



Alberta Budget 2018

In depth analysis by the Calgary Chamber of Voluntary Organizations

Released April 6, 2018

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Budget 2018 received attention from a number of Calgary nonprofits. CCVO was happy to see these organizations engaged in this policy process and sharing their reactions to this year's budget about what it means for community members who rely on their services. Throughout this analysis, we have linked to some of these reactions of how Budget 2018 impacts the nonprofit sector. CCVO looks forward to collaborating to provide a strong nonprofit voice in the next provincial election, expected to be held in Spring 2019.

Budget 2018 signals the value of the broad nonprofit sector

The 2018-19 provincial budget presented a reduced deficit, maintained key nonprofit funding programs, and included notable investments in social policy areas including children's services, mental health, persons with developmental disabilities, and homelessness. Unfortunately, funding was reduced in some areas, such as the arts. With consideration for the slow economic recovery and current financial circumstances of the Government of Alberta, Budget 2018 is largely supportive of nonprofit organizations and the communities they serve.

The Big Picture: A slightly smaller deficit, but growth forecast

Alberta's 2018 budget, entitled "A Recovery Built to Last" was based on three pillars:

1. building a growing and diverse economy which supports developing industries and job creation,
2. protecting vital public services, especially in healthcare, education and social services, and
3. controlling spending to balance the budget by 2023-24.

In the months leading up to the release of Budget 2018, the Government announced that it would not implement a sales tax to bring in new revenue. This, and other signals, pointed toward a continuation of the provincial deficit. It was announced that the province expects to spend \$56.2 billion this year, resulting in an \$8.8 billion deficit, down from a \$10.8-billion deficit in 2017. With no new taxes included in this budget, expected revenue growth will come from income taxes and an increasing carbon levy.

Continued economic recovery is expected as the Government of Alberta posted real GDP growth of 4.5% in 2017 and forecasted 2.7% growth in 2018. These figures indicate that the worst of the economic downturn in Alberta is behind us.

The most recent economic downturn has required nonprofit organizations to be innovative and adapt to new environments, and the Government of Alberta is encouraged to adopt the same mindset. While a slightly reduced deficit in 2018-19 is a step in the right direction, CCVO continues

to recommend the Government seriously consider alternative methods of revenue generation in the future.

Additional funding for the Ministry of Culture and Tourism of \$28.5 million over last year is driven by investments in Community and Voluntary Support Services, Heritage, the Francophone Secretariat, and Creative Industries. Spending in Recreation and Physical Activity and Tourism however, is lower than last year.

A new, social approach to budgeting

CCVO was happy to see Budget 2018 highlight the value of Alberta's nonprofit sector. Notably, the Ministry of Culture and Tourism's key strategies included in the Budget place a priority on assisting nonprofits in building their human and financial capacity. This is one of CCVO's main areas of work and we look forward to continuing to work with the Government to provide valuable opportunities for the sector to build capacity, both functionally, and adaptively.

Across Ministries, a Gender-based Analysis Plus (GBA+) has been applied. We believe the Government of Alberta's Centres of Responsibility in each ministry have the potential to explore intersections between public policy and gender. CCVO applauds this innovative thinking and application of a much-needed whole-of-government approach, and we look forward to the changes that may flow from these new Centres.

Key nonprofit funding programs remain protected in Budget 2018

In the context of a multi-billion-dollar deficit, lagging commodity prices, and limited revenue sources, Budget 2018 was a relatively "good news" budget for the nonprofit sector. Funding streams through the Community Grants Program, such as the Community Initiatives Program, are vitally important to many nonprofit organizations across the province. These funds allow them to innovate, repair aging buildings, expand operations to meet growing demand, and much more. The ripple effect of these programs is multifold: higher-quality services and programs, and valuable employment opportunities for Albertans. A slight increase of \$415,000 available in Budget 2018 through the Community Initiatives Program is a welcomed and much-needed increase for organizations continuing to respond to community needs.

After a significant increase to the Family and Community Support Services (FCSS) program in 2015, and funding for FCSS was maintained in Budget 2018. The program provides vital and foundational funding for social service organizations in Calgary. CCVO is pleased to see continued support for this important program from the provincial and municipal governments. From demonstrated success, it is clear that organizations supported by FCSS continue to enhance social inclusion, strong neighbourhoods, and work with a focus on prevention.

Looking ahead, CCVO will continue to work with colleagues on the FCSS Forum to advocate for the value of the program. We encourage the Government to index the funds for inflation to reflect a growing population, demand or services, and cost of doing business.

Heritage and Culture

It is encouraging to see the Ministry of Culture and Tourism shine a light on the value of heritage and culture in their business plan for the next three years. Nonprofits in this area play an important role in telling our communities' stories and contribute toward a high-quality of life for Albertans. This continued investment reflects the Government of Alberta's recognition of the important role of heritage and culture.

Read Momentum's **Three things worth celebrating in the 2018 Alberta Budget.**

To learn more about the impact of Budget 2018 on museums, read the **Alberta Museums Association's full analysis.**

Arts

Reduced funding for the Alberta Foundation for the Arts (AFA) in Budget 2018 of \$32,000 less than Budget 2017, is a change in the wrong direction. As arts groups work to attract and maintain audiences in a changing digital environment, consistent funding is an important foundation for their work. AFA funding allows organizations to deliver world-class performances and installations for Albertans to enjoy here at home.

Homelessness

Funding for Homeless and Outreach Support saw a slight increase in funding this year. Homeless Shelters received an 8% increase from \$43.0 million to \$46.8 million, and Women's Shelters' budget was increased 3% from \$49.7 million to \$51.3 million. These increases will fund 100 new permanent supportive housing program spaces throughout Alberta.

Disabilities

Since Spring 2017, the Government of Alberta has been clear about its plan to establish an Advocate for Persons with Disabilities. This commitment is reflected in Budget 2018 with funds directed for an Advocate's office. The Advocate and their team will work to promote the interests of people with disabilities and better understand issues in the community.

Persons with Developmental Disabilities

Support for Persons with Developmental Disabilities programs received a substantial boost in funding in Budget 2018; this program received an increase of more than 11% compared to the previous year's budget. Funding in this area indicates growing caseloads and the Government's attention to the financial pressure on service providers that resulted from an increasing minimum wage.

Nonprofit organizations in Alberta are managing the effects of a recovery economy, fewer donations, decreasing corporate support, and growing requirements from government legislation. The adjustment to account for the minimum wage increase is a step forward, and one we hope to see spread across Government in areas where nonprofits are contracted. In the future, CCVO would like to see similar adjustments to account for costs associated with the updated Employment Standards Code.

Mental Health

An additional \$7.9 million was put toward services in mental health and addiction in Budget 2018, representing a 10% increase from 2017. With the ongoing implementation of the Valuing Mental Health report alongside nonprofit service providers, it is reassuring to see this indicator that the Government of Alberta recognizes the importance of promoting wellness and awareness of mental health.

Children

The Alberta Child Benefit was introduced in 2016 and provides support to families living in poverty. Budget 2018 announced an increase in the amount of money available through the Alberta Child Benefit of \$175 million, up from \$174 million in 2017. The additional funds will build on the success of this valuable program. Supports such as the Alberta Child Benefit serve to provide a strong

Read more: Calgary Homeless Foundation's **Five Things to Know About the 2018 Alberta Budget.**

Policy tip: The Office of the Advocate for Persons with Disabilities is a good place to build relationships if you work in the area of disability services, or if your clients include persons with disabilities. Sharing your experiences as a service provider will help inform the Advocate's work.

Stay tuned: CCVO will be including questions regarding the updated Employment Standards Code in our upcoming 2018 Alberta Nonprofit Survey to better understand the impact of the legislated changes on the sector.

Learn more: Edmonton Social Planning Council's **FACT Sheet: 2018 Alberta Provincial Budget.**

foundation for families so that they turn attention to other areas like finding stable housing, high-quality employment, and addressing underlying health concerns.

Sport

Funding for Alberta Sport Connection was reduced by \$750,000 in this year's budget due to the conclusion of funding commitments for the 2019 Canada Winter Games to be hosted in Red Deer. Funding for Recreation and Physical Activity Services increased by \$210,000 due to administrative and accounting reasons, and will not affect funding for Alberta's nonprofits.

Support for Survivors of Sexual Assault

In addition to \$8 million announced in March 2018, Budget 2018 included \$11 million for the Association of Alberta Sexual Assault Services. Centres supported by the Association will continue to work to support survivors of sexual assault. It is encouraging to see the Government of Alberta work closely with nonprofits to address community concerns and needs in this area.

What's Next?: Looking ahead to an election that includes a strong nonprofit voice

Looking ahead, CCVO recognizes that stable and growing financial support from the provincial government is important for many nonprofits. The economic downturn has reduced corporate sponsorships, individual donations, and earned income, leaving consistent and predictable government support increasingly valuable. Moving forward we ask the Government to:

- Adjust key funding programs - the Community Grants Program and the Family and Community Support Services program - for inflation and population growth.
- Invest in capital funding for small- and medium-sized nonprofits.
- Continue to seek opportunities to engage with the nonprofit sector to meet shared goals.

What was your reaction to Budget 2018? Get in touch at policy@calgarycvo.org.

CCVO Recommendations vs. What Happened in Budget 2018:

Reconsider the status quo of Government funding and programs.	This was not reflected in Budget 2018, but it was encouraging to see the addition of a Gender-based Analysis Plus to the Government's operations.
Recognize the impact of legislation on nonprofit operating costs.	We were pleased to see an increase in the PDD funding area to support organizations impacted by the increasing minimum wage. We hope to see similar investments in the future that recognize the effects of an updated Employment Standards Code.
Invest in the capital infrastructure of small and medium-sized nonprofits.	Funding was maintained in this area, but we continue to see big investments in large nonprofits. Capital funding is out-of-reach for small nonprofits.
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