

MEMORANDUM

TO: Hon. Travis Toews, MLA for Grande Prairie-Wapiti, President of Treasury Board and Minister of Finance

CC: Hon. Matt Jones, MLA for Calgary South-East, Minister of Affordability and Utilities
Hon. Mickey Amery, MLA for Calgary-Cross, Minister of Children's Services
Hon. Adriana LaGrange, MLA for Red Deer-North, Minister of Education
Hon. Nicholas Milliken, MLA for Calgary-Currie, Minister of Mental Health and Addiction

FROM: Andreae Sennyah, Director of Policy, Cardus

DATE: January 13, 2023

SUBJECT: Alberta's Budget 2023 Consultation

WHO WE ARE

Cardus is a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good.

ISSUE

Albertans have been invited to provide feedback to the government on setting priorities for Budget 2023. Cardus is providing three recommendations to the government to address childcare, education, and gambling addiction.

RECOMMENDATIONS

RECOMMENDATION 1: Address the cost of childcare by renegotiating the federal agreement and supporting parents who do not benefit.

- Our research published in 2021 found that approximately 46 percent of Albertan children under the age of six are in parental care only. While the current federal agreement shows a preference for centre-based care, we found that only 27 percent of children under six were in centre-based care or preschool, meaning the majority of children in the province do not benefit from the agreement.
- The Canada-wide \$10/day agreement treats families inequitably by failing to recognize the diverse forms of care Alberta families use. Different child care arrangements, such as care by a parent, another relative or a paid caregiver within the family home, still come with costs. Given the diverse forms of care that parents are *already* choosing, the most equitable approach the government can take is to fund families directly.
- The province should work to renegotiate the federal Early Learning and Child Care Agreement to ensure that funding follows the child, not spaces. The Government of Alberta has an opportunity to assert its jurisdiction on this issue and to maximize choice for parents who are best positioned to determine their child care needs. The renegotiated agreement should define child care as the care of a child, no matter who provides that care.
- While Alberta remains under the current terms of the agreement, the province should also

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expand its financial support to help parents who do not benefit because of the type of care they choose.

For more details read [Child Care by the Numbers: Alberta](#) (Cardus, January 2021).

RECOMMENDATION 2: Make independent schools an affordable and accessible choice for Alberta parents.

- Alberta is known for having one of the most robust systems of school choice in the country. However, access to these options (particularly independent schools) can be limited for families due to financial constraints. The government should explore approaches to make access to these schools more equitable for parents and support them in exercising their parental agency.
- Currently, independent school students from Grades 1 to 12 do not receive any public funding for transportation. The government can help families gain meaningful access to these schools by offsetting the cost of transportation for accredited funded schools.
- Section 8 of the [Private Schools Regulation](#) requires schools to be in operation for one year before they are eligible for funding. While the Minister has the authority to grant exemptions, the government should provide certainty to new school operators by repealing this limitation and guaranteeing funding for all accredited funded schools during their first year of operation.

For more details read [Who Chooses Alberta Independent Schools and Why](#) (Cardus, September 2020) and [Better is Possible](#) (Cardus, November 2018).

RECOMMENDATION 3: End government's reliance on gambling revenues and channel funds into poverty and addiction relief.

- Contrary to the idea that gambling is a voluntary tax, gambling is more accurately understood as a regressive tax on the poor and marginalized. Research shows that poor households spend a higher proportion of their income on gambling than wealthier households. Our research also found that 1.5 to 3 percent of Alberta's adults can be classified as problem gamblers. These addictions are fueled by the use of electronic gambling machines, such as slot machines and video lottery terminals (VLTs), because the machines are addictive by design.
- This government has prioritized mental health and addiction as part of its work since 2019. However, it continues to rely on revenues from slot machines and VLTs which accounted for 76 percent of AGLC's net income in 2019. The government should ensure that its gaming policies align with its current groundbreaking mental health and addiction policy approach. The combined impact of reduced casino revenues due to COVID and the recently forecasted multi-billion-dollar surplus provide an excellent opportunity for government to end its reliance on gambling revenue.
- In December 2019, the government pooled gambling revenues into the general revenue fund. However, the disproportionate effects of gambling for the most vulnerable mean that income from gambling should be kept separate from general tax revenue and be used for poverty and addiction relief. Possible measures include direct cash transfers into TFSA's, promoting asset building through matched savings, offering prize-linked savings, and devoting funds to problem gambling research, prevention and treatment.

For more details read [Royally Flushed: Reforming Gambling to Work for, Not Against, Alberta](#) (Cardus, July 2020) and [Turning Aces into Assets: Policy Brief](#) (Cardus, May 2021).

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