

Priorities for the 2021 Alberta Budget

December 2020

Vibrant Communities Calgary and EndPovertyEdmonton believe the Alberta government plays a pivotal role in ensuring public safety, wellbeing, and in creating the right environment for civil society to adequately do its job. While we realize these are extraordinary times, Alberta's debt and increasing health care costs are long standing challenges. When the causes of health care and opportunities for savings are closely examined, the evidence points overwhelmingly to various issues related to poverty. We understand and respect the difficult choices your government has had to make during an extremely challenging year, and we believe this submission presents a path forward towards modernizing our policies for the Alberta of today, helping create a strong foundation for the future.

We ask that the Government of Alberta consider the following priorities and recommendations in the 2021 Budget.

Prioritizing how revenue should be spent

Early Learning and Care

- Maintain \$408 million in Child Care Subsidies and Supports for Operators; and
- \$310 million for the Alberta Child and Family Benefit.¹
- Index child care subsidies to inflation on an annual basis to help account for the rising cost of living.
- Leverage federal funding for Early Childhood Coalitions so work can continue on aligning best practice, reducing duplication, improving efficiencies, and for ongoing professional learning for early childhood educators.

Vibrant Communities Calgary is the steward of Calgary's poverty reduction strategy, Enough for All, and has been advocating for policies to reduce poverty for over a decade.

EndPovertyEdmonton is a community initiative working towards ending poverty in a generation through collaboration and coordinating and brokering partnerships.

Both of our organizations are focused on the causes, not the symptoms of poverty. We work to ensure that everyone benefits from the prosperity Alberta has generated over the years.

¹ The first two recommendations are in alignment with the YWCAs of Alberta Pre-Budget 2021 Submission. Retrieved from <https://www.ywcalgary.ca/wp-content/uploads/2020/11/YWCAs-of-Alberta-2020-2021-Pre-Budget-Submission.pdf>

Child care remains an essential program to ensure the economic recovery of Alberta's businesses, families and children. Early childhood is a critical time for growth and development. Several large-scale longitudinal studies show the positive impact of high-quality early childhood education and care programs on children's development, particularly children considered vulnerable and living in poverty.²

To support the early learning and care workforce we believe the above recommendations are a fair and practical budget ask since well-qualified, caring, early childhood educators are the prime determinant of a quality child care system. Currently Alberta's early learning and child care workforce is well below international standards with only 43% of early childhood educators having a two-year diploma; widely considered the minimum requirement.³

Quality public education

- Increase the budget for the K-12 system to account for enrollment growth for the next three years.
- Put a plan in place to reduce class sizes in consultation with Alberta teachers. This is especially important in a public health crisis.
- Ensure that changes indicated in Bill 15 "The Choice in Education Act" will not negatively impact the quality of our public education system, student achievement levels, and most importantly, that these changes will not negatively impact low-income families.

Creating the opportunity to obtain a quality education is one of the most powerful tools a government can use in the fight against poverty. Indeed, Alberta's Ministry of education aims to ensure that Alberta students are successful, that Alberta has excellent teachers and school leaders, and that our K-12 system is well governed and well managed. However, we believe the previous two budgets and funding changes to our education system impede Alberta's ability to offer a quality education to every student. Instead, we are seeing an increasing number of schools having to fundraise for basic items like books, furniture, physical education equipment, art supplies, flooring, and computers/technology. This puts schools and Alberta families and children in some lower income neighbourhoods at a greater disadvantage.

Opportunities to generate savings

Reward all opportunities to work

- For Alberta Works, increase the exempt income amount for a single adult who is employed and on income support from \$230 to \$345.
- Increase the exemption rate above this threshold from 25% to 50%.
- Put in place a more graduated eligibility framework for employment and training programs, affordable housing, and health benefits.

² In the best interests of children and families: A discussion of early childhood education and care in Alberta by the Muttart Foundation. Retrieved from <https://www.muttart.org/wp-content/uploads/2010/11/A-Discussion-of-Early-Childhood-Education-and-Care-in-Alberta-112010.pdf>

³ Getting it Right: Recommendations for improving Alberta's child care licensing legislation by the Association of Early Childhood Educators of Alberta. Retrieved from <https://aecea.ca/getting-it-right>

Our provincial income support programs do not provide enough resources to meet the basic needs of families and individuals, while conversely also acting as a barrier for those wanting to transition to employment. The first two recommendations noted above have the potential to save the government \$40 Million as detailed in the policy brief *A path to self-sufficiency: Improving the effectiveness of Alberta's income support program*.⁴

Explore ways to improve the AISH program

- Collaborate with the people impacted by AISH before implementing any changes to eligibility or benefits.

People who use the program have a number of ideas about how the process could be streamlined to save administrative money. They would be happy to share their ideas and work with the government on how to make AISH work better.⁵

Opportunities for health savings

- Reverse the decision on indexation of income support programs and ensure benefit levels keep pace with the cost of living.

Food Banks in both Calgary and Edmonton have reported that “income support” is the primary source of income for most people who use the food bank. We also know that negative health outcomes resulting from food insecurity is invariably tied to financial security.⁶ Research published in 2018 in the *Canadian Medical Association Journal* finds that higher social spending, including on income assistance for low-income households is associated with better health outcomes, more so than higher health care spending.⁷

Maintain spending related to affordable housing

- \$1.4 Billion for Disability Services.
- \$135 Million for Community Supports and Family Safety.
- \$56.8 Million for Rent Supplements.
- \$53.4 Million for Mental Health and Addiction Funding.

⁴ Calgary Social Policy Collaborative (2020). A path to self-sufficiency: Improving the effectiveness of Alberta's income support program. Retrieved from <http://enoughforall.ca/wp-content/uploads/2020/10/SPC-Income-Support-Policy-Brief-2020.pdf>

⁵ For more information see *Things people need to know about AISH and people with disabilities* by members of the Disability Action Hall. Retrieved from <https://drive.google.com/file/d/1GXMpJfSjkQEz8FPZYVRaQRcmPNj7SZbr/view>

⁶ Alberta Health Services. (2017). Household food insecurity in Alberta: A backgrounder available at <https://www.albertahealthservices.ca/assets/info/nutrition/if-nfs-household-food-insecurity-in-alberta.pdf>.

⁷ Dutton, D. J., Forest, P. G., Kneebone, R. D., & Zwicker, J. D. (2018). Effect of provincial spending on social services and health care on health outcomes in Canada: an observational longitudinal study. *Canadian Medical Association Journal*, 190(3), E66-E71.

- \$416 Million in three-year funding for capital housing development.
- Commit to an additional \$275 million in funding as described in Calgary’s COVID-19 Community Affordable Housing Advocacy plan.⁸

In a study of programs funded by the Calgary Homeless Foundation, researchers concluded for every \$1 spent on housing with program support, \$1.17 - \$2.84 in savings is achieved within public systems. In Calgary alone, savings were estimated at \$105 million due to factors such as decreased interactions with health care and justice services each year.⁹ Housing has been widely considered a health issue within the civil society sector, and accordingly is believed to be the responsibility of the provincial government. Without access to safe, affordable housing, vulnerable Albertans such as those experiencing homelessness, seniors, low-income families, and individuals with disabilities are at greater risk of contracting and spreading COVID-19.

Looking for ways to strengthen the economy

By focusing Alberta’s economic recovery on raising the standard of living for all citizens, including immigrants, Indigenous and racialized persons, persons with disabilities, and people with lower skill levels, we create a greater, more resilient Alberta for all Albertans. By distributing economic growth throughout society, we leverage all Albertans’ skill sets, and generate a more diversified economy. We can create meaningful partnerships, including Indigenous communities, and mutually beneficial opportunities for all, especially Indigenous Albertans.

Working together to align the workforce with opportunities

- Provide seed funding for collaboration initiatives that bring economic players together.

The Government of Alberta can play a critical role in bringing everyone together to design a new provincial economy, ensuring the creation of win-win scenarios for all stakeholders. To accomplish growth goals that serve all Albertans, a collective and systemic effort is required to align economic and workforce development while fostering high-quality economic opportunities. All actors with economic and workforce development, including industry, Indigenous and racialized business leaders, workers, government, community organizations, educational institutions, and regional economic development corporations, must work together to develop these strategies. Training and education providers, community/non-profit organizations and industry need to align their workforce development strategies to create better trained, more effective labour, with skills connected to the industry needs of the future of our provincial economy.

⁸ Read the COVID-19 Community Affordable Housing plan for Calgary here <https://pub-calgary.escribemeetings.com/filestream.ashx?DocumentId=135431>

⁹ Dutton, D.J., Falvo, N., Jadidzadeh, A. (2020). The Cost Savings of Housing First in a Non-Experimental Setting. *Canadian Public Policy*, 46(1), P. 23-36. Retrieved from <https://utpjournals.press/doi/abs/10.3138/cpp.2019-017?journalCode=cpp>

Ensure Albertans have access to livable incomes

- Explore incentives for businesses who provide a living wage.

According to the 2016 Canadian census, over 60% of people in Alberta living in deep income poverty have a job.¹⁰ This clearly demonstrates that wages in some industries are not in line with the local cost of living. We recommend that the government explore tax incentives for small and mid-sized business owners who have a living wage policy. This type of support to employers means that people will have the income that they need to meet their basic needs, which supports strong local economies.

Capitalize on Albertans' desire to support local

- Support the implementation of social procurement and community employment benefit policies, so any bids for goods or services provision must contain plans that support economic benefits to the whole community.
- Invest in housing and transit infrastructure projects that support economic recovery and can amplify benefits to Albertans by integrating significant social procurement and community employment benefits into those projects.

Alberta's COVID-19 experience highlights the fact that Albertans want to be able to support their local economy and lessen their reliance both on temporary foreign workers and on goods manufactured abroad. The Government of Alberta can choose to spend money, as an organization, in ways that support community goals such as increased local employment, environmental and other community goals. This often means changing how the government spends and procures goods and services, not spending more. Community employment benefits agreements and processes commonly include jobs, training and apprenticeships for targeted groups and opportunities for collaboration among local businesses to access larger markets. Other benefits may include increasing affordable housing, energy reduction, and public improvements, among other things.

- Advocate to the Government of Canada to fund housing infrastructure development projects for rural and urban Indigenous communities in non-reserve land and partner with them to establish employment programs that recruit and engage workers from those communities to build such projects.

The Government of Alberta should partner with the Government of Canada to leverage federal infrastructure spending priorities (e.g. in housing, transit) to create jobs for Albertans. Creating employment programs that recruit and engage workers from local communities, such as Indigenous communities, to build more housing will lead to job creation and income generation which will contribute to self sufficiency for individuals, revenue generation for the government, and spending on local businesses to support economic recovery. This will also provide more housing options for community members and contribute to community development.

¹⁰ See the Risk and Depth of Poverty in Calgary by Vibrant Communities Calgary and the Canadian Poverty Institute. Retrieved from <http://vibrantcalgary.com/wp-content/uploads/2020/10/The-Depth-of-Poverty-in-Calgary-Final.pdf>

Diversification of the local economy

The oil and gas industry has been the heart of the Alberta economy for a long time. However, with the collapse of the global demand for oil and declining oil prices, the time has come to invest more broadly in other industries that can leverage Albertans' talents, assets, and capacity to ensure our continuing prosperity for years to come. The government should encourage partnerships between businesses and post-secondary institutions to offer more opportunities to students from various program areas and create cross-sectoral teams within workplaces. This would increase creativity and innovation in diverse businesses and industries.

- Examine ways to further develop the following sectors for economic sustainability:
 - Agriculture/food systems (producing products locally)
 - Retooling manufacturing
 - Renewables: hydrogen/geothermal
 - Reclamation projects stemming from mine and well closures
 - Health and elder care
 - Tech and artificial intelligence
 - Arts and culture
- As recommended by the Alberta Colleges Economic Recovery Task Force¹¹, the Government of Alberta should encourage post-secondary institutions to partner with industry to establish a database of work-integrated learning opportunities identified by essential/core skills rather than by occupation or sector.
- The government should also aim to measure core skills of the labour force to help the transition from credential-focused recruitment to skills-based recruitment and to ensure potential employees are evaluated based on their skills, regardless of where their credentials were received.

Tapping into the skills and talents of underutilized and vulnerable populations

COVID-19 has revealed an over-reliance on temporary foreign workers within certain sectors of the Alberta economy, which left us vulnerable when borders closed. Yet many Albertans have recently lost their livelihoods and are just now entering, re-entering or trying to increase their participation in labour markets. Focus should be on expanding job opportunities for youth, women and gender diverse peoples, especially for Black and Indigenous populations and people from other vulnerable populations who are significantly impacted by economic downturns.

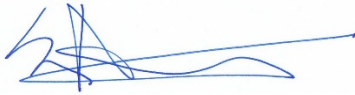
- The Government of Alberta should partner with the Government of Canada to establish programs for assisting businesses with forming internships, apprenticeships and demand-driven skills training.
- The Government of Alberta should create an emerging women and youth leaders program for people from vulnerable and equity-seeking populations, such as Black and Indigenous communities, which could be done in partnership with school boards, colleges and universities and multi-sector organizations. In addition, the government should develop a roster of

¹¹ See the Recommendations of Alberta Colleges Economic Recovery Task Force. Retrieved from https://issuu.com/gprc_ab/docs/ab_ccc_economic_recovery_task_force?fr=sZTVkZTE3MjM5OTE

businesses committed to creating meaningful opportunities for emerging leaders from Black and Indigenous communities.

Our recommendations have the opportunity to advance Alberta’s economic prosperity, expand job opportunities, reduce poverty, save lives, reduce strain on emergency public services, and save on healthcare costs. We urge the Government of Alberta to strike a balance of an evidence-based and value-based perspective on decisions. We ask that you pay special attention to how much we could save through our health care, justice, child protective, and homeless systems if we invested in preventing poverty. The economic recession, while devastating, is also a time for reflection, and an opportunity to build back better. **We believe Alberta’s success will be defined by how we treat our most vulnerable and the “we” includes all of us, government, private business and civil society all working together towards prosperity for all.**

Sincerely,

A handwritten signature in blue ink, appearing to read 'Erick Ambtman', with a long horizontal stroke extending to the right.

Erick Ambtman, Executive Director
EndPoverty Edmonton

A handwritten signature in blue ink, appearing to read 'Meaghon Reid', with a stylized, cursive script.

Meaghon Reid, Executive Director
Vibrant Communities Calgary