

Alberta



BUDGET 2024

A RESPONSIBLE PLAN FOR
A GROWING PROVINCE

Post-Mortem
University of Alberta
11 March 2024



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AB POL ECON

News, analysis & opinion

SPEAKERS- Shauna Feth



- President and CEO of the Alberta Chambers of Commerce (ACC)
- 12 years as Executive Director of the Alberta Business Family Institute at the University of Alberta School of Business.

SPEAKERS- Professor Andrew Leach



- Energy and environmental economist and is Professor at the University of Alberta, with a joint appointment in the Department of Economics (Arts) and the Faculty of Law.
- Research spans energy and environmental economics with a particular interest in climate change policies and the law.

SPEAKERS: Sheila Pratt



- Long time observer of Alberta politics, was a writer and editor at the *Edmonton Journal* and *Calgary Herald*.
- Currently freelance television and radio commentator and is co-author of a book *Running on Empty, Alberta After the Boom*

SPEAKERS: Professor Elizabeth Smythe



- Emerita professor of political science at Concordia University of Edmonton where she taught international and comparative politics courses as well as Canadian public policy.
- Her research interests include international trade and investment agreements, food standards and social movements and global justice.

SPEAKERS: Jonathan Tegtmeyer



- Associate Coordinator Communications for The Alberta Teachers' Association.
- Bachelor of Education and a Masters of Arts in Communication and Technology from the University of Alberta. Before joining ATA staff, he taught Math and Drama at Breton High School.
- Treasurer of Public Interest Alberta.

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2024

ALBERTA BUDGET



Alberta Chambers of Commerce





**STRENGTHENING
BUSINESS
COMPETITIVENESS**



**GROWING
PROVINCIAL
TRADE**



**BUILDING
HEALTHY
COMMUNITIES**



**IMPROVING
GOVERNMENT
ACCOUNTABILITY**



STRENGTHENING BUSINESS COMPETITIVENESS



- Land Titles Registration Levy: potential impacts on commercial property
- Alberta's tax advantage
- Insurance tax still in place
- Investment in emissions reduction
- Affordability and utility costs a continued concern for business



GROWING PROVINCIAL TRADE

- Increased investment in First Nations Development Fund and Alberta Indigenous Opportunities Corporation
- TMX coming into service
- Investment in capital infrastructure
- Interprovincial trade barriers and supply chains





BUILDING HEALTHY COMMUNITIES

- Connecting local economic impact and health care
- In demand and skilled worker training
- Dual credit expansion
- Federal-provincial childcare program



IMPROVING GOVERNMENT ACCOUNTABILITY

- Increase in public service FTEs
- Fiscal Framework commitment
- Non-renewable resource revenue valuation
- “Hidden” taxes
- Municipal funding and business supports

A decorative border on the left and right sides of the slide, composed of several overlapping hexagons. Some hexagons contain black and white photographs of business professionals in meetings, while others are solid colors in shades of teal and beige. The text 'THANK YOU' is centered in the upper half of the slide, with 'THANK' in a light beige color and 'YOU' in a larger, light beige font. Below 'YOU' is a solid teal horizontal bar.

THANK
YOU

Do you have any questions?

Decorative elements at the bottom of the slide, including a grid of small beige dots on the left and right sides, and two solid teal horizontal bars at the bottom edge.

www.abchamber.ca

SPEAKERS: Professor Elizabeth Smythe

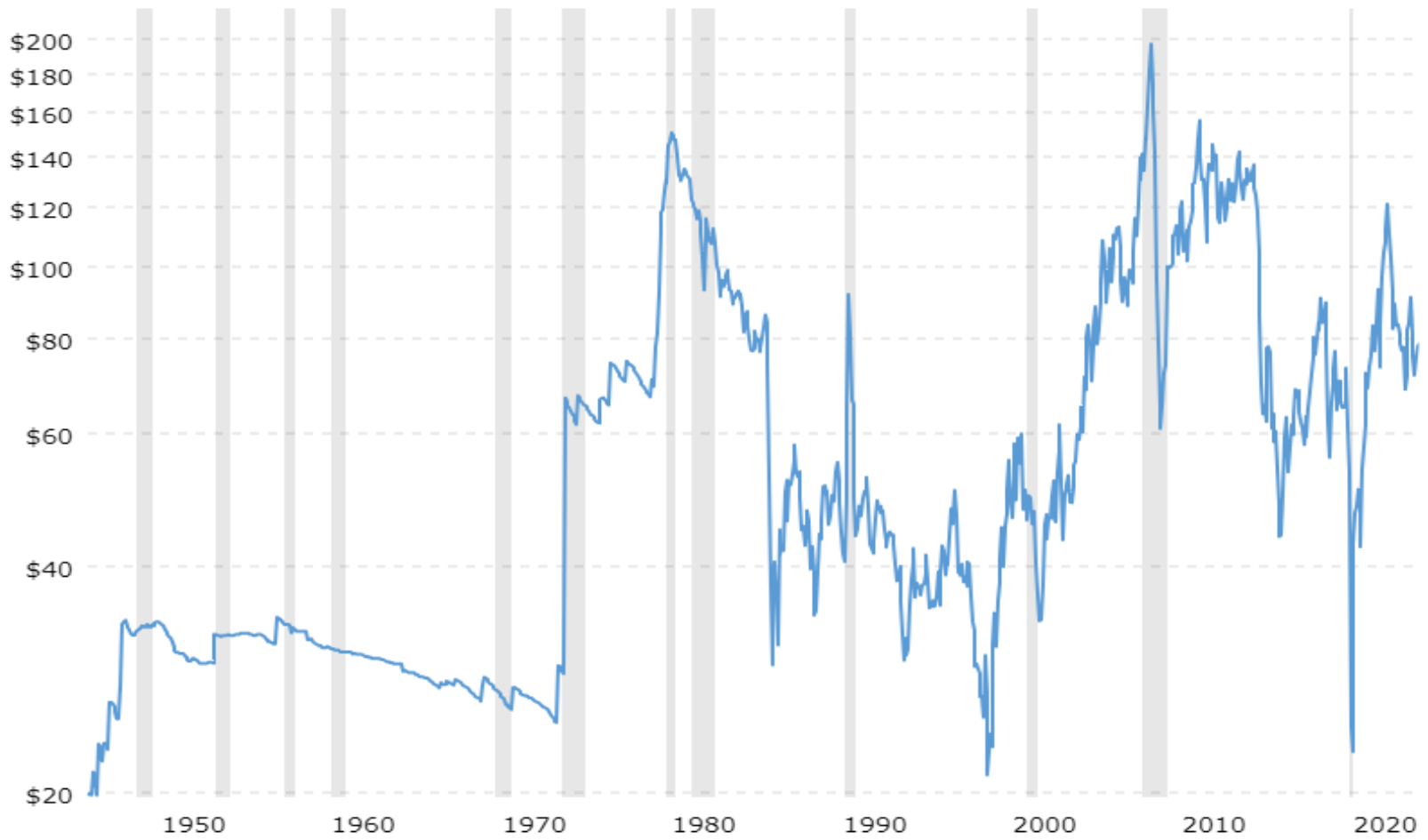


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***Budget 2024: A story of a reality check and permanent
austerity that ends in a fairy tale***

Presented at the 13th Annual Alberta Budget Post-Mortem
March 11, 2024

Elizabeth Smythe, Prof Emerita, Concordia University of Edmonton
elizabeth.smythe@concordia.ab.ca



The Problem

The revenue roller-coaster

Non-renewable resource revenue in 2024-2025 will be 17.4 billion \$
24 % of total revenue

A 70 year history of crude oil price trends
<https://www.macrotrends.net/1369/crude-oil-price-history-chart>>Crude Oil Prices - 70 Year Historical Chart

Facing reality and framing the narrative

“It is not sustainable.

Some say the answer is higher income taxes or a sales tax. I reject this

We only need look at some of our fellow provinces and many US states, to know that increasing these kinds of taxes to balance a budget is a recipe for economic decline” ????

Premier Danielle Smith,
State of the Province
Address
February 21, 2024



“

We want people to know that we're prioritizing making sure that those key services are going to be there for people, but having a **slower rate increase is going to ensure that we're able to have it all**: we're able to pay down debt, we're able to put money aside for the future, we're able to deliver on long term tax cuts, and we're able to take care of those who most need it.”

Premier's address Feb 21.

Fiscal Framework: Sustainable Fiscal Planning and Reporting

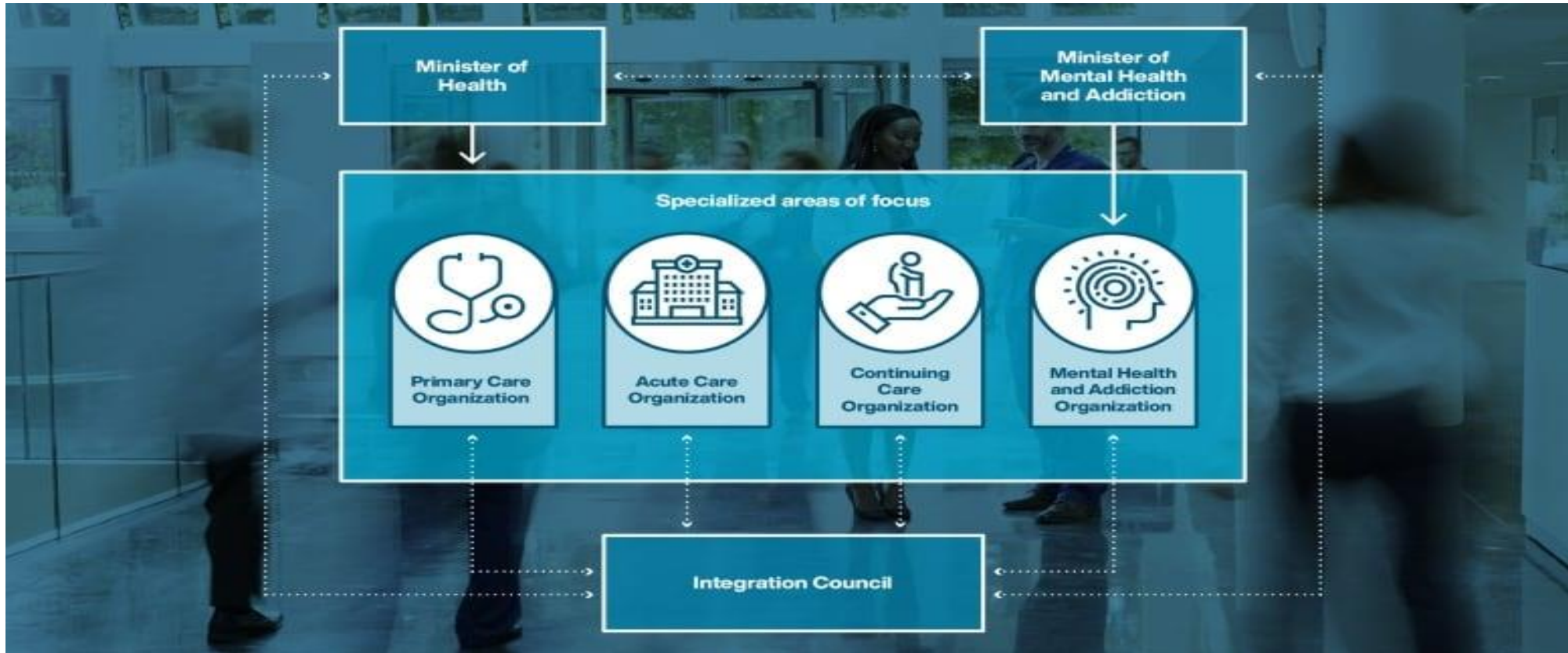
“In Budget 2023, Alberta’s government introduced a new fiscal framework with four key components:

- Require annual balanced budgets, with certain exceptions;
- Limit year-over-year increases in operating expense to population growth and inflation;
- Limit in-year expense growth to a budgeted and voted contingency; and
- Set out policies for the allocation of surplus cash to repayment of maturing debt, saving for the future, or one-time initiatives that do not lead to permanent increases in government spending

Amendments were also introduced for the Alberta Heritage Savings Trust Fund to retain 100 per cent of its net income instead of the current requirement to retain only an amount for inflation proofing.”

	2024-2025	2025-2026	2026-2027
Population growth	3.7	2.3	2.0
Inflation	2.5	2.5	2.2
Total	6.2	4.8	4.2
Spending increase	3.9	2.2	2.2
Oil price assumption	74\$ US	74	74

Refocussing Health Care



Despite claiming that health spending will increase 4.4 per cent for this budget and 2.5 for the year after that is not so in all areas. “Operating expenses for Acute Care are \$4.4 billion in 2024-25, an increase of \$60 million from the 2023-24 forecast”

“Prior to the end of this year, government will release its long-term plan charting a path to a Heritage Fund worth between \$250 billion and \$400 billion dollars by the year 2050.

These estimates are realistic and achievable through a strict adherence to the fiscal framework introduced in Budget 2023.

Alberta will join the ranks of jurisdictions such as Alaska, Norway and many other resource-based jurisdictions around the world who boast sovereign wealth funds large enough to replace their reliance on resource revenues.

The Heritage Fund will achieve these goals in a way that is anchored in Albertan values and reflective of our unique character.”



The real agenda

Keep taxes on “job creators”, a.k.a corporations, and the wealthy low.

Lower expectations of Albertans and position the government as prudent financial managers in the context of coming collective bargaining

Starve major programs or services like health care of revenue so that when they break they can then be “fixed” by downloading costs on to people and turning to the private sector

Fund the promised tax break and provide other “goodies” just prior to the next election.

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Alberta Education Budget 2024

for ABPoIEcon Budget Post-mortem
March 11, 2024

Jonathan H Teghtmeyer
Associate Coordinator – Communications

Education Budget Headline

\$393 million

4.4%

\$1.5 billion for special needs

Pre-Budget context

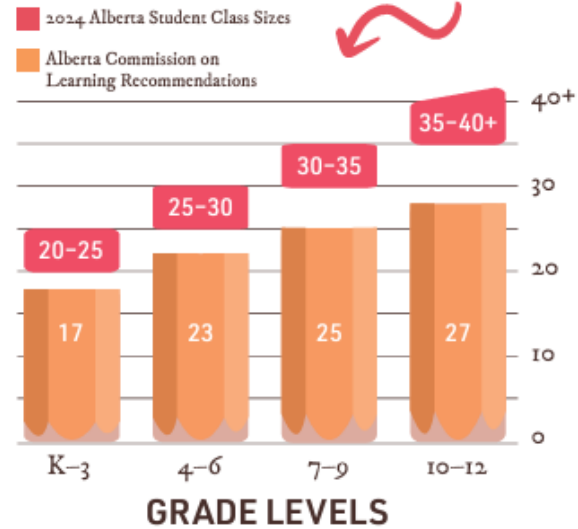
LARGER CLASS SIZES

62%

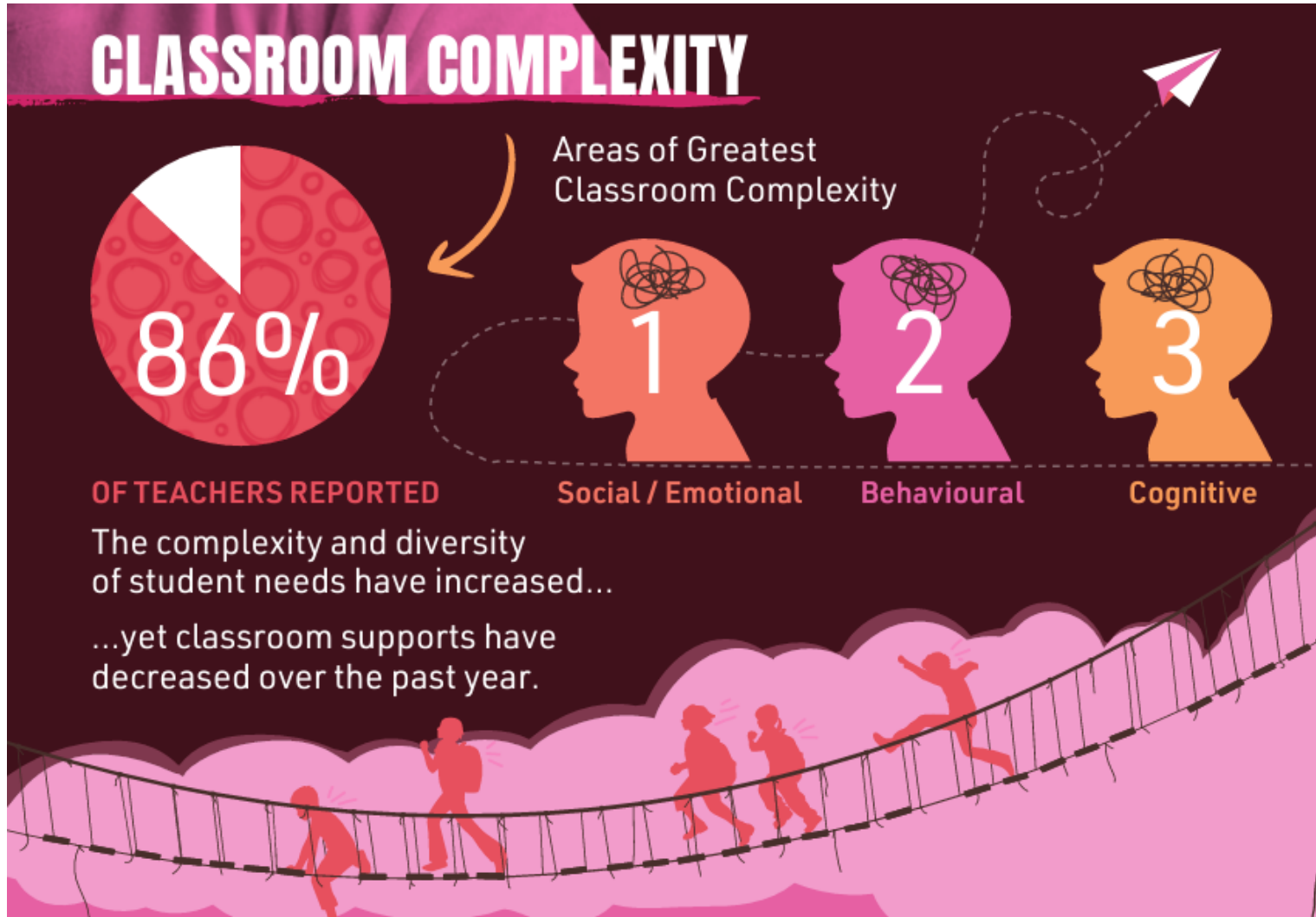
OF TEACHERS HAVE SEEN
Their class sizes increase
this school year.

40 IS THE NEW 30

Most common class sizes in Alberta by grade level.



Much of my time is spent managing behaviours rather than teaching.



Source: ATA 2024, [Pulse Rapid Research Study](#)

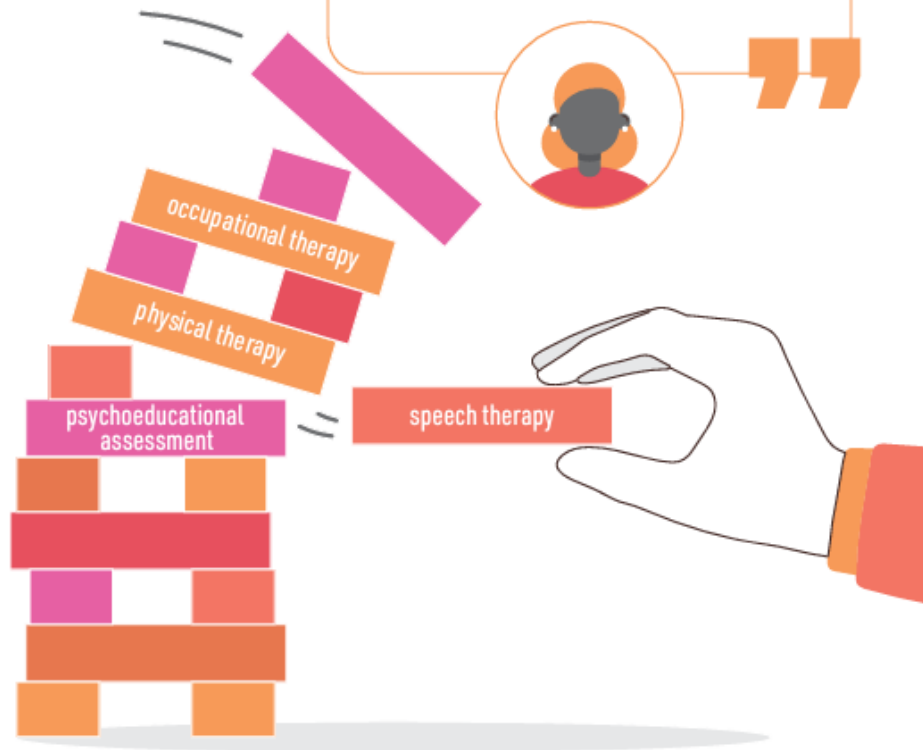
INCLUSION WITHOUT FUNDING & SUPPORTS IS ABANDONMENT!

I feel like a fraud telling parents the system line that inclusion is the best for their child. Inclusion only works when the resources and supports are in place.

56%

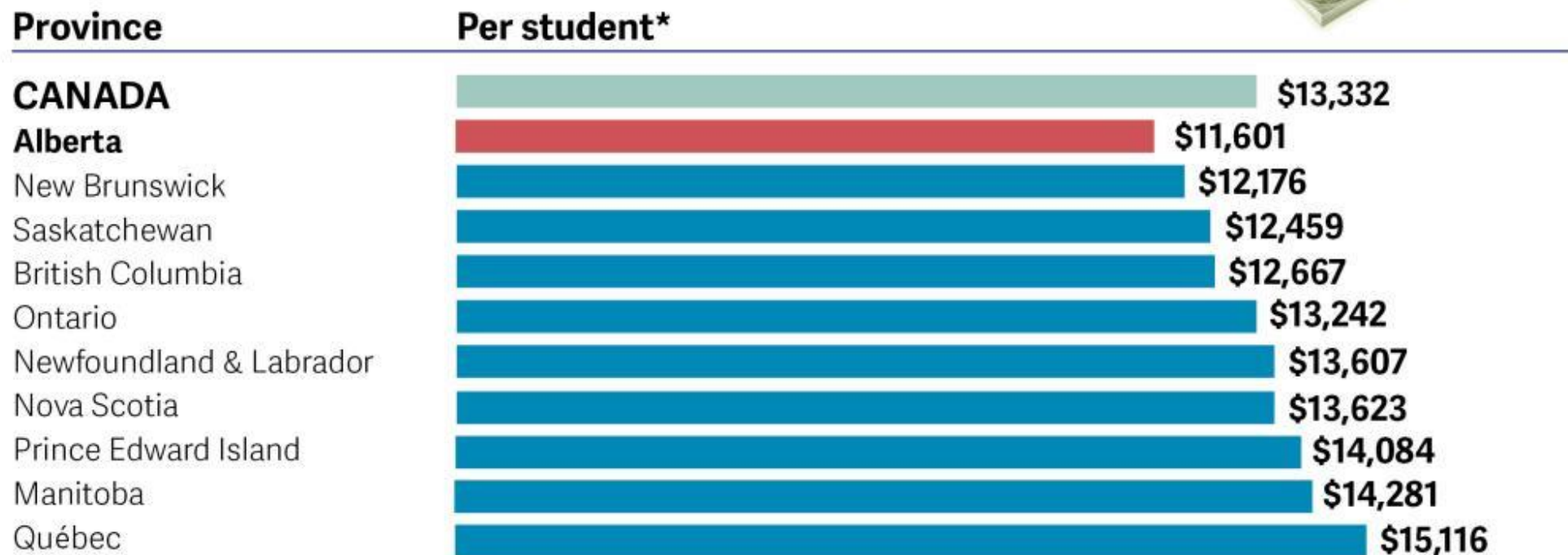
OF TEACHERS REPORT
A decrease in support for students with special needs.

In fact, half of those that requested speech, occupational therapy, physical therapy, and psycho-educational assessments believe they will never see this happen.



Alberta ranks last in education spending

Figure 1. Per student operating expenditures 2020/21 (Statistics Canada 2024a)



*The per student amount for Canada excludes Yukon, NWT and Nunavut.

Alberta budget 2024

Ministry of Education

(millions of dollars)

	2023-24		2024-25	2025-26	2026-27
	Budget	Forecast	Estimate	Target	Target
Operating expense:					
Ministry Support Services	6	6	7	7	7
Instruction - Early Childhood Service to Grade 12	6,857	6,878	7,124	7,293	7,347
Operations and Maintenance	760	760	780	785	787
Student Transportation	476	468	540	549	554
School Facilities	6	6	6	6	6
Governance and System Administration	276	276	276	276	276
Program Support Services	110	110	112	113	114
Accredited Private Schools and Early Childhood Service Operators	345	355	408	443	471
Subtotal operating expense	8,836	8,859	9,252	9,471	9,561
Capital grants	3	24	26	1	1
Amortization / loss on disposals	479	468	484	484	484
Debt servicing costs	33	33	35	35	34
Total Expense	9,350	9,383	9,798	9,991	10,080

Source: Government of Alberta 2024, [Fiscal Plan 2024 – 27](#), page 81

Ministry of Education

(millions of dollars)

	2023-24			2024-25
	Budget	Forecast		Estimate
Operating expense:				
Ministry Support Services	6	6		7
Instruction - Early Childhood Service to Grade 12	6,857	6,878	+3.6%	7,124
Operations and Maintenance	760	760	+2.6%	780
Student Transportation	476	468	+15.4%	540
School Facilities	6	6		6
Governance and System Administration	276	276		276
Program Support Services	110	110		112
Accredited Private Schools and Early Childhood Service Operators	345	355	+14.9%	408
Subtotal operating expense	8,836	8,859	+4.4%	9,252

Source: Government of Alberta 2024, [Fiscal Plan 2024 – 27](#), page 81

Education Highlights

- Enrolment growth of 3.6% in current year, 3.6% in 2024-25
- Instructional funding up 3.6% (\$246 million)
- Grant rates increased?
- \$34 million increase to support special needs (2.3%)
- Improvements to PUF

Source: Government of Alberta 2024, [Fiscal Plan 2024 – 27](#), pages 80-82, and 2024 03 01 Government of Alberta [Capital Announcement](#).

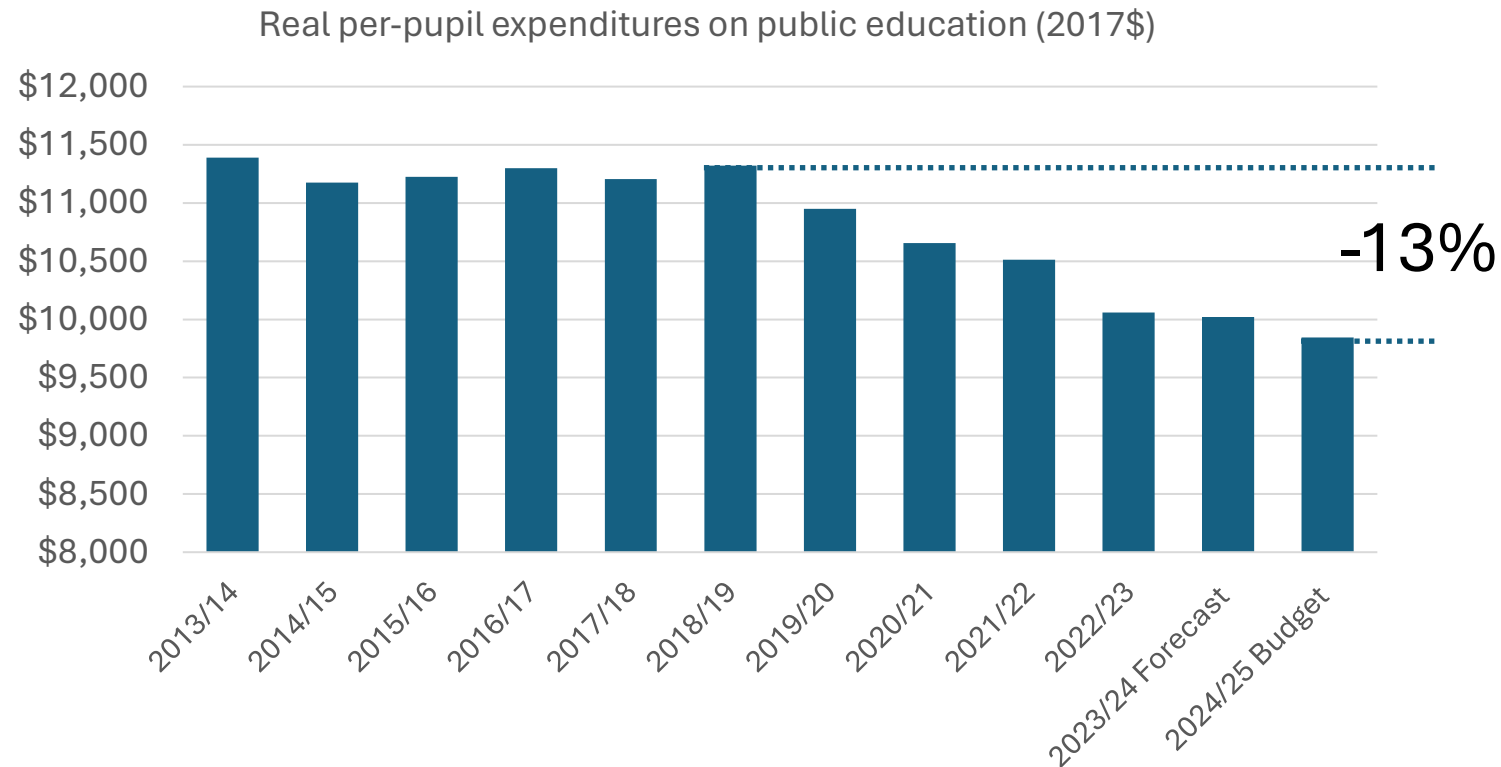
Education Highlights

- 43 new school and school modernizations
 - Only 12 get construction funding in 2024/25
 - 11 projects yet to be announced

Source: Government of Alberta 2024, [Fiscal Plan 2024 – 27](#), pages 80-82, and 2024 03 01 Government of Alberta [Capital Announcement](#).

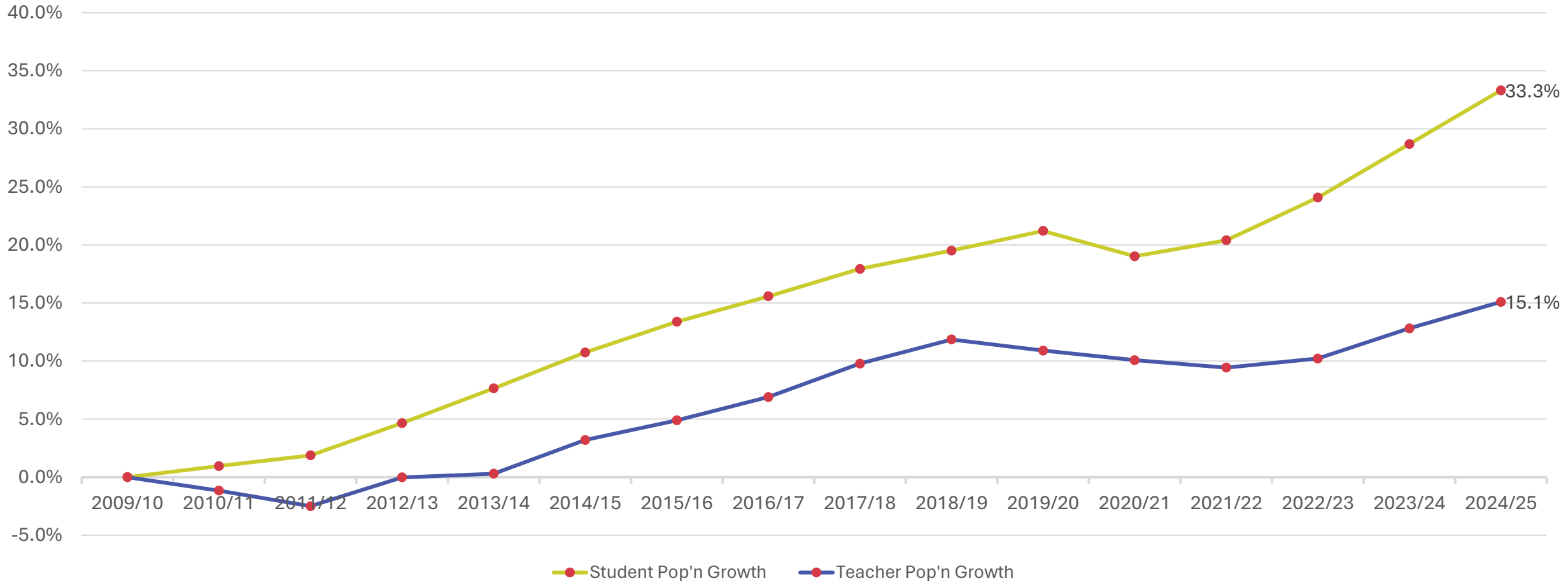
budget impacts

Per pupil, inflation adjusted funding decreases



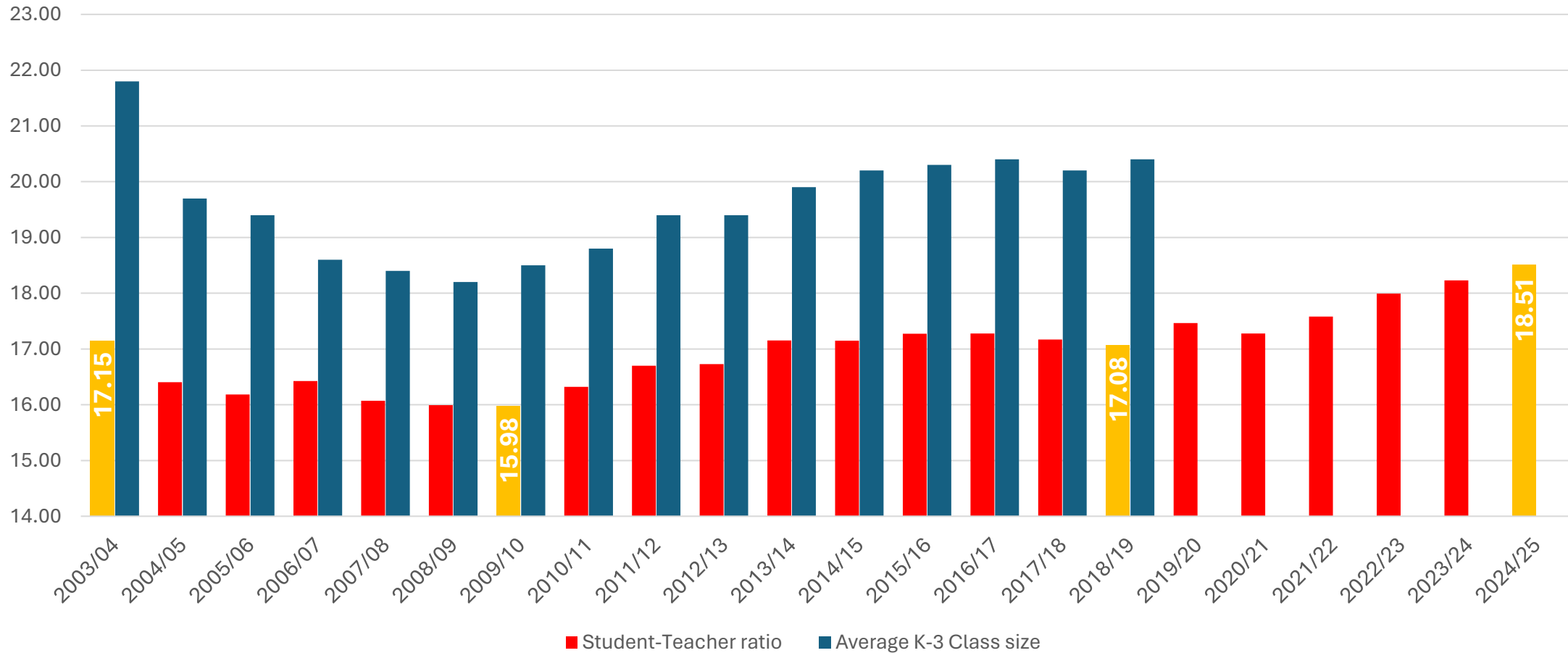
Source: ATA calculations based on Alberta Government Annual Reports and Education Business Plans

Teacher Hiring Lags Student Population Growth



Source: ATA calculations based on Alberta government [student population statistics](#), and ATA member counts

Student-teacher ratio highest in generations



Source: ATA calculations based on Alberta government [student population statistics](#), and ATA member counts

1,000 Students



63 teachers

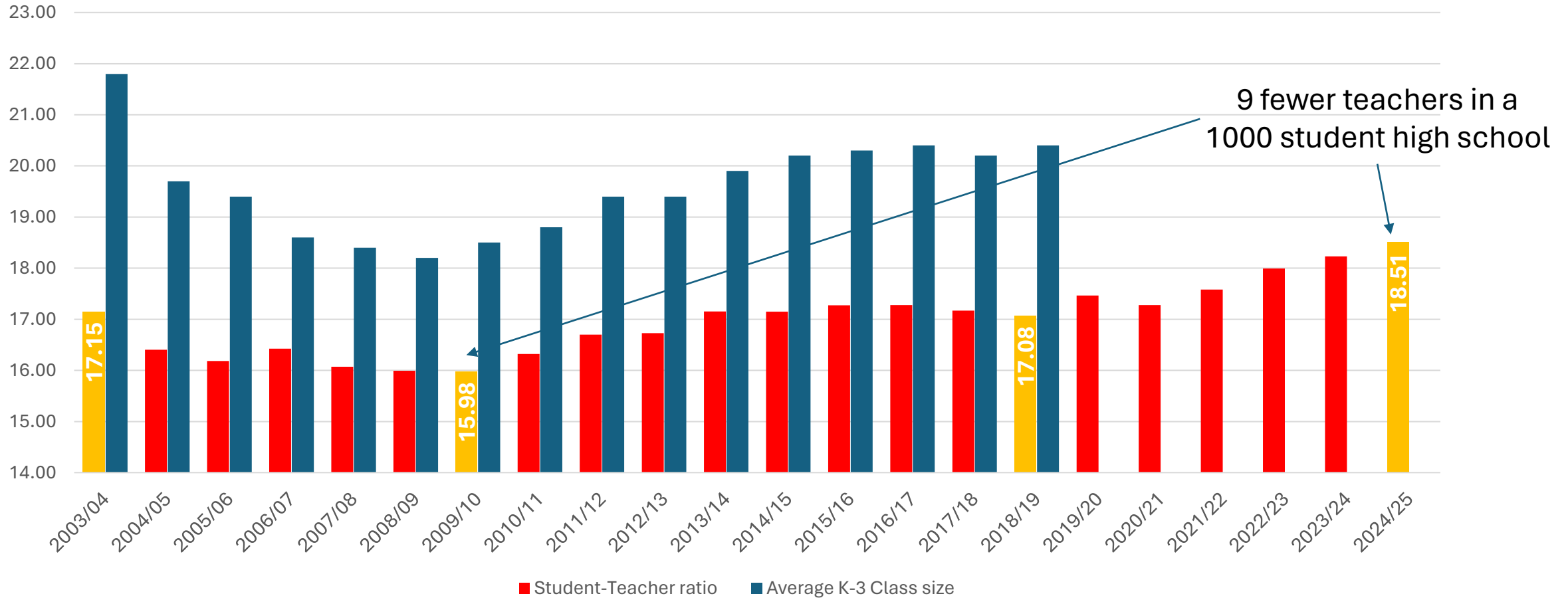




- a counsellor
- a special needs teacher
- a second language teacher
- the drama teacher
- the cosmetology teacher

- pull-out reading program
- combine the IEP classes
- combine math classes
- combine English classes

Student-teacher ratio highest in generations



Source: ATA calculations based on Alberta government [student population statistics](#), and ATA member counts

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