

ASCHA's Summary & Analysis of the 2023 Alberta Budget

Prepared by ASCHA for Members

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Budget 2023 focuses on Premier Danielle Smith's government's previously announced priorities including affordability, community safety, economic growth, education, tackling challenges in health care, all while balancing the budget. Broadly, the strategic plan is organized under two streams: securing Alberta's future and standing up for Albertans – both of which is broken down into smaller sub-priorities. Revenue is roughly \$70.6 billion with total projected expenses of \$68.3 billion in this fiscal year, providing a surplus of \$2.4 billion. Operating expenses are forecasted to grow by approximately two percent over the next two years, and this increase will be aimed at the above-mentioned priorities.

Finance Minister Travis Toews announced a plan to introduce legislated balanced budgets unless there was an emergency such as a pandemic or a steep decline in revenue. Once enacted, the legislation would require the government to return to balance within two years, and spending increases would be limited to inflation and population growth.

There are commitments to the Affordable Housing Strategy and Continuing Care transformation in Budget 2023. Spending in affordable housing is focused on investment in the partnership program and rent assistance. Continuing Care spending is significant, with a focus on supporting implementation of the transformation.

Please note that entity financial details (including Alberta Health Services & Alberta Social Housing Corporation) were not posted with the other Budget 2023 documents. They are expected to be released by Treasury Board & Finance next week. As such, some of the more detailed information cannot be provided, because the line-by-line spending analysis for those programs is not available. ASCHA will share this updated information when it becomes available.

HIGHLIGHTS BY MINISTRY & CATEGORY

Seniors, Community & Social Services

This new larger and combined ministry has a total operating expense of \$5.3 billion, representing 7.5% of total government spending. For reference the previous ministry of Seniors & Housing had an annual budget of \$879 million in Budget 2022. The successor ministry sees an increase in program and support funding related to recently announced affordability payments and the reindexing of benefits and income supports. This amounts to an increase of \$275.7 million in 2023-24. Family, Social Supports, and Housing account for 2% of Budget 2023's Capital Plan or \$497 million.

Public housing operators will continue to see flatlined operating expenses. This continues to impose an immense challenge to housing providers given inflationary impacts across all spending and ensuring they can remain in a position to retain and recruit staff. While the Government of Alberta has been able to balance their budget, many housing operators are not in the same position without the Government's support. In order to build capacity across the sector, and to ensure Albertans across the province have access to housing in an equitable manner, the sector needs this operational support. This clearly demonstrates the amount of work we as a sector need to do to highlight the importance of housing as a



foundational role in the lives of all Albertans, and the detrimental impacts of moving forward with an approach that does not recognize the real cost to deliver housing and supports. We encourage you to join the upcoming ASCHA Advocacy Training Webinar on March 14, 2023, and to read ASCHA's *Housing Supports Alberta, Albertans Support Housing* document in preparation, to help frame our advocacy and our specific recommendations.

Benefits & Income Supports

These benefits and supports represent a significant portion of the Ministry's budget; below are some of the relevant line items. Indexation of social programs cost \$193 million in 2023-24 and a total of \$904 million from 2022-26.

- Alberta Seniors Benefit – \$494 million representing a 13% increase of \$64 million
- Assured Income for the Severely Handicapped (AISH) – \$1.5 billion representing an 8.5% increase of \$130 million
- Employment & Income Support - \$804 million representing a 1.3% decrease of just over \$10 million
- Community supports and family safety - \$162 million representing a 4.8% increase of \$7.7 million

Affordable Housing

A significant investment in the Affordable Housing Partnership Program which, over the course of three years, will see a total investment of \$202 million. Last fiscal year, there was \$7 million budgeted, increasing to \$34.3 million this fiscal year. We know from the government that the initial application intake, which closed in mid-January, saw a large response from interested organizations. The government has indicated that announcements involving the successful projects will be released in the coming weeks. Budget 2023 projects that approximately 6,900 more households will be supported over the next three years through rent assistance and the construction of more housing.

The Affordable Housing Strategy saw an increase of one million to \$10 million from the previous fiscal year. The total spending over three years will be \$68 million. Some of this is allocated to asset transfers including the nominal sum disposal related to transfers. It is interesting to note that the majority of this \$43 million is targeted for the 2025-26 fiscal year.

Lodges

There is no change to the Lodge Assistance Program Grant, and the extension of COVID-19 funding is not referenced; however, there is a verbal commitment to continue until June 2023 in order to support Lodges while we move towards the formal Seniors Lodge Program Review.

Capital

Budget 2023 allocates \$468.5 million in capital funding over three years and \$9.1 million in operating funding to continue to implement *Stronger Foundations*. Within this \$9.1 million, there will be support for the implementation of tenant support workers, but the details have yet to be fleshed out. This presents an opportunity for ASCHA to advocate on how to best roll this out to create maximum impact for Albertans. The capital plan includes \$137 million in 2023-24 allotted to the implementation of *Stronger Foundations*. The \$137 million will be both capital investment and capital grants.



Seniors Facilities and Housing Capital Maintenance Renewal received \$32.3 million in the budget for this fiscal year with consistent targets over the next three years for a total of \$94.1 million.

Seniors Housing Development and Renewal has been allocated \$27.9 million this fiscal year and \$1.6 million next fiscal year. This funding envelope is focused on government owned and/or supported affordable independent and supportive seniors housing.

Affordable and Specialized Housing focused on capital projects that target vulnerable populations, including Albertans experiencing homelessness, persons with disabilities, addictions/and or mental health issues and persons fleeing violence. This receives \$13.8 million in this fiscal year.

The Indigenous Housing Capital Program has a budget of \$53.8 million over three years with \$18.4 million in this fiscal year (there was an increase of \$16.8 million from Budget 2022).

Rent Supplement

An additional \$11.8 million in rental assistance to support more Albertans with the aim of helping an additional 12,000 households within the next 10 years as per previous targets. Between March 2021 – March 2022 there was an increase of 1,300 households receiving rent supplement. Additional funding in Budget 2023 focuses on providing housing for Ukrainian evacuees, but there is an understanding that we cannot prioritize this demographic over the Albertans currently on the waitlist. Letters detailing the increase to rent supplement, as well as scoring considerations including how to consider assets, will be sent to housing providers. There will be an expectation to report back to the department on how many Ukrainian evacuees are being housed in the first 3 months of implementation.

Homeless & Outreach Support Services

There is a focus on addressing homelessness. In 2023-24, \$83.5 million is allocated to homeless shelters to provide safe, temporary accommodations and basic needs services, and \$101.6 million to provide safe housing and supports to those experiencing homelessness. Lethbridge Supportive Housing for the Chronically Homeless will receive \$9 million in this fiscal year.

There is an additional \$23 million over 3 years for the implementation of *Stronger Foundations*, including expanding and enhancing the functionality of digital portal services for housing operators to streamline the process, collect data, reduce red tape, and to support smaller communities in developing housing needs assessments.

The overall Homeless and Outreach Support budget estimate received a 7.8% increase of \$19.6 million, and the targets for the next 2 fiscal years remain the same.

Alberta Health

The health budget will be increased by \$965 million, or 4.1%, to a total of \$24.5 billion representing close to 36% of the overall provincial budget. The projected targets show an increase to \$26 billion by 2025-26. The stated focus is on strengthening health care to build a more resilient and sustainable health care system, as outlined in the Health Care Action Plan. Alberta Health Services' (AHS) operating budget is increasing by \$608 million (3.8%) totaling over \$16.7 billion. With this budget, AHS is expected to add nearly 3,600 net new full-time equivalent positions in 2023-24.



The combined continuing care, community care, and home care budgets have increased by 15.3% which is \$570 million more than the 2022-23 forecast. The government plans to invest \$1 billion over three years to begin the transformation of continuing care in response to the *Facility Based Continuing Care Review*. These funds will also support improved access to palliative care and caregiver supports, and they will address the recommendations in the *Advancing Palliative and End-of-Life Care in Alberta* report. The importance of continuing care was highlighted in the budget address.

Continuing Care

The continuing care budget shows an increase of over \$125 million (9%) from the 2022-23 forecast. This is a significant increase over last year's modest 1.4% increase. The total budget estimate is \$1,405,031.

Community Care

The community care budget has increased by well over \$314 million which is an increase of 15.6% from the 2022-23 forecast. This increase is much higher than last year's \$122 million increase which was targeted to new Designated Supportive Living (DSL) spaces. *Further clarification and details have been requested to understand the target for the budget estimate totaling \$2,021,800.*

Home Care

The budget for home care has increased by \$153 million which is an increase of 17% from the 2022-23 forecast resulting in an overall budget of \$902,800. We are hopeful that some of this may increase home care services to residents living in supportive living environments, including lodges across Alberta.

Acute Care

Based on the current forecast, acute care exceeded the 2022-23 budget by over \$100 million. The 2023-24 budget is increased by over \$385 million to the \$4,661,667 budget estimate which is 8.3%. Future years targets show 4% and 1.5% increases to reach close to \$5 billion in acute care expenses.

Emergency Medical Services

The emergency medical services budget has been increased by 18.7% reflecting an investment of over \$138 million in 2023-24. They are targeting an investment of \$211 million over three years with the largest investment in the 2023 budget.

Capital Plan

The Continuing Care Capital Program provides \$310 million over three years to support modernizing continuing care facilities, developing small care homes, providing culturally appropriate care for Indigenous People, and providing new spaces in priority communities. \$120 million in 2024 will support new continuing care projects with the majority allocated to the Good Samaritan Society in Edmonton and the Bethany Care Society continuing care project in Calgary.

Alberta Mental Health and Addictions

A separate Ministry, and operating expenses of \$148 million in Budget 2023, signals an increased focus in addressing mental health and addiction challenges. This budget is targeted to reach \$191 million by 2025. Announcements note \$275 million in record investments, but the details and the specific targets are not yet available to us. Additional mental health and addictions funding is welcomed by all types of housing providers and the tenants/residents they support across Alberta.



Other Relevant Budget areas

Continuing Care Accommodation Rates

With a stated commitment to keeping continuing care accommodation rates affordable, investments were made to defer accommodation rate increases from July 1, 2022, to October 31, 2022. A 2.3% increase in continuing care accommodation rates is being deferred from November 1, 2022, until June 30, 2023. Based on the information we can glean, the budget estimate for this affordability investment is \$4 million under the Affordability Ministry.

Pandemic Funding

Pandemic funding is not a line item in any of the specific ministry budgets. It is our understanding that there will be a provincial pool of accessible emergency funds, with parameters to be established. DSL providers have been notified that their COVID-19 funding will end on June 30. We understand COVID-19 funding for lodges may go beyond that date, but we do not have written verification of this.

Grants in Place of Taxes within the Municipal Affairs ministry will see an increase from \$30.7 million to \$36 million; however, we do not have any details at this time.

The Safety Codes Council within the ministry of Municipal Affairs has a significant increase of \$1.5 billion focused on renewing the provincial accreditation framework. ASCHA has a representative on the Barrier Free Sub-Council, and we will determine what this could mean for our members.

Land Titles/Registry Services has been allocated \$99.9 million over three years which includes modernizing the system and addressing land title back log with \$29.8 million distributed between associated capital and operating costs.

Low-income transit program receives \$16 million this fiscal year to help low-income Albertans afford transportation to access jobs, education, community resources, and government services.

**This document is our best interpretation of the data available as of March 1, 2023. As more information becomes available (notably the entity financial statements) we will provide further information.*

