessness. Retrieved from <https://www.7cities.ca/7-cities-pit-count>

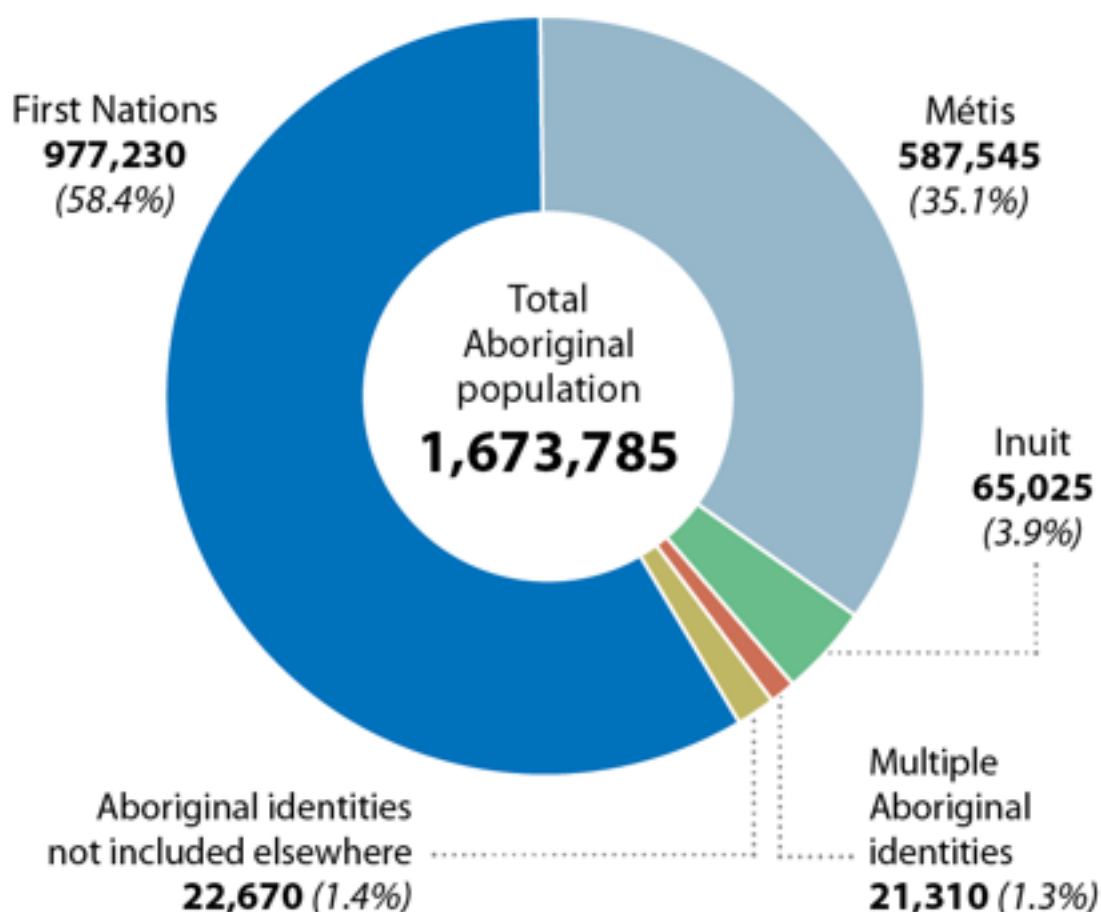
55 Coates, Ken. (2016). First Nations Engagement in Energy Sector in Western Canada. Prepared for Indian Resource Council Inc. June 2016. Retrieved from <http://www.irccanada.ca/sites/default/files/First%20Nations%20Engagement%20in%20the%20Energy%20Sector%20in%20Western%20Canada.pdf>

BACKGROUND:

This chapter brings an Indigenous perspective to the Alberta Alternative Budget (AAB). Indigenous peoples are the fastest growing population in Canada at a rate of 42.5% over the last ten years.⁵⁶ As a result, it is imperative that the AAB reflect this reality. The Government of Alberta (GoA) has committed positively to: (1) implementing the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) consistent with the Canadian Constitution and Alberta law; (2) recognizing and respecting the rights of Indigenous peoples and their cultural identities; and (3) engaging Indigenous communities in the approach moving forward on implementing the principles of the UNDRIP.⁵⁷ Also in the words of the Notley government, these are key elements to continuing the work “to develop more coordinated approaches to engagement to ensure adequate input is collected on the many different initiatives affecting Indigenous peoples”.⁵⁸

THE ABORIGINAL POPULATION IN CANADA

A breakdown of the Aboriginal identity population in Canada in 2016:



SOURCE: STATISTICS CANADA

THE CANADIAN PRESS

⁵⁶ Statistics Canada. (2017). Aboriginal peoples in Canada: Key results from 2016 Census Released: 2017-10-25. Retrieved from www.statcan.gc.ca/daily-quotidien/171025/dq171025a-eng.htm

⁵⁷ Government of Alberta. 2017. Indigenous Relations Business Plan 2017-20, page 87.

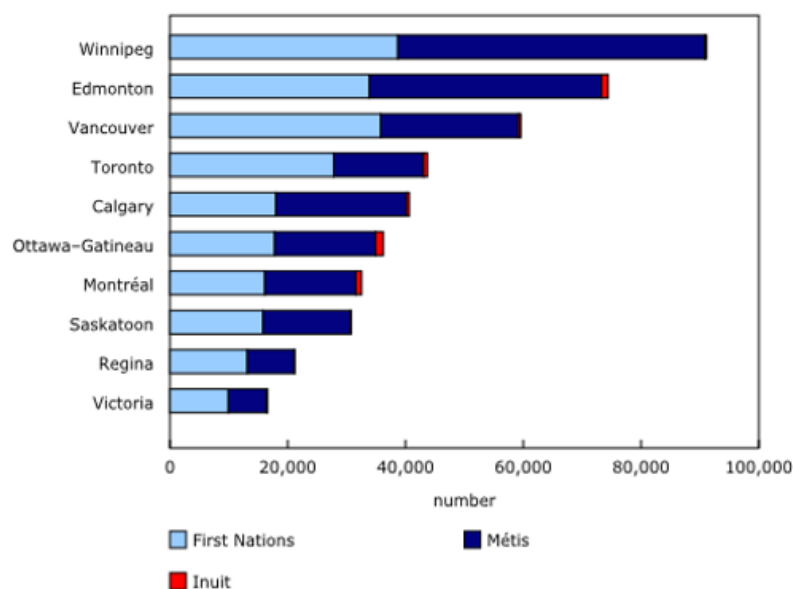
⁵⁸ Ibid., page 88.

A recent study⁵⁹ found that, despite language and cultural differences, Indigenous peoples share common values. Indeed, Indigenous peoples may have similar public policy preferences. The participation of Indigenous peoples in the public policy development process on a broader level would ensure that public policy at all jurisdictional levels remain responsive, relevant, inclusive, and respectful of diversities to ensure meaningful outcomes.

Within Alberta, there are 45 First Nations and 140 reserve lands, across Treaties 6, 7 and 8. There is a diversity of Indigenous languages spoken in Alberta such as Cree, Blackfoot, Chipewyan, Dene, Sarcee, Stoney (Nakoda Sioux), and Michif. The Metis Nation of Alberta is the representative body of Metis in the province; there are 8 Metis settlements in Alberta, across 6 regions in the province. Alberta has a diverse, young Indigenous population that is growing, and demands greater access to jobs and economic development which requires careful strategic planning that is informed by relevant data. Indigenous participation in data collection about their respective populations remains a challenge. Existing data sets on Indigenous peoples do shape government decisions in such areas as policy, fiscal relations, agreements and protocols, and strategic directions—all critical to the successful participation of Indigenous peoples in

the economy. Achieving success requires capacity development at the local levels to ensure that Indigenous people are in control of their own data surveillance and have the ability to provide authentic interpretations of data sets that reflect realities on the ground so that meaningful policies and program decisions concerning them can be made in a respectful manner.

Statistics Canada's 2016 Aboriginal Peoples Survey indicates that over half of the First Nations population lives in the western provinces, with 14 percent of First Nations people living in Alberta. It further identifies Calgary and Edmonton as two of the 10 metropolitan areas with more than 10,000 Metis people. Between 2006 and 2016, the Indigenous population grew by 42.5 percent. This number is expected to continue growing over the next 20 years due to increased life expectancy, high fertility rates, and changes in self-reported identification. The 2016 Census indicates that Indigenous peoples have a significantly younger population, with proportionally more children and youth. The average age among Indigenous peoples in Alberta is 29.8 years and Statistics Canada projections indicate that Indigenous population growth is expected to continue trending upward in urban areas (with First Nations being the largest migrant Indigenous population off-reserve).⁶⁰



Source: Statistics Canada, Census Population, 2016

59 Montpetit, Eric; Lachepelle, Erick; Kiss, Simon. (2017). Does Canadian Federalism Amplify Policy Disagreements: Values, Regions and Policy Preferences. September 12, 2017. Institute for Research on Public Policy. Retrieved from <http://irpp.org/research-studies/study-no65/>

60 Statistics Canada. 2017. Aboriginal peoples in Canada: Key results from 2016 census. Retrieved from www.statcan.gc.ca/daily-quotidien/171025/dq171025a-eng.htm.

When the Alberta NDP came to power in 2015, they announced eight priorities for Indigenous peoples:

- Implement United Nations Declaration on the Rights of Indigenous Peoples and build it into provincial law;
- Support a national inquiry into missing and murdered Indigenous women;
- Work with Indigenous peoples to build a relationship of trust and ensure respectful consultation;
- Work with Indigenous and federal governments to resolve land claims;
- Implement Jordan's Principle to prevent jurisdictional conflicts that prevent children from receiving services they need;
- Ensure Indigenous communities have access to clean and safe drinking water;
- Improve the representation of Indigenous history and culture in the Alberta school curriculum;
- Repeal Bill 22 and consult and collaborate with First Nations Bands on business arrangements.

Although the Notley government has started making good on some of these promises, this government needs to place greater value on Indigenous governance, Indigenous voices, Indigenous knowledge systems and Indigenous laws in order for true reconciliation and consultation to happen in this province.

The Alberta Alternative Budget considers how the province's public services are under pressure, how they are underfunded, and how this is compounded by the province's dependency on a carbon-centric economy. It discusses the impacts on health, education, child care, poverty, and economic diversification and development and recommends a five-point framework that would help move Alberta to a low carbon future. The five-point framework identifies key components: environment, export potential, inclusive growth, just transition, and a move beyond oil price dependency.⁶¹ From an Indigenous perspective this proposed framework can provide a guide

for addressing environmental issues and impacts related to carbon-centric dependency on oil and gas that is derived from Indigenous traditional territories (and that is estimated to impact more than 23,000 Indigenous peoples who live in Alberta's oil sand region within 18 First Nation communities and 6 Metis settlements).⁶² It can also serve to be inclusive of Indigenous peoples by creating opportunities for meaningful collaboration and participation.

From an Indigenous perspective, reconciliation is a key element to the five-point framework. It must be part of an intentional consciousness when policy and programs concerning and impacting Indigenous peoples are being developed. It must take into consideration the complexities of the interjurisdictional relationships that are in place with respect to Indigenous peoples. When any new policy is developed, the AAB insists that the following question be asked: *Do the GoA legislation, policy, programming, and financial planning processes required by this policy support reconciliation with Indigenous peoples from an integrated, inter-ministerial, multi-jurisdictional approach, or is it a single window, siloed approach limited to one department?*

Acknowledging that the historical narrative and contemporary analysis of events needs shifting is a first step in the process to reconciliation. The GoA is currently positioned on the path of reconciliation but remains challenged by the extent to which it is prepared to begin addressing the harder issues related to equitable and meaningful Indigenous participation in the economy through such tools as government resource revenue sharing agreements with Indigenous peoples.⁶³

The Alberta provincial and municipal governments must strategically plan and interact with Indigenous peoples who are moving to urban areas to access employment, business opportunities, and services such as education, training, housing, health services, and child care. This context is compounded by the Truth and Reconciliation Commission's (TRC) release

61 Foundations for an Alberta Alternative Budget, March 2017. Retrieved from www.progressive-economics.ca/wp-content/uploads/2017/03/AAB-Working-Group-Foundations-for-an-Alternative-Budget-2017.pdf

62 Ten things you should know about Indigenous people and resource extraction in Alberta. Retrieved from http://www.parklandinstitute.ca/ten_things_to_know_about_indigenous_people_and_resource_extraction_in_alberta

63 Indian Resource Council. 2016. First Nations Engagement in Energy Sector in Western Canada. Prepared by Dr. Ken Coates for Indian Resource Council. June 2016.

of their 94 Calls to Action⁶⁴ in 2015, which call upon different levels of government to advance the process of reconciliation by learning about Indigenous peoples' history and experiences. There are movements in the responses to the TRC Calls to Action by various levels of government, organizations, and institutions which are encouraging. Yet, there remains work in this area, as awareness grows to understanding, and becomes part of the Albertan consciousness and begins to produce a series of respectful meaningful relationships with Indigenous peoples. Positive movement in this direction include the GoA's recent 10-year framework agreement reached between the GoA and the Metis Nation of Alberta in February 2017, and the protocol agreement reached between the GoA and the Blackfoot Confederacy which identifies the economy and economic development as priority areas of mutual concern. These two agreements are good examples of nation-to-nation and government-to-government relations. *But a key question remains: Can the complexities of the federal government and its counterparts, the provincial and municipal governments, work together collaboratively with Indigenous Nations to overcome jurisdictional matters respecting Indigenous peoples so that the well-intentioned concern for improving the well-being of Indigenous peoples is achieved?*

Some hard discussions lie ahead if the well-being of Indigenous peoples is to be improved, which includes dialogue on revenue-sharing agreements derived from the natural resources being extracted from Indigenous ancestral lands across the country. Such discussions will include all levels of government if the complexities of the historic relationship with Indigenous peoples is to be reconciled and as a Canadian populace we can move forward in our shared understanding of what it means to be all Treaty people where the original spirit and intent of Treaty is honoured and realized.

A common teaching among Indigenous Elders are reminders of the holistic understanding Indigenous peoples share - meaning all aspects of life are inter-related and require careful consideration so that the best decisions are made for all.⁶⁵ Indigenous peoples are part of the Alberta political, social, and economic landscape. They need to be active participants in the conversations that will move the province forward into new economies and new solutions to address the shortfalls of existing public policy.

"Indigenous cultures focus on a holistic understanding of the whole that emerged from the millennium of their existence and experiences." - Leroy Little Bear

"There is enormous diversity among communities of Indigenous Peoples, each of which has its own distinct culture, language, history, and unique way of life. Despite these differences, Indigenous Peoples across the globe share some common values derived in part from an understanding that their lives are part of and inseparable from the natural world." - Wilma Mankiller

64 Truth and Reconciliation Commission of Canada, 2012. (2015). Truth and Reconciliation Commission of Canada, Calls to Action. Retrieved from www.trc.ca/websites/trcinstitution/File/2015/Findings/Calls_to_Action_English2.pdf

65 Leroy Little Bear. 2017. Indigenous Peoples Worldviews vs. Western Worldviews. Blog by Bob Joseph, Indigenous Corporate Training Inc. 2017. Retrieved from <https://www.ictinc.ca/blog/indigenous-peoples-worldviews-vs-western-worldviews>; Wilma Mankiller. 2009. Being Indigenous in the 21st Century in Cultural Survival Quarterly Magazine. March 2009. Retrieved from <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/being-Indigenous-21st-century>.

AAB ACTIONS

The AAB's Indigenous budget ask is predicated on the assumption that government will approach the Indigenous Ask as an integration throughout all departments and not view Indigenous matters as being isolated to any one department, such as the Indigenous Relations Department.

Reconciliation is an important element of the proposed alternative budget framework that would support and enhance the GoA's inter-ministerial relationship building with Indigenous peoples. It would also support the implementation of protocol and framework agreements, the TRC Calls to Action, and the UNDRIP. This would ensure that all provincial departments implement the Calls to Action and begin using UNDRIP as a framework for the way in which the Province works with Indigenous peoples, while providing special attention to the most vulnerable in our communities (women, children, Elders, low income, homeless, environment).⁶⁶ This approach is consistent with the GoA's commitment to implementing the principles of the UNDRIP in a way that is consistent with the Canadian Constitution and Alberta law, while recognizing and respecting the rights of Indigenous peoples and their cultural identities.

GOA policies need to account for changing demographics, such as the growth in the population of Indigenous people, with a significantly younger more mobile population, now 6.5 percent of the total population in Alberta.⁶⁷ Half of the 6.5% Indigenous population in Alberta live in urban centres.

It is important for the Province to acknowledge the complexities of Indigenous relations arising from the fiduciary responsibility of the Government of Canada combined with the Provincial responsibility of Indigenous citizens through delegated federal authorities. As a result,

First Nations and Metis Nation governments have suffered impacts of colonization on their sovereignty and nationhood, which now require substantial support to rebuild their governance structures. Currently, the federal government has committed to nation-to-nation building with First Nations peoples, and government-to-government building with Metis Nations. The GOA recognizes that it has a responsibility to work with Indigenous peoples and build positive relations. These efforts need to include provincial commitment to ensure that Indigenous peoples are consulted on all matters concerning their peoples and territories. This requires a coordinated strategy that ensures policy alignment, and that addresses funding gaps in all social, educational, health, and housing programming, including capital costs for affordable housing to address the overrepresentation of Indigenous peoples in the homeless sector off-reserve.

Historically, Indigenous peoples enjoyed the freedom to be mobile for economic, political, social and cultural purposes, until limitations on their mobility were imposed by the federal government. With these restrictions having been lifted in the early 1950's, Indigenous peoples have continued to be mobile for the same purposes. Indigenous peoples' participation in new economies off-reserve and outside their communities is a reality that is reflected in the demographics across this country. The Province has a responsibility to ensure that Indigenous peoples have equitable access to employment opportunities, in both private and public sectors, including just transition to energy diversification, non-energy diversification economic opportunities, with a focus on sustainable development. Indigenous participation in climate change research supports the GoA's duty to consult approach and ensures meaningful participation in processes that impact Indigenous peoples, territories and resources.

66 Yerichuk, D. Johnson, Felix-Mah, R., and Hanson, T. (2016). Housing and Homelessness Policy Recommendations for Indigenous Women Affected by Domestic Violence: A Scoping Review. Edmonton, AB. Policy Wise for Children and Families. Retrieved from <https://policywise.com/wp-content/uploads/2016/11/2016-11NOV-01-Scoping-Review-Indigenous-Women-DV-Homelessness.pdf>; First Nations Women's Council on Economic Security. (2016). 2016 Report and Recommendations and Government of Alberta Response. December 2016. Retrieved from http://indigenous.alberta.ca/documents/First_Nations_Council_Report_DEC16.pdf?0.6055437137658111.

67 Statistics Canada. (2017). Aboriginal peoples in Canada: Key results from 2016 Census Released: 2017-10-25. Retrieved from www.statcan.gc.ca/daily-quotidien/171025/dq171025a-eng.htm

ACTION: The AAB will use the UNDRIP as a framework for reconciliation with respect to its laws, policies, and operational practices respecting Indigenous peoples, which includes the budget processes and decisions, and exploration of Government Revenue Resource Sharing (GRRS) models.

RESULT: GoA laws, policies and operational practices support increased Indigenous participation in the economies of Alberta and society as a whole.

ACTION: The AAB will invest \$51 million in Indigenous urban initiatives led by Friendship Centers which focus on reconciliation and relationship building (\$1 million), and increasing urban housing options for Indigenous singles and families (\$50 million).

RESULT: Increased meaningful Indigenous participation and improved relations at the municipal and provincial levels, including reduction of homelessness and improved living conditions among Indigenous singles and families.

ACTION: The AAB will invest \$2.2 million to enhance the GoA's cultural competency and capacity across all ministerial departments to address the complexities of Indigenous-Federal-Provincial-Municipal relations.

RESULT: There will be increased inter-ministerial communication, coordination of strategic action, and response time to collaborating with Indigenous peoples and other orders of governments to address complex inter-jurisdictional Indigenous issues.

ACTION: The AAB will invest \$4 million to support Indigenous peoples (Treaty 6, Treaty 7, Treaty 8 and Metis Nation of Alberta) to implement their own data governance, to improve socioeconomic programming.

RESULT: GoA will greatly improve access to Indigenous specific data through data sharing agreements with Indigenous governed organizations that will better inform the policy, programming and operational practices.

ACTION: The AAB will invest \$24 million to enhance their Climate Leadership Plan by introducing three new programs specific to Indigenous peoples: 1) Housing, Water, Wastewater and Retrofit Program (\$14 million); 2) Alberta Indigenous Non-Energy Just Transition Program (\$8 million); and 3) Climate Justice Research Fund (\$2 million).

RESULT: The GoA will improve its duty to consult process, support less reliance on energy, and enhance its capacity to collaborate with Indigenous peoples to address environmental issues impacting their peoples, territories, and resources.

CHILDCARE

HIGH STAKES:

- Alberta has a young working population with young families. We also have a lot of stay at home moms.
- Women in this province face the worst pay equity in this country.
- No matter how you look at it, childcare in Alberta is expensive for everyone.
- Childcare in Alberta needs to be universal, affordable and accessible.

CLEAR CHOICES:

- The AAB will implement universal childcare in this province at a cost of \$1.1 billion annually.
- By expanding the current NDP childcare pilot project model, childcare workers will have access to greater professional development, more spaces will become accredited, and the overall quality, accessibility and availability of childcare in this province will be improved.
- Universal childcare in Alberta will encourage more women to enter the labour force.

BACKGROUND

This chapter brings a gendered perspective to the Alberta Alternative Budget 2018. You cannot have an honest conversation about childcare without discussing the role of gender—not only are the vast majority of child care workers women, but good child care also has important ramifications for the participation of women in the labour force. We are in a unique position in this province because we have a young working population at childbearing age, and they are having a lot of babies, making the call for universal childcare urgent.

ALBERTA'S GROWING FAMILIES

Improving the quality, accessibility, and affordability of Alberta's childcare system is important for growing Albertan families, women's participation in the workforce, stimulating economic growth, and reducing poverty. The employment rate among women dramatically rose in the last four decades; this has changed working patterns of Canadian families with children.⁶⁸ During this period, the proportion of double-earner families has almost doubled in Canada, and the proportion of single-earner families has decreased.⁶⁹ This means most children have two working parents, and single earning families are less common in Canada. Mothers and fathers are increasingly in the workforce, as families are squeezed for time, finances, and support services.⁷⁰

However, Alberta has the highest proportion of stay-at-home parent families, and the proportion of dual-earner families increased the least in Alberta when compared to other provinces.⁷¹ Quebec has the lowest childcare fees in Canada, so it not surprising that they have a lower proportion of stay-at-home parent families (13%) compared to Alberta that has the highest proportion of couple families with a stay-at-home parent (26%).⁷²

According to the GoA's analysis of the 2016 Census, our province has a lot of young people, workers, and babies.⁷³ In 2016, Alberta remained Canada's youngest province, with a median age of 36.7 years, compared to the national median of 41.2 years.

68 Uppal, S. (2015, June). Employment patterns of families with children. *Insights on Canadian Society*, pp. 1 - 12.

69 Uppal, S. (2015, June).

70 Anderson, L., Ballantyne, M., & Friendly, M. (2016). *Child care for all of us: Universal child care for Canadians by 2020*. Canadian Centre for Policy Alternatives. Ottawa: CCPA. See: <https://www.policyalternatives.ca/publications/reports/child-care-all-us>

71 Uppal, S. (2015, June)

72 Uppal, S. (2015, June)

73 Alberta Treasury Board and Finance. (2017, May 19). *2016 Census of Canada - Age and Sex Release*. Retrieved November 1, 2017, from <https://open.alberta.ca/publications/2016-census-of-canada-age-and-sex-release>

We continue to see an influx of migrants to our province. From 2011 to 2016, we gained 300,000 new residents. These were mostly young working adults from international and interprovincial sources.⁷⁴

Albertans, on a per capita basis, have slightly more babies than other Canadians. Alberta's total fertility rate is 1.8 children per woman of childbearing age, while for the rest of Canada it is 1.6. Between 2011 and 2016, the number of children in our province increased by 95,000 (13.8% growth), which is the highest growth rate of children in Canada. In 2016, about 2.8 million Albertans are working age (15 to 64 years) comprising 68.5% of the total population, the highest share among the provinces.⁷⁵

No matter how you look at it, childcare in Alberta is expensive for everyone.

A CASE FOR UNIVERSAL CHILDCARE

Most Canadian families cannot access affordable quality childcare, as across Canada there are spaces for fewer than one-quarter of 0-5 year olds and very high fees for parents to pay.⁷⁶ Childcare professionals in Canada also tend to be women who are underpaid and do not receive the same level of training when compared to other wealthy countries.⁷⁷

A childcare system with more funding from senior

orders of government would allow for the delivery of high quality, affordable, and inclusive childcare for all families.⁷⁸ A recent position paper on reaching universal childcare for Canada by 2020, suggests that "a long-term approach to building a childcare system in Canada" be grounded in "three overarching principles: universality, high quality, and comprehensiveness."⁷⁹

Although a national framework is key for all Canadians, provinces like Quebec have already introduced accessible, affordable early childhood development through their \$7 per day childcare, and Albertans can follow suit by establishing our own affordable childcare where we begin with \$25 per day childcare.

A recent study on childcare fees highlights that preschool fees cost \$1,000 per month in Calgary, \$885 per month in Edmonton, and \$882 per month in Rural Eastern Alberta. Childcare fees in Alberta are among the highest in Canada; whether kids are attending a child care centre or home care.⁸⁰ In comparison, preschool fees fall into a more manageable range of \$168 to \$183 per month in Quebec.⁸¹ Between 2014 and 2017, median preschool fees have increased by 8.2% in Calgary and 18.6% in Edmonton, rates that far exceed the rate of inflation during the same period (which was 3.7% in this period). The following chart shows the monthly fees in different Alberta and Canadian cities collected by Macdonald and Friendly, and includes the Alberta pilot project for comparison.⁸²

Table 1: Median Childcare Monthly Fees (Macdonald & Friendly, Time Out, 2017)

	INFANT	TODDLER	PRE-SCHOOLER
Edmonton	\$990	\$891	\$885
Calgary	\$1,250	\$1,050	\$1,000
Rural Eastern Alberta	N/A	N/A	\$882
Toronto (highest fees)	\$1,758	\$1,354	\$1,212
Montreal (lowest fees)	\$168	\$168	\$168
Alberta Pilot Project \$25 per day	\$500	\$500	\$500

74 Alberta Treasury Board and Finance. (2017, May 19)

75 Alberta Treasury Board and Finance. (2017, May 19)

76 Anderson, L., Ballantyne, M., & Friendly, M. (2016). Page 4

77 Anderson, L., Ballantyne, M., & Friendly, M. (2016)

78 Anderson, L., Ballantyne, M., & Friendly, M. (2016). Page 16

79 Anderson, L., Ballantyne, M., & Friendly, M. (2016). Page 2

80 Macdonald, D., & Friendly, M. (2017, December). *Time Out: Child Care Fees in Canada 2017*. Retrieved December 12, 2017, from <https://www.policyalternatives.ca/timeout>

81 Macdonald, D., & Friendly, M. (2017, December)

82 The Alberta pilot project is discussed below

The Alberta Child Care Survey 2016 conducted by Public Interest Alberta pointed to the sad state of childcare in this province.⁸³ The survey pointed out that costs are high, even for many low-income families receiving government child care subsidies.⁸⁴ Low-income families in nearly half (44%) of the facilities surveyed are paying over \$300 per month, over and above their subsidy for childcare. Access to childcare is especially insufficient for care of infants and children with special needs (For example, 40% of operators surveyed in Alberta do not offer care to infants).⁸⁵

The current childcare system in Alberta is a market-based care system, which means parents end up paying high fees but receive lower quality care and a patchwork of care, where accessibility, universality and affordability are not priorities. The Alberta survey discussed above found a majority of child care workers employed by non-profit operators (52%) were trained to the highest level (child development supervisor), while just 40% of those employed by for-profit operators were trained to the same level.⁸⁶

The purpose of universal childcare is that it benefits all children; those from low income families or middle class families, both dual earning and single income families, all of which cannot currently afford childcare.

UNIVERSAL CHILDCARE CAN IMPROVE WOMEN'S ECONOMIC SECURITY

Alberta women have the largest gender pay gap in Canada, where full-time working women are making \$31,000 less than male colleagues per year.⁸⁷ Add that to the high childcare fees and lack of accessibility to quality childcare, and Albertan working women have it pretty hard.

Fortin, Godbout, and St-Cerny estimated that in 2008 the universal low-fee childcare system in Quebec increased women's employment in the province by 3.8 percent. They calculated that Quebec's domestic income (GDP) was \$1.7 percent higher (\$5 billion) as a result. They argue the program more than pays for itself by increasing women's employment.⁸⁸ It is argued that there are two main impacts of Quebec's low-fee childcare program on government's budgets: the program increases tax revenues and decreases family transfers.⁸⁹

After the universal childcare system was introduced, the labour force participation of women in Quebec rapidly increased. Between 1997 and 2016, the labour force participation of mothers (aged 25 – 44) with young children rose from 76% to 85% in Quebec,⁹⁰ and for the rest of Canada it only rose from 78% to 80%. The following charts show how women with a spouse in Quebec have higher levels of labour force participation than their Alberta counterparts, and how single mothers are near parity to Quebec women when it comes to labour force participation. If universal childcare is introduced in Alberta, women's labour force participation is likely to increase along similar trajectories to Quebec women.

83 Public Interest Alberta. (2016). *Alberta Child Care Survey 2016*. Edmonton: PIA

84 For more information on the Government of Alberta's Child Care Programs go to: <http://www.humanservices.alberta.ca/family-community/child-care.html>

85 Public Interest Alberta. (2016)

86 Public Interest Alberta. (2016)

87 Lahey, K. A. (2016). *Equal Worth: Designing Effective Pay Equity Laws for Alberta*. Edmonton: Parkland Institute.

See: http://www.parklandinstitute.ca/equal_worth

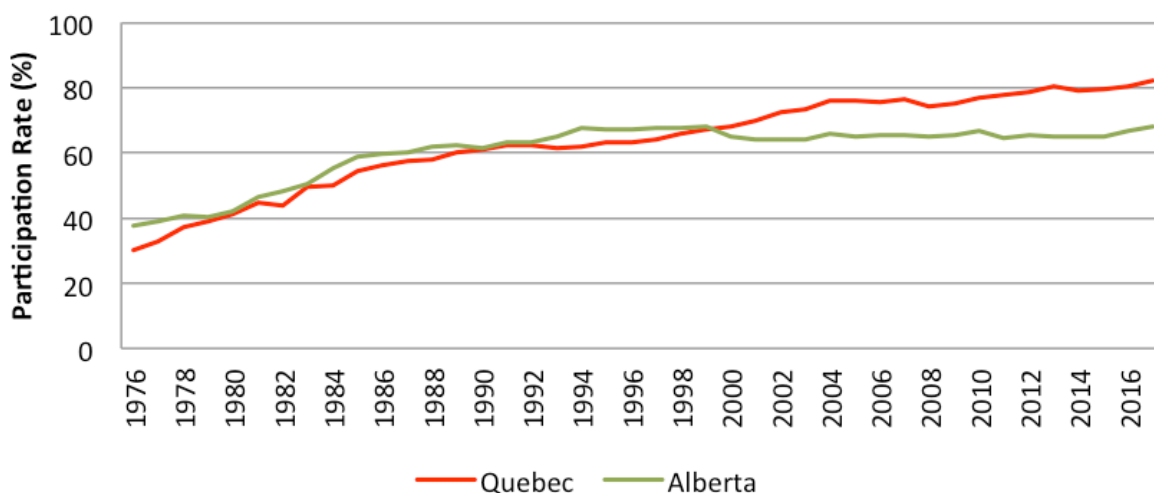
88 Fortin, P., Godbout, L., & St-Cerny, S. (2012). *Impact of Quebec's Universal Low Fee Childcare Program on Female Labour Force Participation, Domestic Income, and Government Budgets*. University of Sherbrooke. Sherbrooke: Research Chair in Taxation and Public Finance

89 Fortin, P., Godbout, L., & St-Cerny, S. (2012)

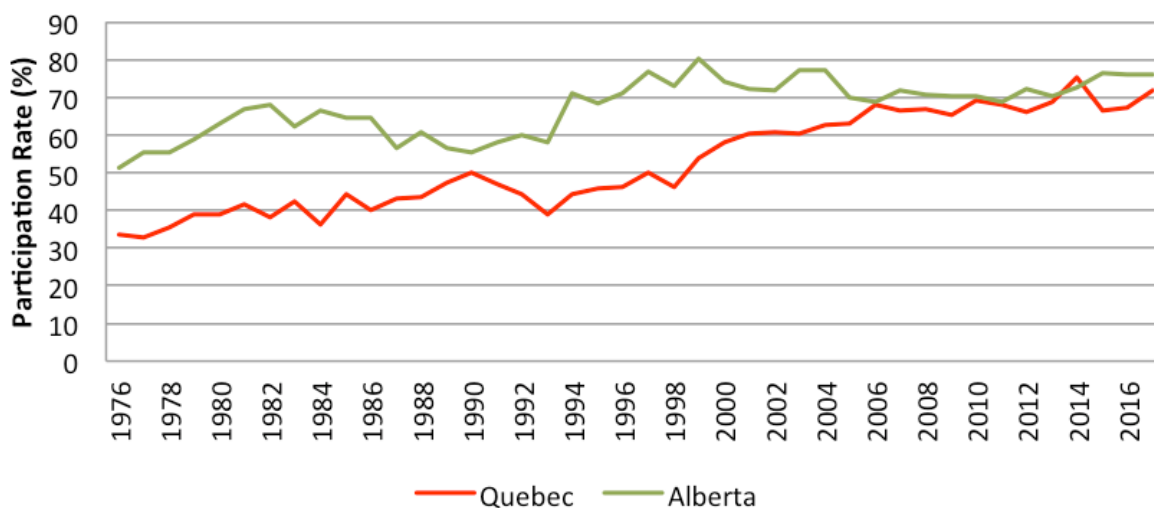
90 Fortin, P. (2017). *What have been the Effects of Quebec's Universal Childcare System on Women's Economic Security*. Université du Québec à Montréal, Economics. Ottawa: Brief Submitted to the Standing Committee on the Status of Women of the House of Commons.

See: <http://www.ourcommons.ca/content/Committee/421/FEWO/Brief/BR8806290/br-external/FortinPierre-e.pdf>

**Labour Force Participation Rate
Women with an Partner/Spouse and Child Younger than 6 Years**



**Labour Force Participation Rate
Women with no Partner/Spouse and Child Younger than 6 Years**



The current employment income of Quebec mothers has greatly increased. Today, with approximately 75,000 more mothers working in employment paid an average annual salary of \$40,000 (not including benefits), the program is adding some \$3 billion annually to women's income in Quebec.⁹¹ With continuity in their careers, women's wages and employment

income are bound to increase faster over their entire work life. Universal childcare has the potential to benefit women and children from all economic backgrounds. Children of all economic backgrounds can be vulnerable, so the health benefits and future economic benefits of early childhood education can improve the lives of all children.

⁹¹ Fortin, P. (2017)

UNIVERSAL CHILDCARE AND A TOTAL EXPANSION OF THE NDP CHILDCARE PILOT PROJECT

The Notley government campaigned on introducing \$25 per day childcare. Although the childcare budget has seen a modest increase in recent years, this is still not enough to fund accessible, affordable childcare in the province. A commitment was made in the 2015 Budget to increase childcare funding by \$75 million in 2015-2016 and \$100 million in 2017-2018. And in November 2016, the government announced a \$10 million pilot project, which would allow for \$25 per day childcare fees at a few select centres for about 1,000 spaces.

In December 2017, the Notley government announced an expansion of the pilot project. An additional 78 early learning and child care centres will be added to the original 22 pilot sites (with 1,296 original spaces),⁹² creating an additional 4,500 spaces.⁹³ In total, there will be 100 pilot sites⁹⁴ creating more than 5,800 childcare spaces across the province. This expansion is possible because of a multilateral agreement the province signed with the federal government, provincial, and territorial partners to support affordable child care initiatives.⁹⁵ Under the agreement the province will receive nearly \$46 million per year for three years that will cover the cost of the expansion.⁹⁶

The Early Learning and Child Care Centres under the pilot project focus on five approaches: space creation, affordability of \$25/day, quality, improvements to address gaps in the current system, and program evaluation.⁹⁷ Under this pilot project parents can be offered flexible childcare for those that work shifts outside of typical hours (7am to 6pm) or work part time hours. Some of the pilot project sites offer cultural diversity and learning for children from diverse

ethnic backgrounds, some sites offer parenting resources and supports, and all sites collaborate to support vulnerable families (i.e. low income, lone parents, teen parents).

The NDP government has already started making child care a priority. But for real change we need to implement universal childcare. The NDP has increased the number of childcare spaces by 6.6 percent last year, and began the \$25 per day pilot project. In 2016-17, the Ministry of Child Services “reported a total of nearly 117,000 licensed and approved child care spaces, an increase of more than 7,200 spaces.”⁹⁸

A rough estimate would be that it costs \$732 million to subsidize all current 117,000 spaces. In total, it would cost \$1.1 billion to fund universal child care. This would be based on the current proportional divide of the Alberta child care budget where 65 percent goes towards subsidies and 35 percent goes towards program delivery. In the future, Alberta should continue to increase childcare spaces to meet the demands of a growing population, and also begin considering implementing publicly-funded, publicly-managed accredited daycares throughout the province. One criticism of the current pilot project model is that it relies on early learning and child care centres that are run based on a market model, which is inevitably an unsustainable model for accessible universal childcare. As well, future considerations for improving the current model should be that the \$25 per day fee needs to be decreased closer to Quebec’s \$7 per day fee for true affordability.

92 Government of Alberta - Human Services. (2016, November). *Early Learning and Child Care Centres Fact Sheet*. Retrieved November 2017, from <http://www.humanservices.alberta.ca/documents/ELCC-fact-sheet.pdf>

93 The Canadian Press. (2017, December 19). Alberta government expands \$25 a day child care to 78 more centres. Calgary, Alberta, Canada. See: <https://www.ctvnews.ca/canada/alberta-government-expands-25-a-day-child-care-to-78-more-centres-1.3728034>

94 The Canadian Press. (2017, December 19)

95 Government of Alberta - Child Services. (2017, December). *Expanding Alberta's Early Learning and Child Care (ELCC) Centres Fact Sheet*. Retrieved December 2017, from <https://www.alberta.ca/assets/documents/elcc-fact-sheet.pdf>

96 Government of Alberta - Child Services. (2017, December)

97 Government of Alberta - Human Services. (2016, November)

98 Government of Alberta, Children's Services, Annual Report 2016 – 2017. See:

<https://open.alberta.ca/dataset/476d1e4b-bdfa-4330-a88a-79bdacee1a9a/resource/9cc24492-f3dd-4966-8238-c9277989f193/download/CS-AR-2016-17.pdf>

AAB ACTIONS

In order for action to take place in this province there needs to be a gender based analysis of all our institutions.

ACTION: The AAB will implement universal childcare throughout the province at a cost of \$1.1 billion annually. The current pilot project model will be expanded throughout the province to all current spaces.	RESULT: Universal childcare will result in increased labour market participation of women higher GDP for the province. As well, by expanding the current pilot project model, childcare workers will have access to greater professional development, more spaces will become accredited, and the overall quality, accessibility and availability of childcare in this province will be improved.
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POVERTY

HIGH STAKES:

- Alberta's economy has started to recover, but many Albertans are still struggling to overcome the loss of a job.
- The Alberta Child Benefit and minimum wage policies have reduced poverty in the province.
- The battle against child poverty is not over. However, the group facing the greatest levels of poverty is now adults without children.
- Social assistance recipients have seen their benefits reduced by about \$25 per month since 2012, when accounting for inflation.
- Alberta's social assistance programs claw back earnings at the rate of 75% (after a small exemption) and child support payments at 100%.

CLEAR CHOICES:

- Increase Alberta Works income support rates by \$150/month and index these rates to inflation.
- Change the Alberta Families Employment Tax Credit to the Alberta Employment Tax Credit, allowing all low-income working Albertans to access it.
- Reduce the clawback on earnings for social assistance recipients from 75% to 50% and treat child support payments as employment income.
- Double the amount of the Alberta Child Benefit.
- Monitor the results of the Ontario Basic Income Pilot and draft possible mechanisms for implementing a basic income in Alberta.

BACKGROUND

Alberta's economy has started to recover, but many Albertans are still struggling to overcome the loss of employment. The social assistance caseload finally peaked in the middle of 2017 at around 56,000 families – 70% higher than it was before the price of oil dropped – and has begun to fall as the economy begins to create jobs again (Figure 1).⁹⁹

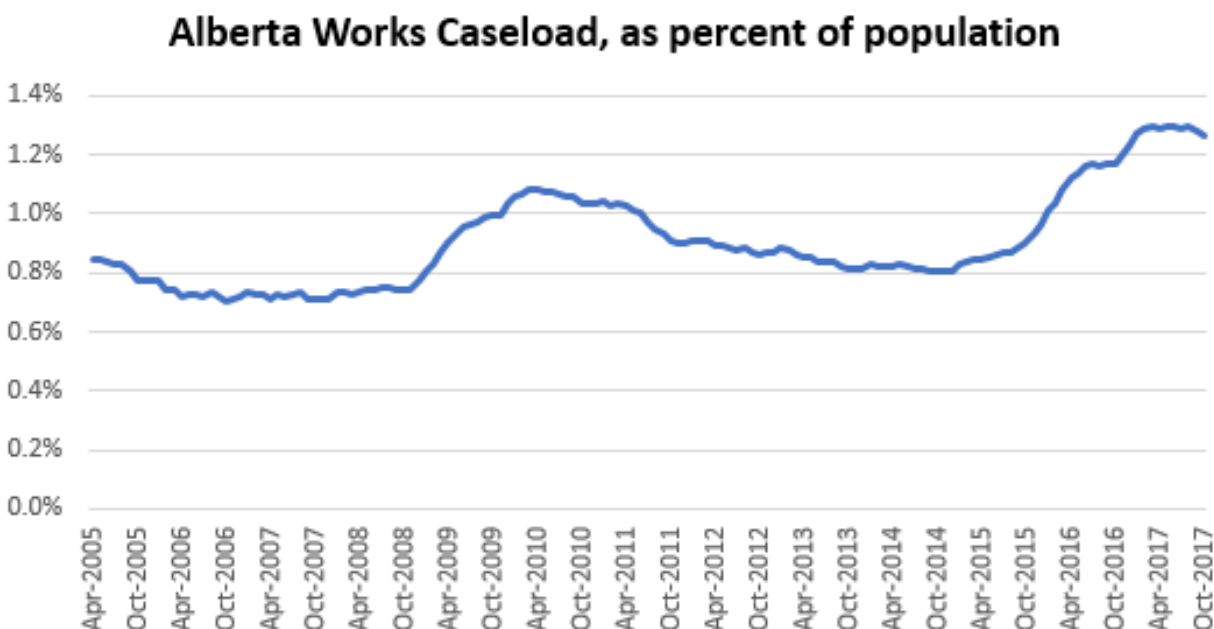


Figure 1

⁹⁹ Alberta Official Statistics (2017). Income Support Caseload, Alberta. December 5, 2017. Retrieved from: <https://open.alberta.ca/dataset/income-support-caseload-alberta> Figure 1 is the author's calculation combining this information with a linear interpolation of population estimates from Statistics Canada (2017). Table 051-0001 – Estimates of population, by age group and sex for July 1. CANSIM (database). Accessed: December 5, 2017.

In 2016, the provincial government took two significant actions to help low-income Albertans: the introduction of the Alberta Child Benefit and three scheduled increases to the minimum wage, reaching \$15/hour by October of 2018. These initiatives are making a difference: in 2018, the poverty rate among children and parents will be about 30% lower than it would have been without these changes, as tens of thousands of families move out of poverty or do not fall into it in the first place.¹⁰⁰ Other changes have improved the quality of life for low-income Albertans, including increases to funding for Family and Community Social Services (FCSS), low-income transit passes, a targeted school lunch program for elementary students and payday loan legislation reducing the maximum effective interest rate to 130%.

While the poverty rate among single-parent families has fallen, it is still high. Most of the families moving out of poverty because of these changes are two-parent families. Single-parent families are more likely to be in deep poverty, such that an additional benefit of a thousand or a few thousand dollars per year is not enough to lift them across the poverty line. However, a thousand or a few thousand dollars makes a very big difference in these families' lives. One way to measure this is via the *poverty gap*, which calculates the total difference between families' incomes and the poverty line across the entire province. With the increase in the minimum wage and the introduction of child benefits, the poverty gap falls from \$3.0 billion to \$2.5 billion – and from about \$1.1 billion to \$0.8 billion for families with children under the age of 18.

Alberta Total Poverty Gap, by family type, with and without changes to minimum wage / creation of Alberta Child Benefit

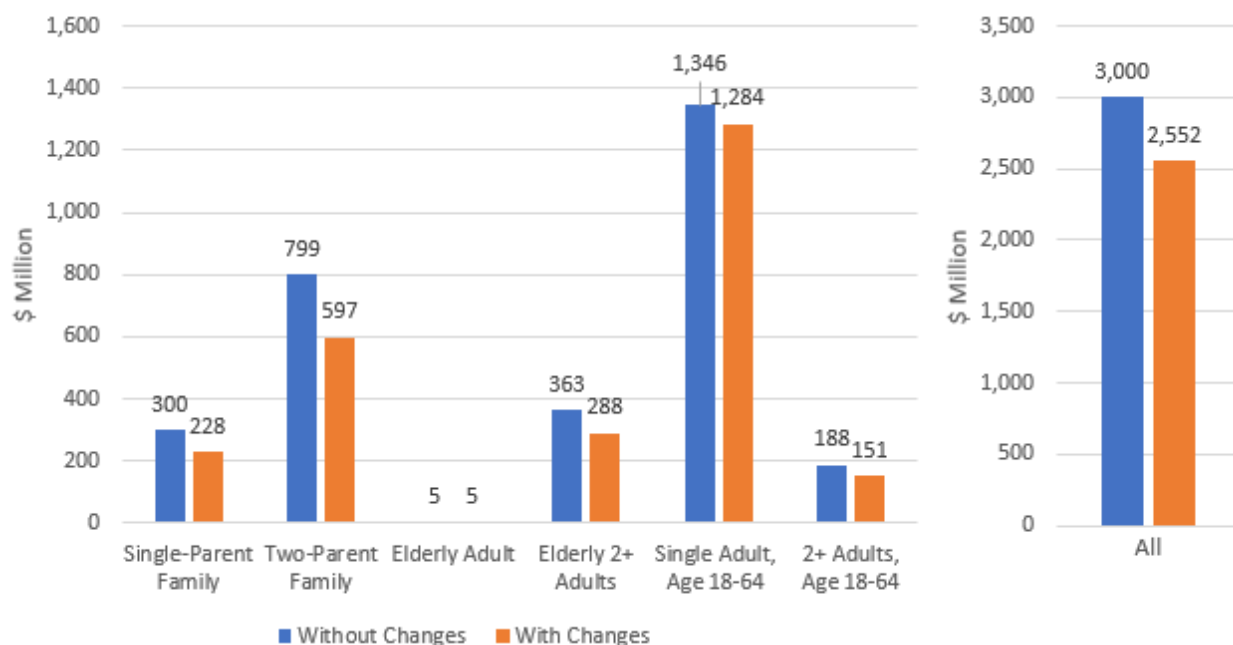


Figure 2

Figure 2 shows that the battle against child poverty is not over. It also shows that the largest group facing the greatest levels of poverty is no longer families with young children, but now adults without children. Since the child benefit is not relevant for this group, the major impact on

them comes from changes to the minimum wage. The poverty rate among adults without children only falls by about 5% in 2018 compared to what it would have been otherwise and their poverty gap remains in excess of \$1.4 billion.

¹⁰⁰ Author's calculations using SPSPD/M (see Methodology section)

Most low-income adults without children are working, but those in deepest poverty are usually on social assistance or have no income at all. Along with changes to the minimum wage, many low-income adults benefit from the federal government's Working Income Tax Benefit, which provides a rebate to low-income workers. Alberta has a similar program, the Alberta Families Employment Tax Credit (AFETC), but it is only available to adults with children under 18.

Social assistance recipients have seen their benefits reduced by about \$25 per month since 2012, when accounting for inflation.¹⁰¹ A single adult on income assistance in Alberta still receives \$627 per month, while the average rent for a bachelor apartment in Edmonton or Calgary is \$830. This is evidently a contributing factor to homelessness in Alberta; increasing social assistance by \$125 per month is likely to eliminate the need for 500 shelter beds in those two cities alone.¹⁰²

By the end of 2018, working 40 hours per week at a minimum wage job will garner gross earnings of \$2,600 per month, dwarfing the meagre pay from social assistance. For those only able to find part-

time or casual work, though, the benefits may be less clear. Alberta's social assistance programs provide a small earnings exemption of \$230 per month, but then claw back all additional earnings at the rate of 75%. For single parents on social assistance, child support payments are clawed back at 100%. This provides no incentive at all for deadbeat parents to contribute, as their child receives no benefit.

The earnings clawback provides a large disincentive to work more than 15 hours per month, unless a person can get a lot more work. Leaving social assistance comes with risks: in Edmonton, the Bissell Centre's eviction prevention program found that clients relying on earned income only were more likely to be evicted than those on social assistance, as they may have months with no income at all or greatly reduced income.¹⁰³ Making the transition to employment easier should be a high priority. Ontario is presently testing the provision of a basic income in place of social assistance and Alberta has a valuable opportunity to watch and learn whether this is an effective way to reduce poverty or not, along with the other outcomes the Government of Ontario is studying.

AAB ACTIONS

While the 2016 Budget and minimum wage policies made a big difference in the lives of many low-income Albertans, the 2017 Budget offered them very little. The 2018 Alternative Alberta Budget will restart progress toward the eventual goal of eliminating poverty in Alberta.

ACTION: The AAB will increase income support rates by \$150/month (\$75 in core shelter and \$75 in core essentials for all categories) and index social assistance to inflation (cost: \$80 million).

RESULT: A decrease in the poverty gap for the poorest Albertans, especially single parents and single adults. This action will also likely reduce homelessness.

ACTION: The AAB will change the Alberta Families Employment Tax Credit to the Alberta Employment Tax Credit, allowing all low-income working Albertans to access it (cost: \$230 million).

RESULT: Albertans without children will get to keep more of their paycheques, just like Albertans with children do.

101 Tweddle, A., Battle, K. and Torjman, S. (2017). Welfare in Canada, 2016. Caledon Institute of Social Policy, https://maytree.com/wp-content/uploads/Welfare_in_Canada_2016.pdf

102 Kneebone, R. and Wilkins, M. (2016). Shrinking the Need for Homeless Shelter Spaces. SPP Research Papers, 9 (21) <https://www.policyschool.ca/wp-content/uploads/2016/06/homeless-shelter-spaces-kneebone-wilkins.pdf>

103 Another Way (2016). *Community Bridge: Final Evaluation*. Unpublished manuscript

ACTION: The AAB will reduce the clawback on earnings for social assistance recipients from 75% to 50%. The AAB will also treat child support payments as employment income (cost: \$20 million - see methodology section below).

RESULT: Social assistance recipients will get to keep more money when they find work, supporting them in a transition to self-sufficiency. Single parents on social assistance will get to keep half – instead of none – of their child support, allowing low-income children to get ahead and providing an incentive for parents owing child support to pay.

ACTION: The AAB will double the amount of the Alberta Child Benefit. The benefit will remain indexed to inflation (cost: \$150 million).

RESULT: Another 17,000 children and parents will be lifted out of poverty and the total poverty gap for families will be closed by 17%.

ACTION: The AAB will commit to monitoring the results of the Ontario Basic Income Pilot and will draft possible mechanisms for implementing a basic income in Alberta.

RESULT: An in-depth public conversation about how to support low-income Albertans will prepare the groundwork to put ending poverty on the table in the next provincial election campaign.

The actions in the AAB taken together will reduce Alberta's total poverty gap by 11%.

Alberta Total Poverty Gap, by family type, before and after the Alberta Alternative Budget

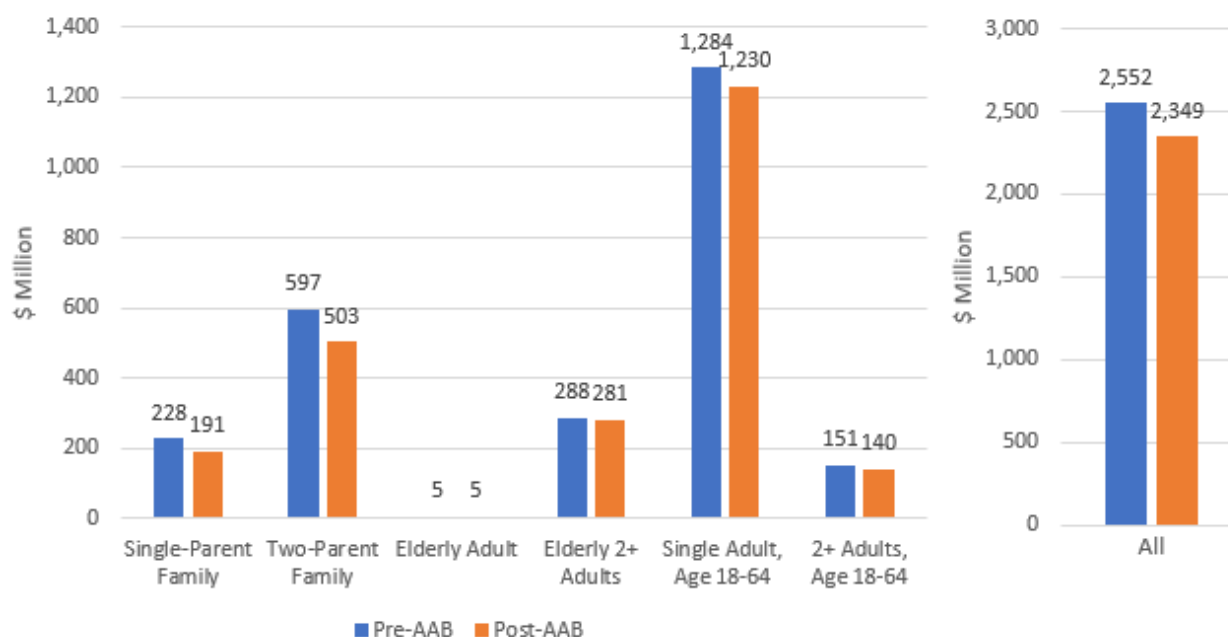


Figure 3

METHODOLOGY

The “poverty line” cited here is Statistics Canada’s Low-Income Measure. When used in its raw form, some individuals and families who are comfortable or outright wealthy are included as “low-income” because their particular forms of income are not counted. To avoid this problem, three adjustments have been made for the purposes of this paper: RRSP withdrawals and child support payments are counted as income and negative self-employment income is counted as zero income.

Analysis in this chapter is based on Statistics Canada’s Social Policy Simulation Database and Model (SPSD/M). The assumptions and calculations underlying the simulation results were prepared by Robbie Brydon and the responsibility for the use and interpretation of these data is entirely that of the author. Because SPSPD/M uses calendar years, the projections for poverty rates refer to January to December 2018. The most recent version of SPSPD/M available at the time of writing uses data from the 2014 Canadian Income Survey as its base and applies an annual growth (or loss) adjustment for time elapsed since then. Estimates related to the interaction between social assistance and child support or wages draw on a small number of records from the CIS and are annual estimates, where the results would be dependent on monthly fluctuations. These should be treated with caution.

The minimum wage for 2018 will be approximately \$14 when averaged over the entire year. In the model, workers earning between \$10.92 (the expected minimum wage if only adjusted for inflation) and \$13.99 per hour were assigned a wage of \$14. Workers with an average wage less than \$10.92 received a 28% increase in their wage. There is great debate as to the effect of increases in the minimum wage on employment. Most reviews of the literature suggest that the effect is relatively small or possibly zero. I have assumed an elasticity of -0.1 and applied this uniformly across all employees whose wages were impacted (though the effects are more likely to be concentrated). Employees earning more than \$14 per hour already are not affected, though many of them will see some increase in compensation.

The Alberta Employment Tax Credit is calculated in the same manner as the Alberta Family Employment Tax Credit for couples. For single adults, the threshold at which the credit begins to phase out is reduced by half. The maximum credit for singles or for couples is equal to that of a parent with one child.

AFFORDABLE HOUSING & HOMELESSNESS

HIGH STAKES:

- People without affordable housing suffer from poor health outcomes, have difficulty finding and sustaining employment and are at greater risk of having their children removed by child welfare authorities.
- The government of Rachel Notley has undertaken important initiatives pertaining to affordable housing, including the near doubling of provincial spending on housing over a five-year period.
- Yet, on a per capita basis, Alberta has approximately half the number of rental units as the rest of Canada.
- In recent years, when Alberta's provincial government has provided capital funding for new affordable housing, funding for the ongoing operating costs of the housing units in question has often not been provided.

CLEAR CHOICES:

- Provide a clear outline of how provincial housing dollars already announced by the Notley government will be spent.
- Allocate \$150 million in one-time funding to repair and retrofit existing units of social housing.
- Allocate \$150 million in annual capital funding for supportive housing (for vulnerable subpopulations).
- Allocate \$200 million in annual funding for rent supplements (i.e., financial assistance for renters).

BACKGROUND

Research tells us that people who lack affordable housing suffer from poor health outcomes,¹⁰⁴ have difficulty finding and sustaining employment¹⁰⁵ and are at greater risk of having their children removed by child welfare authorities.¹⁰⁶

It is therefore troubling that, in Alberta, there are more people in need of affordable housing than there are affordable housing units. Throughout the province, approximately 11 percent of households are in core housing need; put differently, out of necessity, approximately 140,000 households in the province are either paying more than 30 percent of their monthly income on housing, are living in a unit that is too small for their household type, or are living in a unit in need of major repairs. For Indigenous households, the figure is approximately 17 percent.¹⁰⁷

104 Moloughney, B. (2004). *Housing and population health: The state of current research knowledge*. Retrieved from the Canadian Institute for Health Information website: https://secure.cihi.ca/free_products/HousingPopHealth_e.pdf

105 Shier, M. L., Jones, M. E., & Graham, J. R. (2012). Employment difficulties experienced by employed homeless people: Labor market factors that contribute to and maintain homelessness. *Journal of Poverty*. 16 (1). Retrieved from <http://www.tandfonline.com/doi/abs/10.1080/10875549.2012.640522>

106 For more on the implications of inadequate housing on child protection services, see Chau, S., Fitzpatrick, A., Hulchanski, J. D., Leslie B., & Schatla, D. (2009). Chapter 1.3: One in five...housing as a factor in the admission of children to care. In J. D. Hulchanski, P. Campsie, S. Chau, S. Hwang and E. Paradis (Eds.), *Finding home: Policy options for addressing homelessness in Canada*. Toronto: Cities Centre, University of Toronto. For more on the implications of inadequate housing on education, see Dector, A. (2007). *Lost in the Shuffle: The Impact of Homelessness on Children's Education in Toronto*. Retrieved from Social Planning Toronto's website: http://www.socialplanningtoronto.org/lost_in_the_shuffle_the_impact_of_child_homelessness_on_children_s_education_in_toronto

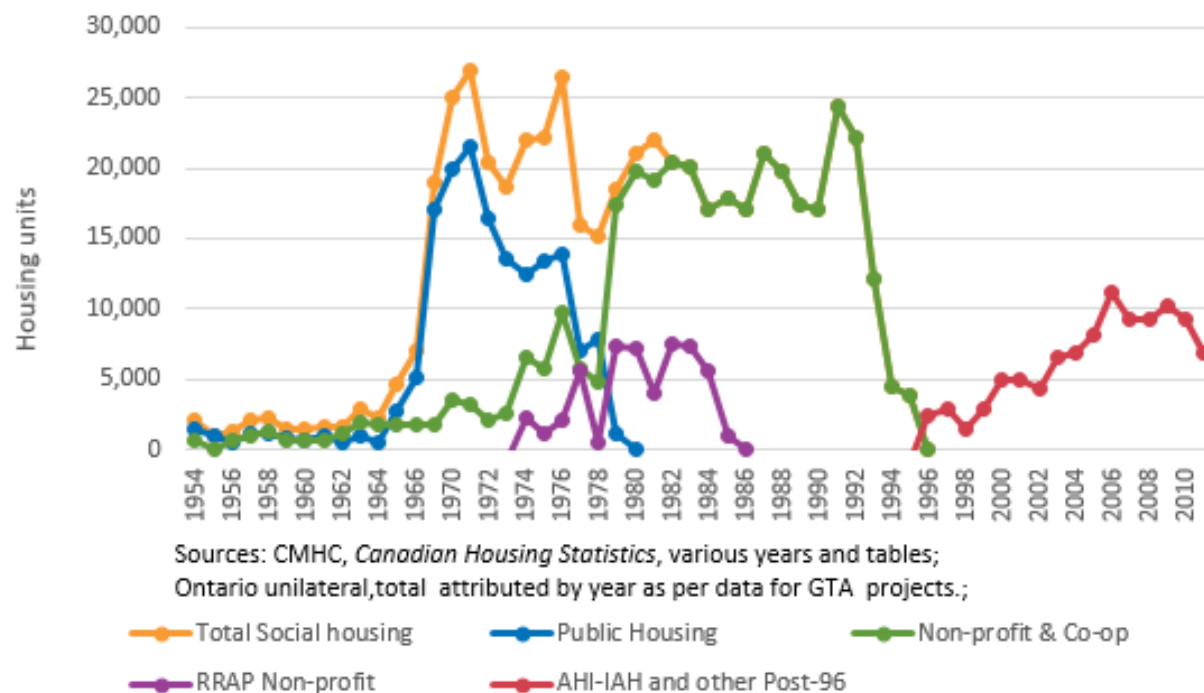
107 For more on the meaning of core housing need, see this link: https://www.cmhc-schl.gc.ca/en/hoficlincl/observer/observer_044.cfm. And for some figures related to core housing need across Canada, see this link: https://www.cmhc-schl.gc.ca/en/hoficlincl/homain/stda/data/data_013.cfm

The major reason for such a large number of households being in core housing need stems from the fact that there are a considerable number of Alberta households with low incomes. This applies to households relying on social assistance, workers' compensation benefits, Employment Insurance, the Guaranteed Income Supplement (for seniors), and low-paying jobs.¹⁰⁸

Because of the gap between what housing costs to build and maintain, on the one hand, and income

levels for low-income households, on the other, a considerable amount of subsidized housing for low- and modest-income households was created during the 1960s, 1970s and 1980s. Financed mostly by federal and provincial governments, this was always done in collaboration with the private sector. During the 1990s and early 2000s, however, senior orders of government in Canada created much less housing for low-income households than previously. This trend is illustrated in the line graph below.

Annual Social Housing Commitments, Canada 1954-2011



Note. Chidom Odogwu (Calgary Homeless Foundation) created this modified line graph based on data compiled by Greg Suttor (Wellesley Institute). The original line graph appeared in Dr. Suttor's 2016 book titled *Still renovating: A history of Canadian social housing policy* (McGill-Queen's University Press).

In recent years, Alberta has been playing 'catch up' in terms of creating affordable housing units. For example, between 2002 and 2013, three times as many subsidized housing units were built in Alberta (on a per capita basis) than in Ontario—Alberta's strong economic performance during this same period helped drive this. However, on a per capita basis, Alberta today has approximately half the number of rental units as the rest of Canada.¹⁰⁹

As is illustrated in the table below, a disproportionate number of those without affordable housing in Alberta are Indigenous peoples (which is not surprising, in light of high rates of poverty among Indigenous peoples). Perhaps most disturbing is that the rate of core housing need for Status Indians is more than double the rate for non-Indigenous households.

¹⁰⁸ The AAB chapter on poverty will discuss low incomes across the province in more detail

¹⁰⁹ Calculations made by Janice Chan, based on Canada Mortgage and Housing Corporation rental figures

Characteristics of Households in Core Housing Need, Alberta

	NUMBER OF HOUSEHOLDS IN CORE HOUSING NEED (#)	INCIDENCE OF CORE HOUSING NEED (%)
Non-Indigenous household	123,985	10.3
Indigenous household	13,500	17.4
Status Indian	6,550	24.5
Non-Status Indian	1,875	17.0
Métis	7,390	14.9
Inuit	210	17.0

Notes. Figures have been taken from the Canada Mortgage and Housing Corporation website: https://www.cmhc-schl.gc.ca/en/hoficlincl/homain/stda/data/data_024.cfm. Figures are from 2011.

Alberta, along with all other provinces and territories, receives funding on an annual basis from Canada's federal government to operate existing social housing units (mostly for low-income tenants). This funding does not simply cover the mortgages; it also helps with the ongoing operating costs—that is, the difference between the rent received from tenants and what it actually costs the housing provider to keep the units in a decent state of repair. These funding agreements, which typically last between 35 and 50 years, have already started to sunset; some units have already been sold. The agreements are scheduled to end altogether in 2039.

NOTLEY GOVERNMENT

In its 2016 budget, the Notley government announced the near doubling of provincial spending on housing (albeit on a time-limited basis). This represented a total of \$892 million in new funding, spanning a five-year period; approximately \$13 million of this was earmarked for new units for specialized subpopulations, including for persons experiencing homelessness.

In July 2017, Alberta's provincial government released their provincial affordable housing strategy titled *Making Life Better*.¹¹⁰ Most of the new funding committed in this \$1.2 billion strategy is being allocated to public bodies, rather than to non-profits that operate at arm's length from government. The provincial government claims this will result in the creation of 4,100 new units of housing over five years, through a combination

of new builds and repairs. However, few other details about the provincial strategy have been released. The lack of information as to how these dollars will flow (e.g., what type of projects will receive the funding, which type of household will be targeted, and in which municipalities the funding will flow) makes it very challenging for key actors in the non-profit housing and homeless-serving sectors respectively to plan ahead.

NATIONAL HOUSING STRATEGY

In its recently-unveiled National Housing Strategy, Canada's federal government announced its intent to create a Canada Housing Benefit, consisting of financial assistance to help low-income households afford their rent. However, this will not begin until 2020, and the average beneficiary will receive a mere \$200 per month in benefits. This new Benefit will be cost-shared with the provinces and territories.

The Strategy also announced the creation of a new National Housing Co-Investment Fund, which, over 10 years, will create up to 60,000 units of new housing and repair up to 240,000 units of existing housing. This is a unilateral federal program; dollar-for-dollar cost-sharing will not be required from provincial and territorial governments (however, some assistance from provincial and territorial governments may be required).

The Strategy further announced the creation of the Canada Community Housing Initiative,

¹¹⁰ Read more about it here: http://www.seniors-housing.alberta.ca/housing/affordable_housing_strategy_engagement.html

whose focus will be on preserving existing units of social housing. This will require cost-matching from provinces and territories. Canada's approximately 500,000 social housing units that are both administered by either provincial or territorial authorities, and have rent-geared-to-income (RGI) subsidies, will be eligible for this. This fund will assist with repairs, help keep rents affordable and provide mortgage assistance for the operators. This means the issue of 'expiring operating agreements' is fixed for the next 10 years, as long as the provinces and territories agree to cost-match.

In setting a target of approximately 6,000 new builds annually in Canada over the next decade, the Strategy's targets amount to approximately one-third of the annual new social housing units built in Canada in the 1970s and 1980s.

AAB ACTIONS

The AAB calls for \$500 million in new, one-time provincial funding for affordable housing. This consists of the following:

- *A clear outline of how provincial housing dollars already announced by the Notley government will be spent.* At present, even well-placed advocates and researchers have very little idea as to how already-announced provincial housing dollars will be spent (e.g., in what municipalities the housing will be built, on what type of housing project the dollars will be spent, and what type of household will be targeted as tenants). This makes it challenging for both non-profit housing providers and key actors in the homeless-serving sector to plan ahead. It would be very helpful for Alberta residents to know how already-committed provincial housing dollars will be spent.
- *One-time funding to repair and retrofit existing units of social housing.* The rationale for this is twofold: 1) thousands of units of housing in Alberta have been falling into disrepair as a result of expiring operating agreements (discussed above); and 2) it is generally more cost effective to rehabilitate an existing unit of housing than it is to build a new unit from scratch. We believe that \$75,000 could do a very good job of turning a unit in need of major repairs (as defined by Canada Mortgage and Housing Corporation) into a very adequate unit. Thus, for \$150 million from Alberta Seniors and Housing, 2,000 existing social housing units could be rehabilitated. While it is true that the federal government has a long-term plan to address expiring operating agreement, most of the anticipated funding through the national strategy will not start to flow for several years. In effect, AAB one-time funding would serve as 'bridge funding.'
- *Annual capital funding for new supportive housing.* Subsidized housing for marginalized subpopulations (e.g., homeless, the frail elderly, persons with HIV/AIDS) that is accompanied by professional staff support (i.e. social work staffing) is referred to as supportive housing. We believe that \$200,000 in capital funding from Alberta Seniors and Housing can create either a bachelor or one-bedroom unit in an expensive housing market, or a two-bedroom unit in a less expensive housing market. Further, rental assistance would cost an additional \$750 monthly per household (so that the unit can remain affordable for a very low-income household). With this costing in mind, we believe that \$150 million in annual capital funding from Alberta's Ministry of Seniors and Housing for supportive housing would result in approximately 750 new units of supportive housing being created annually. However, funding for a rent supplement would also be required (e.g., possibly from the Alberta Ministry of Seniors and Housing and/or the Alberta Ministry of Community and Social Services) and professional staff support is needed from other ministries (depending on the subpopulation being supported) at an annual cost of between \$10,000 and \$20,000 per tenant.

- *Annual funding for rent supplements.* It is important to provide financial assistance to renters so they can rent housing units from for-profit landlords—such financial assistance is often referred to as a rent supplement. When rental vacancy rates are high (i.e. above five percent), for-profit landlords may be especially eager to rent to low-income households and will accept lower rent levels than in a context of low rental vacancy rates. What is more, this approach works very quickly—indeed, a low-income household can move into such a unit (with a rent supplement) within just a few months. We believe that \$200 million from the Alberta government (possibly from Alberta Seniors and Housing and/or the Alberta Ministry of Community and Social Services) would allow 40,000 low-income households to afford the rent in private housing units for a one-year period; it could also keep units affordable in instances where public money is provided for capital, but operating dollars to keep the unit affordable have not been provided by government.

<p>ACTION: Provide a clear outline of how provincial housing dollars already promised by the Notley government will be spent.</p>	<p>RESULT: non-profit housing providers and leaders in the homeless-serving sector can better plan ahead.</p>
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<p>ACTION: Allocate \$150 million in one-time capital funding to repair existing units of social housing.</p>	<p>RESULT: approximately 2,000 existing social housing units are rehabilitated.</p>
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<p>ACTION: Allocate \$150 million in annual capital funding for supportive housing.</p>	<p>RESULT: approximately 750 new units of supportive housing annually (but will require additional funding for both rental assistance and professional staff support).</p>
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<p>ACTION: Allocate \$200 million in annual funding for rent supplements (i.e., financial assistance for tenants).</p>	<p>RESULT: approximately 40,000 low-income households are able to afford the rent in already-existing units.</p>
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GENDER EQUALITY

HIGH STAKES:

- Recent changes to provincial labour laws bring Alberta in line with other provinces on minimum employment standards.
- However, Alberta has yet to pass legislation specifically addressing pay equity.
- Alberta has the largest gender pay gap in Canada; and there is a larger proportion of Alberta women working part time compared to men.

CLEAR CHOICES:

- The Government of Alberta should create a pay equity taskforce with the view of helping to create pay equity legislation to close the gender pay gap.
- The Alberta Human Rights Commission needs funding increases in order to hear complaints in a timely fashion, and increase education and awareness initiatives.
- Future initiatives intended to transition Alberta's economy away from fossil-fuel reliance need to make pay equity a priority. There is a need to increase both the employment of women in high earning professions and the value of feminized occupations in the labour market.

BACKGROUND

This chapter brings a gendered perspective to the Alberta Alternative Budget (AAB) and calls for greater gender equality by examining inequalities faced by women in paid work and unpaid work. Currently, Alberta has the largest pay equity gap between men and women in the country, creating tremendous economic insecurity for women. As discussed elsewhere in this year's AAB, childcare is difficult to access and afford, making participation in the labour force even more difficult for women. Women here have greater responsibilities in the home, contributing more in unpaid work and less in paid work.

Admittedly, women in the workplace are protected against discrimination on the basis of gender (through the *Alberta Human Rights Act* under provincial jurisdiction, and under the *Canadian Human Rights Act* under federal jurisdiction). Further, some workers have bargained for 'no discrimination' clauses within their collective agreements to emphasize these rights. However, Alberta still needs pay equity legislation.

According to a 2016 report entitled *Equal Worth: Designing Effective Pay Equity Laws in Alberta*:

While anti-discrimination legislation ensures that women receive equal pay for equal work – that is, in the same or very similar positions – Alberta laws do not require that women receive equal pay for work of equal value – for doing work that has the same or comparable value to that done by men...Pay equity legislation is one of the first and more fundamental steps in reducing this gender income gap, and bringing women and men closer to income parity. The purpose of pay equity laws is to equalize women's wages to levels equivalent to men's all across the wage scale – even in situations where there may not be any male wages with which to compare. Pay equity policies address equality, occupational segregation, and balance wage differentials for comparable work undertaken by women and men.¹¹¹

¹¹¹ Lahey, K. A. (2016). *Equal Worth: Designing Effective Pay Equity Laws for Alberta*. Edmonton: Parkland Institute. See: http://www.parklandinstitute.ca/equal_worth

BACKGROUND ON PAY EQUITY IN ALBERTA

After World War II, the International Labor Organization (ILO) instituted the Universal Declaration of Human Rights, which stipulated that “everyone worldwide, without any discrimination has the right to equal pay for equal work.” This was followed up with the 1951 ILO Convention 100 for “equal remuneration for men and women workers for work of equal value.”

Although some Canadian jurisdictions have specific equity legislation, Alberta has not passed legislation specifically addressing wage equity and has not developed a wage equity negotiation framework. Quebec, by contrast, has had the *Pay Equity Act* on the books since 1996, with the goal of “equal pay for work of equal value” to address inequities due to compensation and systemic gender discrimination. In 2009, Bill 25 was adopted in Quebec to increase compliance of the Act through measures such as equity audits and fines for non-compliance.

Another example, at the federal level, is the *Employment Equity Act* that was passed in 1986; it applies to employers under federal jurisdiction. The purpose of the *Employment Equity Act* is to “to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced” by equity groups such as women, Aboriginals and visible minorities. This increases the employment opportunities of individuals from equity groups, making federally regulated employers more representative of Canada’s diverse population. These are examples of legislation that address equity in the workplace by different means, some by directly addressing compensation inequities and some by addressing inequities in employment opportunities.

Section 6 of the *Alberta Human Rights Act* in addressing equal pay, states: “Where employees of both sexes perform the same or substantially

similar work for an employer in an establishment the employer shall pay the employees at the same rate of pay.” Further, Section 7 does not allow discrimination in employment practices, forbidding employers to “refuse to employ or refuse to continue to employ any person or discriminate against any person with regard to employment or any term or condition of employment” based on any of the protected grounds in the Act.

Unfortunately, the Alberta Human Rights Commission, which hears human rights complaints regarding equal pay and/or workplace discrimination cases, is historically underfunded, and this limits resources for hearing cases, and has limited funding for education and enforcement. In the last annual report provided by the Commission in 2015-2016, a quote pulled from 1972 commends the introduction of human rights legislation, while lamenting, “unless we’re prepared to back up the legislation with sufficient administrative muscle, we’re not going to cope with the real problem of discrimination.” The Commission’s report notes that the administrative funding challenge continues in 2016, which is essentially an access to justice issue. In 2015-2016, there were 821 new complaints opened, 766 complaints closed, and 1479 complaints that remained opened, meaning complaints are not being heard in a timely fashion. Physical Disability, Gender, and Mental Disability, were the top three grounds of discrimination cited in complaints. Employment practices (Section 7) was the main complaint ground cited in complaints (83%), while less than 1% of cases were cited as Equal Pay (Section 6) complaints.¹¹²

RECENT FAMILY FRIENDLY CHANGES IN EMPLOYMENT LAWS

There are good things happening in Alberta’s employment laws addressing gender issues. The recent changes to the *Employment Standards Code* have ushered in more ‘family friendly’ and ‘women friendly’ employment laws, bringing our province in line with other Canadian jurisdictions. On January 1, 2018 several changes came into

112 Alberta Human Rights Commission Annual Report 2015-2016. https://www.albertahumanrights.ab.ca/about/Pages/annual_report.aspx

force.¹¹³ Specific wins for women in the province under this new legislation are the expansion of maternity and parental leave, expanded compassionate care leave for caregivers, and the creation of domestic violence leave.

The Honourable Christina Grey, Alberta's Minister of Labour, is quoted as being proud of these monumental changes which were 30 years in the making: "I'm proud that our government brought forward these modern, fair and balanced laws that protect the rights of hard-working Albertans, support their families and help businesses stay competitive."¹¹⁴ Now that Alberta is more in line with the minimum employment standards of the rest of Canada, it is time to go further and reach for the maximum economic output that can result from a more gender equitable workplace, and implement pay equity legislation.

Another way the Notley government has made advancements for women at work has to do with the provincial minimum wage rate. Indeed, on Oct. 1, 2018, Alberta's minimum wage will reach \$15 an hour. Increasing the minimum wage will put a sizeable dent in reducing income inequality and reducing poverty among the working poor. It is very important to note that 61 percent of minimum wage earners are women, and this increase will "contribute to much-needed efforts to address Alberta's gender gap."¹¹⁵ We know more women are segmented to part-time work, and are more likely to work in industries such as sales, retail, accommodation, hospitality and food service (discussed below). This change will increase consumer-spending power, and boost local economies, while tackling labour shortages. As recently noted by political economist, Ian Hussey: "Minimum-wage hikes don't hurt our economy; they help ensure more working Albertans share

in the prosperity of our province."¹¹⁶ Alberta's lowest paid women deserve better.

When it comes to equity and opportunity, Alberta is consistently ranked at the bottom of the list of desirable places for women in Canada to live. For example, Calgary ranks 22 out of 25 cities, partly due to the wage gap.¹¹⁷ This gap is partly due to the gendered segmentation of Calgary's workforce, in which women are underrepresented in the trades and STEM jobs.¹¹⁸

The Equal Worth report cited previously notes: "Women in Alberta are paying a high price for this wage discrimination...women working full-time, full-year, are on average making \$31,100 less than their male counterparts."¹¹⁹ In Alberta, "social and workplace expectations mean that women in Alberta spend an average of 35 hours in unpaid work each week – twice the number of hours men spend on unpaid work, and among the heaviest unpaid workloads in Canada."¹²⁰ In addition to spending more time in unpaid labour, in December 2017 Alberta women made up almost two-thirds of the part-time work in this province.¹²¹ Indeed, women spend less time in paid labour than men.

Quebec has a universal childcare system, higher levels of labour force participation of women and pay equity legislation. Against that backdrop, the following table compares wage gaps between different occupations in Alberta and Quebec.

113 Changes include: Job-protected sick leave, long-term illness and injury leave, care for critical adult or child leave, bereavement leave, domestic violence leave, death or disappearance of a child leave and citizenship leave; Expanded compassionate care, maternity and parental leave to align with federal Employment Insurance benefits; Eligibility for leaves after 90 days rather than one year; Overtime banking at 1.5 times the number of hours worked; Simplified General Holiday Pay and increased eligibility; Clarified standards for vacations and vacation pay; New standards for termination, termination, pay, group layoffs and temporary layoffs; New penalty system for employers. See: <https://www.alberta.ca/release.cfm?xID=512292CC818EB-9AF2-67A4-A9971DE4D09B4124>

114 Source: <https://www.alberta.ca/release.cfm?xID=512292CC818EB-9AF2-67A4-A9971DE4D09B4124>

115 Hussey, Ian. (2016). Ten things to know about a \$15 minimum wage in Alberta. Edmonton: Parkland Institute. See: http://www.parklandinstitute.ca/ten_things_to_know_about_a_15_minimum_wage_in_alberta

116 Hussey, Ian. (2018). Alberta hasn't suffered from raising the minimum wage. The Globe and Mail. See: <https://www.theglobeandmail.com/amp/opinion/alberta-hasnt-suffered-for-raising-the-minimum-wage/article37517324/>

117 McInturff, K. (2017). The Best and Worst Places to be a Woman in Canada 2017: The Gender Gap in Canada's 25 Biggest Cities. Canadian Centre for Policy Alternatives

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120 Lahey, K. A. (2016). Page 9

121 Source: Statistics Canada, CANSIM Table 282-0087, accessed January 29, 2018

Alberta and Quebec Wage Gaps by Occupation 2017

Full time, median hourly wage rate, all occupations

OCCUPATION	QUEBEC		WOMEN'S EARNINGS AS A % OF MEN'S	ALBERTA		WOMEN'S EARNINGS AS A % OF MEN'S
	MALE	FEMALE		MALE	FEMALE	
Total employees, all occupations	24.52	22.64	92.33%	31.3	25.16	80.38%
Management occupations	42.14	34.79	82.56%	46.42	42.23	90.97%
Business, finance and administration occupations	24.82	22.83	91.98%	29.29	26.88	91.77%
Natural and applied sciences and related occupations	31.62	29.3	92.66%	40.57	37.78	93.12%
Health occupations	28.11	25.68	91.36%	39.62	35.09	88.57%
Occupations in education, law and social, community and government services	36.38	29.41	80.84%	40.98	30.37	74.11%
Occupations in art, culture, recreation and sport	24.04	23.46	97.59%	25.61	25.65	100.16%
Sales and service occupations	17.27	15.25	88.30%	19.65	16.39	83.41%
Trades, transport and equipment operators and related occupations	23.54	18.9	80.29%	30.16	26.32	87.27%
Natural resources, agriculture and related production occupations	19.89	15.47	77.78%	29.77	20.43	68.63%
Occupations in manufacturing and utilities	20.46	16.14	78.89%	30.04	20.24	67.38%

Source: Statistics Canada. CANSIM Table 282-0151

In every category of occupation except for two, Quebec women have better wage equity than Alberta women. Most notably, Alberta women in natural resources, agriculture, and related production occupations fare the worst, earning 68% of what men earn. Alberta women in art, culture, recreation and sport earn an equal

wage to men; these occupations tend to be a more feminized workforce. Alberta women in professional occupations such as education, law, social, community and government still earn less than men (74%). Even in Health occupations, which tend to have more women, Alberta women still only earn 88% of men's wages.

Canada and Provincial Wage Gaps 2017

Full time, median hourly wage rate, total employees, all occupations

JURISDICTION	MALE	FEMALE	WOMEN'S EARNINGS AS % OF MEN'S
Canada	26.04	22.85	87.7%
Newfoundland and Labrador	25.37	22.07	87.0%
Prince Edward Island	19.69	20.7	105.1%
Nova Scotia	22.6	20.38	90.2%
New Brunswick	21.06	19.74	93.7%
Quebec	24.52	22.64	92.3%
Ontario	25.96	23.15	89.2%
Manitoba	23.91	20.91	87.5%
Saskatchewan	28.01	23.53	84.0%
Alberta	31.3	25.16	80.4%
British Columbia	27.4	22.53	82.2%

Source: Statistics Canada. CANSIM Table 282-0151

When comparing full-time median hourly wages across Canada, Alberta has the largest wage gap, where women in this province earn 80% of a man's wage. Compare this with the Canadian wage gap in which women earn about 88% of what men earn.

In a 2016 GOA labour force profile of Alberta women,¹²² it was noted that nationally, Alberta women have the highest average hourly wage of \$26.49, compared to average Canadian women who make \$23.83. As well, women in Alberta have among the highest levels of post-secondary completion rates in Canada. The same report notes that Alberta men earn an average hourly wage of \$32.48, which is 17.5% more than Alberta women earn (or put another way, women make 82.5 cents for every dollar a man makes). Further,

men make up 59.4% of the proportion of full-time employment in Alberta, and women only 40.6%. Women make up 67.1% of part-time employment and men 32.9%. Though on average women may be doing okay on a national scale, on a provincial scale women's wages are much worse than men's wages, and women tend to work part-time more than men.

Alberta's labour force is segmented by industry and gender; women tend to work in industries and occupations that pay less. For example, a much larger proportion of men work in lucrative industries such as Oil and Gas, Construction, and Professional, Scientific & Technical Services. Meanwhile women tend to be clustered in more public sector or service sector jobs such as Healthcare, and Accommodation and Food

¹²² Source: <https://work.alberta.ca/documents/labour-profile-women.pdf>

Services. Part of the gender pay gap stems from the fact the occupations dominated by women tend to be undervalued in the labour market—this is often referred to as the ‘devaluation of feminized work.’ The following table and chart

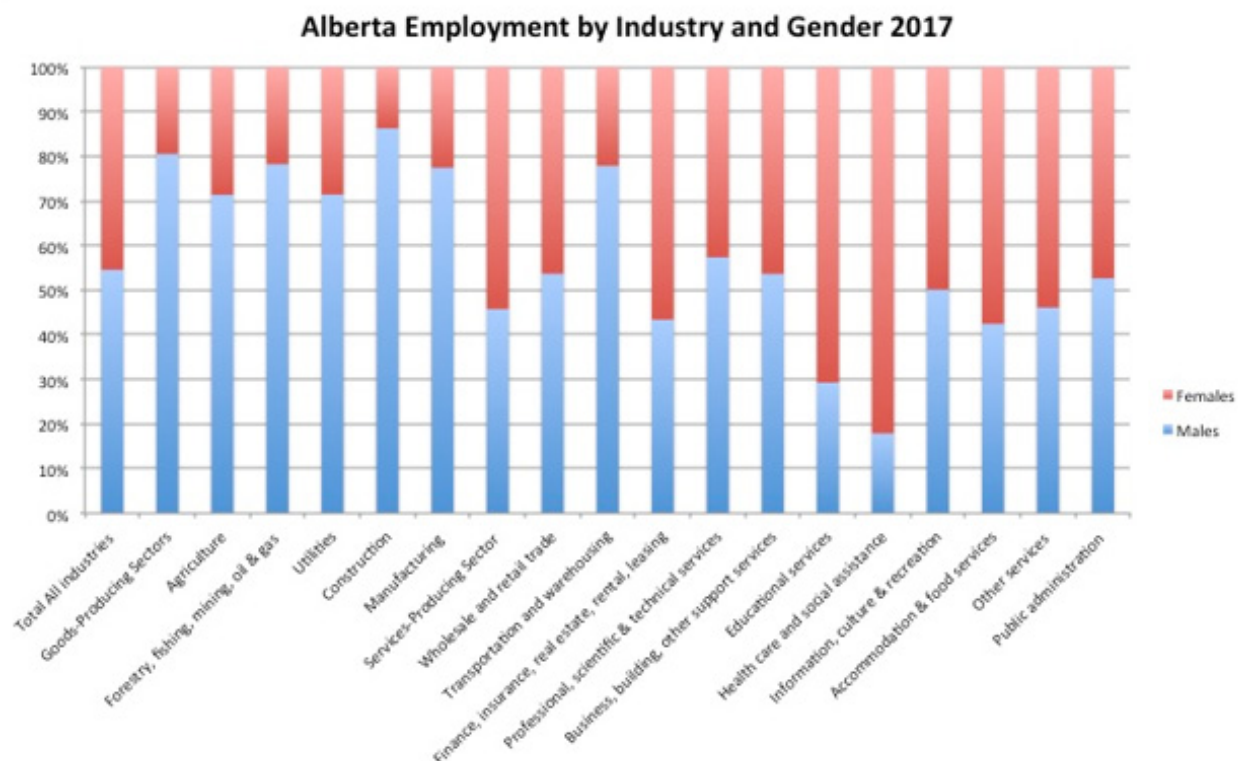
highlight the breakdown of workers based on industry and gender.

Alberta Employment by Industry and Gender 2017

Annually (persons x 1,000)

	MALES	FEMALES
Total All industries	1247.6	1039.4
Goods-Producing Sectors	465.5	112.6
Agriculture	37.1	14.9
Forestry, fishing, mining, oil & gas	113.2	31.5
Utilities	15	6
Construction	207.8	33.1
Manufacturing	92.3	26.9
Services-Producing Sector	782	926.8
Wholesale and retail trade	179.8	155.2
Transportation and warehousing	109.1	31
Finance, insurance, real estate, rental, leasing	46.7	60.9
Professional, scientific & technical services	102.5	76.2
Business, building, other support services	43.4	37.5
Educational services	44.8	108.2
Health care and social assistance	49	225.1
Information, culture & recreation	36.9	36.7
Accommodation & food services	62.9	85.3
Other services	53.1	62.1
Public administration	53.9	48.5

Source: Statistics Canada. CANSIM Table 282-0008



AAB ACTIONS

The AAB has just one action item, and it centres on the need for a gender-based analysis of all our institutions.

ACTION: The AAB calls on the Government of Alberta to create a pay equity taskforce comprised of government and community stakeholders and leaders, such as the Ministry of Labour, the Ministry of the Status of Women, Ministry of Justice and Solicitor General, representatives from the labour movement and the women's movement, anti-poverty advocates, Indigenous leaders, and female business leaders. Alberta needs effective legislation specifically addressing pay equity in order to close the pay equity gap.

RESULT: Once all stakeholders examine the pay equity issues in Alberta, then pay equity legislation for the province can move forward. One of the priorities would likely be funding increases to the Alberta Human Rights Commission to address access to justice, in order to hear complaints in a timely fashion, and increase education and awareness of human rights issues.

ECONOMIC DIVERSIFICATION & JUST TRANSITION

HIGH STAKES:

- While the number of jobs in Alberta's service sector, such as professional, scientific, and technical services, educational services, and health care has grown since 2008, job growth in many goods-producing sectors, such as oil and gas, mining, forestry, manufacturing, and agriculture has declined.¹²³
- The Alberta Government has already committed to investing \$70 million in just transition and diversification initiatives, but almost half of this money is directed at the coal industry.
- While economic diversification and just transition are already recognized as important policy objectives, Alberta needs an overarching sectoral strategy to optimize the direction of aid dollars. The provincial government also needs to develop other policy levers crucial to a successful mandate.

CLEAR CHOICES:

- Expand the Coal Community Transition Fund's scope and budget to include workers displaced from oil and gas and related jobs due to the sectoral downturn.
- Likewise, increase the scope and budget of other Alberta employment services with the specific goal of addressing the continued economic fallout of the 2014 crash in oil prices.
- Develop a transparent sectoral strategy that will guide regulation and the flow of investment dollars toward achieving the multi-pronged mandate of diversifying the economy and creating good, green jobs for Albertans.

BACKGROUND

Just transition refers to consciously shifting to a low-carbon economy while minimizing the potential negative impacts on workers in high-carbon-emitting sectors. As both local and international economies become greener, the question of work security is pressing for many of the thousands of Albertans working in the oil and gas sector and the industries that support it. The AAB will see the government take a leadership role in addressing this uncertainty for Albertans.

We believe it is important that Alberta's just transition policies contain two broad components: 1) direct support for workers who are moving to low-carbon employment, such as income or training support; and 2) policies that support the creation of jobs to which workers can transition. Economic diversification is a key element of a just transition strategy.

To date, just transition in Alberta has focused on the government's move to phase out coal-burning power plants. The government's Renewable Energy Program, as part of its Climate Leadership Plan, aims to transform Alberta's electricity system by phasing out coal-generated electricity

production and tripling renewable energy to supply 30% of energy demand by 2030. This plan will force many workers in coal-fired electricity facilities to find work elsewhere.

To support affected workers in moving to new employment, the government has introduced the Coal Workforce Transition Fund, which provides \$40 million. As well, the Coal Community Transition Fund supports municipalities and First Nations impacted by the coal phaseout by providing grants for projects that will "build economic development capacity, strengthen approaches to improve economic conditions, and aid municipal transition toward long-term

123 CANSIM Table 282-0008

economic stability.”¹²⁴ This program is part of the province's broader economic diversification initiative, the Community and Regional Economic Support (CARES) program. It offers \$30 million over two years to match funding for economic diversification initiatives, high-value job creation, and support for businesses.

The programs implemented to date to support workers affected by the government's Renewable Energy Program are a movement in the right direction for a low-carbon future.

The major shortfall with current just transition efforts is that they focus too narrowly on job losses arising from the phaseout of coal-fired generation. While it is important that the government and industry do their part to assist workers affected by the phaseout, efforts must be extended to workers who may be affected by future shifts in the Alberta economy arising from climate change mitigation. The employment challenges of Albertans since the oil price downturn in 2014 clearly show the danger Albertans face when local economies are too reliant on the oil and gas sector. Indeed, Edmonton's chief economist, John Rose, points out that Edmonton weathered Alberta's recent economic downturn better than other regions due to its more diverse economy.¹²⁵ Diversification in local economies across Alberta would help create more stable, reliable employment for Albertans.

Furthermore, the climate and environmental initiatives undertaken by both domestic and international governments are designed to challenge the viability of oil and gas production moving forward. While some predict an increase in the global demand for fossil fuels, there is no guarantee that any associated price action would be stable. Several other factors may inhibit the ability of oil and gas extraction to support stable jobs, such as domestic and international climate policy, or the inability to obtain approval for the Trans Mountain Expansion and Enbridge Line 3 pipelines. In short, over-reliance on the fossil fuel sector for providing secure, good employment is a gamble.

A comprehensive just transition strategy must be implemented. This means a strategy that

considers all workers who may be affected by climate change policy, not just workers displaced by the Renewable Energy Program. This includes aid targeted at workers who have struggled continuously in the wake of the 2014 downturn in oil and gas and related sectors. The concentration of professional and trades expertise in these industries constitutes a wealth of human capital that could be directed toward advancing Alberta's environmental and economic mandates, given appropriate programming.

Current efforts to diversify the provincial economy through regional development, together with the phasing out of coal-fired electricity generation, are important steps toward to a greener economy. However, broader, systemic change is necessary. Alberta needs a cohesive plan to foster industries that have a place in the global economy of the future, have export potential, and provide equitable opportunities for all people to participate.

¹²⁴ <https://www.alberta.ca/coal-community-transition-fund.aspx>

¹²⁵ <http://edmontonjournal.com/business/local-business/edmonton-will-keep-growing-but-boom-times-probably-over-city-economist>

AAB ACTIONS

1. *Expand the scope of the Coal Community Transition Fund and continue funding to the CARES program. \$30M*

The support offered through the Coal Community Transition Fund should be extended to communities that are struggling to recover from the 2014 downturn in oil prices. Since the CARES program ends in 2018, the AAB will offer continued funding to support workers displaced by the downturn in prices.

ACTION: Since the CARES program ends in 2018, the AAB will offer continued funding to support workers displaced by the downturn in prices.

RESULT: Existing just transition and diversification programs will continue to offer valuable support to small businesses and create opportunities for unemployed / underemployed Albertans.

2. *Increase capacity of Employment Services. \$20M*

The Coal Workers Transition Fund provides support to collaborative initiatives between employers, unions, and workers of coal-fired electricity plants, to aid in the transition of workers to other employment.

ACTION: The AAB will increase funding to provincial employment services, which provide career counseling and employment support to the broader public.

RESULT: This will assist workers in other troubled sectors of Alberta's economy to make a transition to more promising industries.

3. *Establish a Provincial Industrial Strategy. \$50M*

To transition Alberta's economy to a less carbon-intensive one, the AAB will devote resources to devise and implement a provincial industrial strategy. The strategy would chart a clear, transparent course in the development of a low-carbon economy with future viability.

ACTION: Funding toward this initiative would support the following:

- Consultations, research and policy development.
- Collaboration with stakeholders to develop a long-term transition plan.
- Identification of sectors that are not conducive to a low-carbon economy, such as fossil fuel extraction, and development of a plan to either radically reform them or phase them out.
- Scaling up of new energy systems and economically-productive industries before phase-out of the fossil fuel sector, if phase-out is identified as an aspect of the strategy.

RESULT: A broad sector strategy that incorporates the targets of the Climate Leadership Plan would unify the province's just transition and diversification mandates with its environmental mission. It is widely perceived that environmental stewardship must come at the cost of economic prosperity, so tying these three processes together in a transparent and measurable way is crucial to addressing the day-to-day concerns of Albertans.

CONCLUSION

Alberta has experienced its worst recession in over 30 years, brought on by the collapse in global oil prices. In response, the Notley government has weathered the storm by taking important steps toward strengthening both the economy and the province's social welfare system. Now is not the time to reverse course on any of these important initiatives; rather, it is the time to press forward.

Despite the current budget deficit, our provincial government has the capacity to invest in public services. Our overall macroeconomic situation remains strong when compared with other provinces, and we have room to increase tax revenues. A five percent provincial portion of a Harmonized Sales Tax will finance important spending initiatives.

The current deficit reflects the province's revenue problem, which stems from an over reliance on resource revenues. To correct this, we must diversify our economy going forward.

ACKNOWLEDGEMENTS

This document was prepared thanks to the generous volunteer contributions of many people and organizations. The content of the document, however, does not necessarily reflect the views of the organizations in question.

In addition to several anonymous reviewers, those who volunteered their time include:

1. Angele Alook (Alberta Union of Provincial Employees)
2. Victoria Ballance (Calgary Homeless Foundation)
3. Cynthia Bird (C. Bird & Associates)
4. Robbie Brydon (Independent)
5. Dave Campanella (Independent)
6. Janice Chan (Calgary Homeless Foundation)
7. Dan Dutton (University of Calgary)
8. Herb Emery (University of New Brunswick)
9. Nick Falvo (Calgary Homeless Foundation)
10. Joel French (Public Interest Alberta)
11. Lorian Hardcastle (University of Calgary)
12. Nevena Ivanovic (Women's Centre of Calgary)
13. John Kolkman (Edmonton Social Planning Council)
14. Lindsay Lenny (Calgary Homeless Foundation)
15. Naomi Lightman (University of Calgary)
16. Lloyd Mason (Calgary Homeless Foundation)
17. Jedd Matechuk (Calgary Homeless Foundation)
18. Josh McKeown (Council of Alberta University Students)
19. Kevin McNichol (Calgary Homeless Foundation)
20. Jenny Morrow (Calgary Homeless Foundation)
21. Claire Noble (Calgary Housing)
22. Chidom Odogwu (Calgary Homeless Foundation)
23. Jillian Ratti (Independent)
24. Angela Regnier (Alberta Union of Provincial Employees)
25. Robin Shaban (Independent)
26. Joel Sinclair (Calgary Homeless Foundation)
27. Garry Sran (Alberta Union of Provincial Employees)
28. Tash Taylor (Alberta Network of Public Housing Agencies)
29. Jonathan Teghtmeyer (Alberta Teachers' Association)
30. Dan Wallbank (University of Alberta)
31. Barret Weber (Edmonton Public Schools)

ALBERTA ALTERNATIVE BUDGET

High Stakes, Clear Choices

