

ASCHA's Summary & Analysis of the 2024 Alberta Budget

Prepared by ASCHA for Members
March 1, 2024



Summary – Economic Outlook and Fiscal Strategy

Budget 2024 was released after Premier Danielle Smith issued a [State of the Province](#) address, envisioning the growth of the Alberta Heritage Savings Trust Fund through regular investment. This growth projects hundreds of billions of dollars, giving an even more positive outlook than the \$22.1 billion value projected on December 31, 2023. Under the government's fiscal framework (passed last year), half of any surplus must be allocated to debt maturing within the same fiscal year, with any remaining money to be used to further debt repayments, investment in the Alberta Heritage Savings Trust Fund, or one-time initiatives that do not require on-going spending.

Premier Smith highlights the need for spending restraint. This is an important framing given that the government will be in contract negotiations for many contracts this year, including with the Alberta Union of Provincial Employees (AUPE). AUPE represents many groups including employees of Alberta Health Services (AHS), and the contracts expire at the end of March. The government currently employs over 200,000 full-time equivalents.

Alberta's Total Spending 2024-25: \$72.3 billion

Surplus 2024-25: \$367 million

Projected Surplus 2025-26: \$1.4 billion

Projected Surplus 2026-27: \$2.6 billion

This context is crucial. At a time when the government has shown spending restraint, they have been able to address many of our sector's advocacy asks, recognizing the importance of housing and supports. This is a huge shift from previous budgets.

So, how did Alberta's 2024 Budget align with ASCHA's 2024 Pre-Budget Submission?

- Housing programs (community, seniors and rent supplement) have seen a collective increase of approximately \$38 million in operational funding this fiscal year, with most being retroactive to the start of the fiscal year.
- Community Housing (social housing and the Seniors Self-Contained program) received an additional \$18.8 million in operating funding, bringing the total budget to \$58.8 million. Funding in the previous fiscal year was only \$40 million, and this includes the additional \$10 million provided late in 2023. This additional operating funding in Budget 2024 is intended for investment in tenant support workers to support increasingly complex tenants. We haven't heard about the possibility of indexing operating funding to inflation but will continue to advocate for this.
- The Lodge Assistance Program (LAP) Grant budget will increase by \$20.2 million. The LAP Grant allocation will increase from \$13.23 to \$20.50 per eligible resident per month. Lodges with less than 33 units will increase from \$20.50 to \$29.00 per eligible resident per

month. Lodge Provider's advocacy was heard that action on LAP could not wait until after the Lodge Review was completed.

- Rent Supplement will be increasing by \$7.3 million this fiscal year to serve an additional 550 – 800 tenants, with a plan to serve an additional 1,900 tenants in the next three years. Administration funds for housing providers will be increased from \$31 per tenant to \$40 per tenant per month.
- Capital Maintenance and Renewal (CMR) funding increased to \$40.3 million for this fiscal year. In addition, there is a new seniors lodge modernization fund of \$125 million over three years, with \$25 million allocated this year for lodges regardless of ownership.
- A total of \$405 million is allocated to the Affordable Housing Partnership Program over the next three years, with \$62 million in this year's budget. There is also \$91 million allocated over the next three years for the Affordable Housing Strategy, including asset transfers with maintenance grants. The Indigenous Housing Capital Program will see \$75 million over 3 years, with \$25 million allocated each year.
- There is no budget consideration for ASCHA's Alberta Seniors Tax Credit proposal, but we will be looking at innovative approaches to support residents' choice in accessing the accommodations and supports they need. Our work on this is not done!
- The budget does not show other areas for addressing barriers to meeting the increasing affordable housing need, such as grants in place of taxes. We will continue to work with the Government of Alberta on equitable approaches to property tax concerns.
- We do not see any news on a multi-year budgeting process that provides transparency for housing providers to improve planning for capital expenses; however, with more stabilization in other areas, it might be possible to address the need for this in later asks.
- While the continuing care and home care budgets have increased and we are optimistic, we cannot confirm the following budget recommendations, as the AHS budget will not be released until August.:
 - Adjusting funding modes to reflect the actual cost of delivery in AHS' contracted spaces; and
 - Implement 24/7 home care in congregate seniors living settings to avoid unnecessary emergent or acute care, and, ultimately, unnecessary deaths in hospital or transition settings.

HIGHLIGHTS BY MINISTRY & CATEGORY

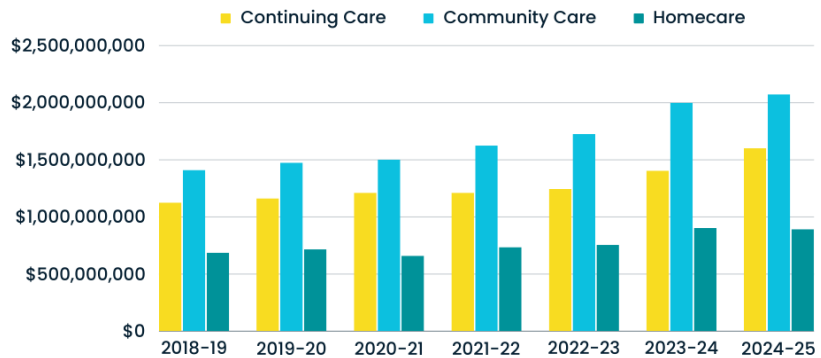
Ministry of Health

The health budget increased by \$1.1 billion from the 2023 forecast of 4.4%, to a total of \$26.2 billion! This represents 44% of the provincial operating budget. Projected targets show an increase to \$27.5 billion by 2026-27. Details related to AHS's budget are not specified, and we anticipate this is due to the refocusing of the health system.

The government's commitment to invest \$1 billion over three years to Continuing Care, as outlined in the Facility Based Continuing Care Review, continues. The combined continuing care,

community care, and home care budgets have increased by 20%, which is over \$255 million more than the 2023-24 forecast. Budget 2024 allocates a \$140 million forecast per year over three years under the yet-to-be signed Aging with Dignity bi-lateral agreement. This includes \$70 million a year for Continuing Care initiatives, including hiring health workers, wage increases, training, etc., and \$70 million for Home and Community Care initiatives including palliative care, caregiver supports, and enhancements to home care infrastructure.

CONTINUING CARE, COMMUNITY CARE & HOME CARE SPENDING 2018-19/2024-25



Continuing Care

The Continuing Care budget estimate reflects an increase of \$96.8 million (6.4%) from the 2023-24 forecast. The total budget estimate is \$1.61 billion with a target of over \$1.7 billion in 2026-27.

Community Care

The Community Care budget shows an increase of \$74.5 million (3.7%) from the 2023-24 forecast. The total budget estimate is \$2.09 billion and targets to 2026-27 increase to \$2.31 billion reflecting a 9% increase in the next two years.

Home Care

The budget for Home Care has increased by \$839,000 million which is an increase of 9.9% from the 2022-23 forecast. The total budget is estimated at \$930,200 million, and the targets increase by 8% to over \$1 billion by 2026-27.

Acute Care

Based on the current forecast, acute care exceeded the 2023-24 budget by over \$179 million. The 2024-25 budgets have since been increased by \$118 million (2.5%) from the forecasted amount. The acute care targets are expected to increase to over \$5 billion by 2026-27.

Emergency Medical Services

The emergency medical services budget has been increased by 4%, reflecting an investment of over \$28 million with a total budget of \$730 million. \$35 million has been allocated specifically to purchase new Emergency Medical Services vehicles and ambulances, upgrade the existing fleet, and acquire additional equipment.

Workforce

This budget invests \$164 million to address health care staffing challenges through initiatives to train, recruit and retain health care professionals supported by the work of Alberta's Health Workforce Strategy and the Rural Health Professions Action Plan.

Capital Plan

The Continuing Care Capital Program continues with \$121.5 million budgeted in this fiscal year, \$173 million targeted in 2025-26, and \$359 million targeted in 2026-27, bringing the total to \$654.3 million over 3 years. This is in addition to continuing care projects announced last year, with many of these projects already underway.

Ministry of Mental Health and Addiction

The operating expenses for this Ministry increased by 5.7% to over \$1.55 billion to continue building the Alberta Recovery Model. There is also \$140 million allocated to capital this year, with a three-year target of \$232.5 million. This includes recovery communities and CASA expansion.

- \$328 million in capital funding over 3 years to develop recovery communities and children and youth mental facilities (\$191 million in provincial funding and \$137 million in federal funding)
- \$10 million to create additional mental health professional spaces at Alberta’s post-secondary institutions
- \$10 million in capital funding over 3 years to plan for the development of five Adult Mental Health and Wellness Centres.

Ministry of Seniors, Community & Social Services

While overall it appears that the Ministry’s expenses decreased year over year, it is important to note that the prior year’s Budget accounted for affordability supports and inflation relief. The total operating expense for the ministry is \$5.2 billion for the fiscal year, an increase of 3.3% and just over 7% of the province’s total operating budget. This is great news!

Alberta Social Housing Corporation saw an increase of \$118,829,000, which accounts for an increase in operational funding for housing providers, rent supplement, and capital. Based on available numbers, this would indicate that there was an over 35% funding increase. Entity financial details, which include line-by-line details about key housing programs, have not been released and are not expected to be published until later in March.

Alberta Social Housing Corporation	2024-25	2025-26	2026-27
Total	\$474,690,000	\$574,936,000	\$646,569,000
Capital	\$36,789,000	\$34,420,000	\$35,940,000
Total Excluding Capital	\$437,901,000	\$437,901,000	\$610,629,000

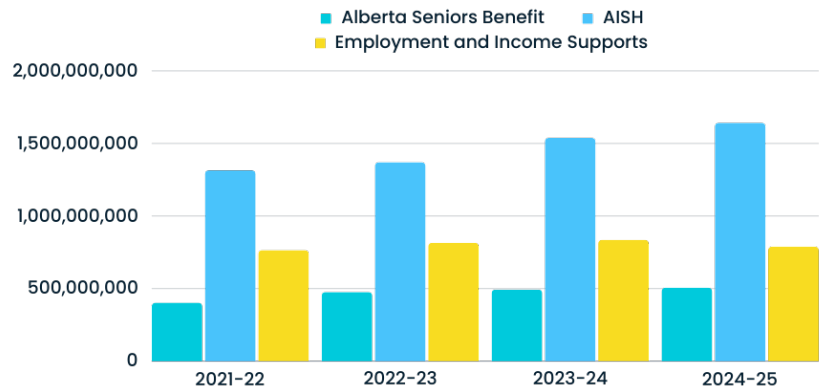
\$6.8 million in funding is allocated to a pot dedicated to mixed models, building condition assessments, and the ongoing Lodge Review work in this fiscal year.

Benefits & Income Supports

These benefits and supports represent a significant portion of the Ministry’s budget; below are some of the relevant line items, including a chart showing the budget growth between 2021 and this budget.

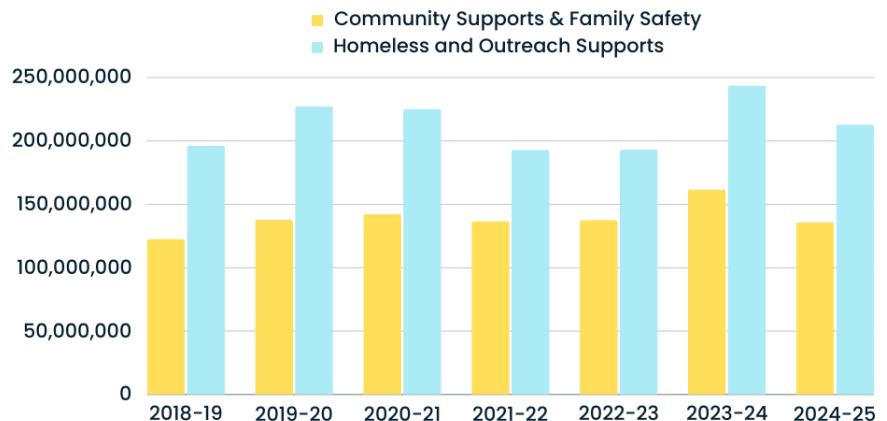
- Alberta Seniors Benefit – \$506.7 million, up by \$12.8 million
- Assured Income for the Severely Handicapped (AISH) – is up to \$1.6 billion, an increase of \$104 million
- Employment & Income Support - \$789 million, representing a decrease of \$806,0000

BENEFITS & INCOME SUPPORTS



Community Supports and Family Safety

These two budget areas account for \$136 million of spending, and **Homeless and Outreach Supports** is at \$213 million, up from \$188 million last budget. This includes an increase of \$24.5 million in 2024-25 and \$70 million over three years to add hundreds of additional homeless shelter spaces through the Homelessness Task Force Action Plan and support the operational pressures that shelters are experiencing.



\$85 million in 2024-25 for the Prevention of Family and Sexual Violence which among other functions oversees women’s shelters and services for victims of sexual assault.

\$15 million over three years for the implementation of Alberta’s Safe Streets Action Plan.

Capital and Capital Maintenance and Renewal

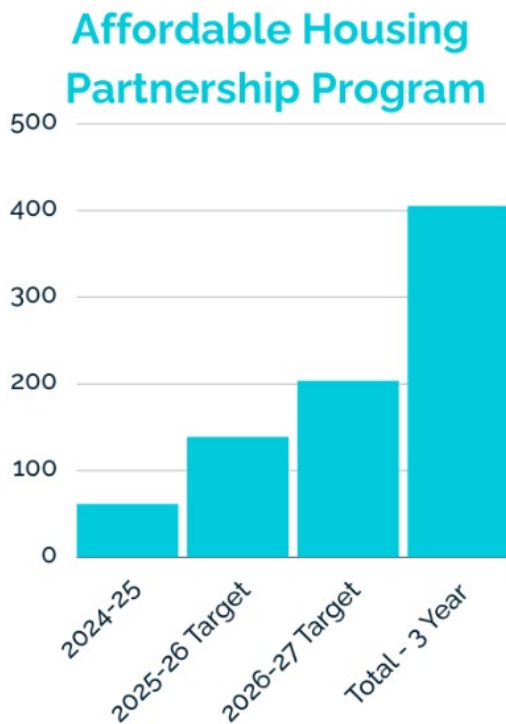
The total capital funding allocated for the full ministry over three years is \$848.7 million, with \$202.5 million allocated to 2024-25.

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 area receives \$18.1 million this fiscal year.

Seniors Facilities and Housing Capital Maintenance Renewal received \$120.9 million over three years, with \$40.3 million in this fiscal year.

Seniors Housing Development and Renewal has been allocated \$129.7 million for the next three years, with \$29.7 million this fiscal year. This funding envelope is focused on government-owned and/or supported affordable independent and supportive seniors housing.



The Affordable Housing Partnership Program sees an increase from Budget 2023 (which previously allocated \$202 million over 3 years) to \$405.5 million between 2024-27. The second round of successful recipients of the Affordable Housing Partnership Program is anticipated to be announced very soon.

The Indigenous Housing Capital, as noted above, is allocated \$25 million with a total of \$75 million over 3 years.

Other Relevant Budget Items

Through the Ministry of Public Safety and Emergency Services, adding 100 street-level police officers to high-crime locations in Edmonton and Calgary

Budget 2024 will see the raising of land title charges on the registration of properties and mortgages to \$955 per registration.

Grants in place of property taxes account for \$38.1 million of the operating budget of Municipal Affairs, up from \$36 million in the last budget.

Alberta will be introducing the 25% discount for seniors on personal registry services and medical driving tests to be implemented in 2024-25. It is expected to save seniors between \$16-\$20 million per year.

Please note this summary and analysis is based on the best available information as of March 1, 2024, and errors and omissions are accepted.