

Alberta Budget 2017

March 2017

Overview

On March 16, 2017, the Government of Alberta released its budget for the 2017 – 2018 period.¹ Although direct focus on immigrants and refugees is largely outside of provincial purview, there is much in this budget that will effectively contribute to the wellbeing of this population and the opportunities available to them in this province. There are few hints in the budget on what can be expected for funding the settlement and integration sector, and largely it will be affected indirectly through changes in areas such as labour, health care, housing, infrastructure, and education. The details of public service provision and how they will address the needs of a diverse immigrant population are not specified. As the initiatives outlined in this budget proceed, AAISA will continue to examine them in with the lens of the settlement and integration sector, and the clients they serve, with the purpose of ensuring that the outcomes afforded are of benefit.

Broadly, the budget commits to retaining public services, expanding the system of support, and making life more affordable for Albertans, enabling them to weather the constraints and challenges of the economy in the provinces. There are significant allocations to public health care and education, as well as provisions to bolster income support and foundational learning support for those with lower incomes. Child care and the Alberta Child Benefit are additional services that are intended to provide support to ensure stability for families.

Key allocation highlights:

- Of Lottery Fund Revenue, \$4.57 million will be directed to settlement and integration from the Ministry of Labour. This follows a similar level seen in previous years, with \$4.574 in 2014-15, 2015-16, and 2016-17.²
- Of all Ministries, just over \$13 billion will be directed to external grants. Of the total, those ministry allocations of interest to the settlement and integration sector include:
 - \$56 million from the Ministry of Labour
 - \$2.1 million from the Ministry of Community and Social Services
 - \$40 million from Culture and Tourism

Economic Outlook

Throughout the budget there are assurances from the government that economic recovery has started, and the economy is set to continue to grow throughout 2017. It projects that the economy

will grow by 2.6%, which will be the highest in Canada. The government is quick to stress that a full recovery is not yet expected, but there should be gains made that would afford greater stability.

Despite these assurances, the government is operating within the constraints of resource revenue dependency. The deficit budget is heralded to be a sign of the times, where investment in government services will ease the burden of the recession on Albertans. The budget shows us that the government will continue operate with revenue heavily reliant on commodity prices. With these prices projected to climb slowly over time, the amount of funding available to invest in the non-profit sector as a whole will remain limited over the coming years.

Key Allocations by Ministry

Of the expenses outlined for Ministries in Budget 2017, the following areas are most likely to have the most significant effect on newcomers and the settlement and integration sector.

Ministry of Community and Social Services Expenses

Employment and Income Support

In Budget 2017, \$826 million has been allocated to employment and income support. Although actuals are currently only forecast for 2016-2017, it is estimated that a total of \$698 million was directed to employment and income support, which was an increase of \$114 million from what was initially allocated in Budget 2016 for that period. The deviation from the 2016-2017 budget to forecasted actuals is telling, demonstrating the province experienced a significant shift in the unemployment rate. Assuming that the economy will continue to recover, the target budget for employment and income support in 2018-2018 has been set to be reduced to \$804 million.

Of the budgeted amount, \$605 million will be directed to employment and income support, with the remainder directed to health benefits for both adults and children. This allocation was likely increased as a mechanism to support out of work Albertans while the economy recovers, but this provision is important for newcomers who may be struggling to secure or sustain employment.

For those who meet the minimum residency requirements, access to income support is an important mechanism to reduce vulnerability and support integration into life in Alberta. Many Syrian refugees have been in Canada for over a year, and are now outside of their period of assistance from the Federal government and will become more reliant on assistance provided by the Government of Alberta. We know that integration can be a long and challenging process, and it is important that income support and other social programs are available as they work to build up

their English language skills, seek employment, work on getting their foreign qualifications recognized, and build connections to their new communities.

Community Supports and Family Safety (CSFS)

The amount budgeted for CSFS in 2017-2018 has not changed from 2016-2017, with \$124 million allocated. Of this, \$101 million will be directed to Family and Community Support Services (FCSS) to maintain the 80/20 partnership between the province and 319 municipalities and Metis settlements. Municipalities are responsible for stewarding this funding to local agencies, and we know that some municipalities have increased their contributions beyond the 20% minimum contribution requirement to account for growing needs and inflation. FCSS funds many of AAISA's member agencies and others in the immigrant sector which help them run specific programs. Given the changes to the provincial funding model for the non-profit sector in the province and the elimination of the Integrated Service Program, having stability in this channel of provincial funding is positive.

Ministry of Children's Services

Child Care

The budget allocates \$321 million for childcare programs, an increase from \$307 million in previous years. This additional \$14 million is earmarked for the continuation of Early Learning Child Care Centre pilots, the child care subsidy program, and child care accreditation.

The Throne Speech stated that the government planned to make progress toward \$25 per day child care as well as to expand on and create new affordable child care centres. The full budget document does not provide any further details on how they expect to bring about \$25 per day child care, and it is not mentioned in other resources outlining budget highlights or budget speech. Although the Early Learning Child Care Centre pilot is referenced in the budget document, there is not further information on the number of child care spaces that may be developed or where they would be located in the province. Access to child care enables newcomers to find employment or attend language classes; therefore, this is an area where the Government of Alberta's actions should be closely monitored moving forward.

Alberta Child Benefit

One line item that has seen a significant increase from the 2016-2017 budget is that of the Alberta Child Benefit, which is available to lower-income families who have lived in the province for at least one month, provided they have filed a tax return. Having previously increased the benefit to \$2,785 per year for lower income families, the budget sets out \$174 million for 2017-2018. This is up from

\$125 million in the forecasted actuals from last year's budget. The province anticipates that they will be able to support about 200,000 children with this allocation.

Ministry of Advanced Education

Foundational Learning Support

For the Settlement & Integration sector, the \$85 million allocation for foundational learning supports should be of interest. The budget sets out \$80 million of this to grants to support eligible Albertans in programs including ESL, basic skills and academic upgrading, or short-term occupational training. These supports are known to have great for benefit newcomers, enabling them to build their language ability and get the training required to move beyond survival jobs.

The government is however reducing the amount directed to foundational learning supports, and the current allocation is \$2 million less than the amount spent in 2016-2017. In projecting what will be allocated in the 2018 provincial budget, foundational learning supports are set to drop even further to a total of \$78 million.

Ministries of Health and Education

Much of the province's discussion of the budget focuses on its intention to continue to invest in essential public services, with clear prioritization on health care and education.

As with previous budgets, the Ministry of Health has been allocated the largest budget amount for the Government of Alberta, with \$21.4 billion budgeted for 2017-2018. The fiscal plan states that the province is looking to move away from focusing on hospitals, and instead is looking to expand on community-based care options. Community-based care options are frequently cited³ as effective methods for meeting the health needs of elderly immigrants with these changes there may be a shift towards more culturally sensitive services that overcome barriers in providing accessible care for them. The ministry has also committed a \$45 million increase overall for addiction and mental health and support. This may help support settlement agencies in their provision of services to refugees who suffer from a disproportionately high level of Post-Traumatic Stress Disorder and other mental health needs.⁴ However, statistics indicate that immigrant are less likely to utilize mental health services than non-immigrants. Additional funding in this area would be best utilized if it were focussed on increasing service access for immigrants. The budget for health has increased by around \$1.3 million from 2016-2017, and is anticipated to continue to increase with budget targets for 2018-2019 and 2019-2020.

The amount budgeted for the Ministry of Education is \$8.2 billion. This funding will be distributed to fund school board operations, including instruction, facilities maintenance, student transportation, among other expenses. This budget will need to make up for the estimated \$54 million previously

covered by school fees incurred by parents, a key policy change brought in by the government with Budget 2017. As with health allocations, the budgeted amount for Education is intended to continue to increase in subsequent years.

Other Expense Allocations by Ministry

Labour: As the ministry that has been running consultations on the new non-profit funding model, their budget is of particular interest. The ministry has a total budget of \$203 million, although it is not apparent how this could be distributed to the non-profit sector in the province. We do know that \$56 million has been earmarked for external grants. Of lottery fund revenue, \$4.57 million will be directed to settlement and integration, while \$400,000 will be directed to skill and training support, which remain at the same level since 2014-15. This is surprising as the number of immigrants that have entered Alberta has continued to rise every year.⁵ Shifts in the provincial funding context have recently posed challenges and opportunities for AAISA and its member organizations. With the Government of Alberta stepping away from the Integrated Services Program (ISP) in pursuit of a new funding model, there is uncertainty as to which programs and services may experience a funding gap and how a new provincial funding model will approach investment in the settlement and integration sector. With no direct mention of ISP it is still unclear how the new funding model will look. On another note, the budget continues to maintain its commitment to the Summer Temporary Employment Program (STEP), with \$10 million per year, a program which is frequently used by newcomer youth.

Agriculture: \$135 million for industry development to support expansion of existing markets and opening of new markets for agriculture products, which should influence job creation in both agriculture and food processing sectors. This may have significant implications for Temporary Foreign Workers as more than three quarters of them arrive as part of the Seasonal Agricultural Worker Program.⁶

Infrastructure: \$695 million has been set for infrastructure expenses, and although details are scarce, this is likely to contribute to job creation in the province.

Justice and Human Rights: \$81 million has been allocated to legal aid, which will likely be in high demand if the number of refugee claimants arriving in Canada from the US is seen to increase. \$1.735 of the Lottery Fund Revenue has been allocated to assistance to the Human Rights Education and Multiculturalism Fund which supports projects related to promoting human rights and multiculturalism in Alberta.

Seniors & Housing: Expense is budgeted at \$683 million in 2017-18 (excluding debt servicing costs). The budget will direct \$262 million to programs delivered by the Alberta Social Housing Corporation,

a decrease from \$313 million. This may exacerbate the affordable housing needs of many immigrants, in particular, senior immigrants who disproportionately live in poverty compared to Canadian-born seniors and have difficulty in renting due to their perceived inability to afford the rent.⁷

Status of Women: Expense has been budgeted at \$7.4 million in 2017-18. This budget will continue to support integration of gender equality. It will focus on ending violence against women and girls, increasing women's economic security, and women leadership. This budget also includes a grant program that will provide funds for non-profit and charitable organizations for projects directed towards improving the lives of women and girls in Alberta.

Capital Plan

The budget's Capital Plan sets out \$34.8 billion dollars over five years to invest in infrastructure, and address growing needs in the province. The province says the projects set out in the plan will stimulate job creation and encourage economic development, which will likely have a positive impact on the opportunities available to newcomers and take some of the pressures off the settlement sector as they serve them. We anticipate this could be seen in the following areas:

- *Affordable Housing:* \$892 million will be directed to both new and renewed housing units. This may be a positive investment for newcomers and refugees due to the lack of affordable and appropriate accommodation although the budget makes no mention of addressing the needs of large family sizes.
- *Municipalities & Communities:* Investment in transportation is a key priority, with \$1.4 billion for transit and transportation related projects. Of this, \$305 million will be directed to municipal transit initiatives. Despite the continued need in rural areas for immigrants to replace the out-migration from these areas or urban centres, there are no details in the budget to address this.
- *Education:* \$500 million will be directed to new school projects over the next four years, and an additional \$488 million for future school projects to start in 2018-2019. Additional funding will be invested in post-secondary projects, with \$270 million in funding for design and redevelopment planning.
- *Infrastructure maintenance and renewal:* \$4.7 billion will be directed to the maintenance and renewal of infrastructure and public facilities, \$4.5 for health infrastructure, \$2.6 billion for schools, and \$3.1 billion for roads and bridges.
- *Libraries:* \$12 million will be directed to invest in libraries, which offer important services to newcomers. \$2 million will be directed to revitalize the central library in Edmonton, while \$11 million will go to enhance Alberta's regional library system.

Conclusion

While there is little in the budget that can be directly tied to the settlement and integration sector, there are areas where we can anticipate to see benefit on newcomers in the Many of the provisions in support of health care, education, child care, and job creation will contribute to the wellbeing and integration of those who plan to be in the province over the long-term. It is important to note that despite increasing levels of immigration to Alberta, the Provincial Government has continued to sustain the same level of investment for settlement and integration, and changes to the ISP model could further impact the provision of settlement and integration services in the province. There are areas where revenue limitations will continue to challenge the provision of different government services as well as funding for the supports that are provided by the non-profit sector in the province. AAISA will continue to monitor the actions of the province around the non-profit funding model and other key actions, seeking opportunities to advocate, collaborate, and partner for the benefit of the settlement and integration sector. Government policy would benefit from more sensitive lens to the specific needs of Alberta's diverse newcomer population, and this should be facilitated through the support of fiscal policy. Programs and services should be designed with newcomers in mind such as in areas of housing, education, and health care, to foster access and to address the specific needs of this population.

End Notes

¹ Canada. Alberta. Alberta Government. *Budget 2017*, Presented by the Honourable Joe Ceci President of Treasury Board and Minister of Finance in the Legislative Assembly of Alberta March 16, 2017.

² Canada. Alberta. Alberta Government. *2016-17 Government Estimates, General Revenue Fund, Lottery Fund*, Presented by the Honourable Joe Ceci President of Treasury Board and Minister of Finance in the Legislative Assembly of Alberta April 14, 2016.

³ Derose, Kathryn Pitkin, José J. Escarce, and Nicole Lurie. "Immigrants and health care: sources of vulnerability." *Health affairs* 26, no. 5 (2007): 1258-1268; Casey, Michelle M., Lynn A. Blewett, and Kathleen T. Call. "Providing health care to Latino immigrants: Community-based efforts in the rural Midwest." *American Journal of Public Health* 94, no. 10 (2004): 1709-1711.

⁴ Assanand, Sunaina. "Mental health help for immigrants." *Canadian Immigrant*, May 27, 2011, accessed March 29, 2017. <http://canadianimmigrant.ca/settling-in-canada/health-care/mental-health-help-for-immigrants>.

⁵ The Canadian Magazine of Immigration. "Alberta Immigration by Country." *The Canadian Magazine of Immigration*, October 11, 2016, accessed March 29, 2017. <http://canadaimmigrants.com/alberta-immigration-by-country/>; CIC News. "Canada Welcomed a Record 320,932 New Immigrants Over the Past Year, With Immigration Numbers Set to Increase Even Further." *CIC News*, September 29, 2016, accessed March 29, 2017. <http://www.cicnews.com/2016/09/canada-welcomed-record-320932-new-immigrants-immigration-numbers-set-increase-098533.html>.

⁶ Burt, Michael, and Robert Meyer-Robinson. "Sowing the Seeds of Growth: Temporary Foreign Workers in Agriculture." *The Conference Board of Canada*, December 1, 2016. http://www.conferenceboard.ca/press/newsrelease/16-12-01/agriculture_sector_s_reliance_on_temporary_foreign_workers_to_fill_labour_shortages_is_growing.aspx.

⁷ Carman, Tara. "Older immigrants face financial, communication challenges." *Vancouver Sun*, March 2, 2015, accessed March 29, 2017. <http://www.timescolonist.com/life/older-immigrants-face-financial-communication-challenges-1.1778833>.