

# MEMBER UPDATE

## ALBERTA BUDGET ATTACKS OUR JOBS AND PUBLIC SERVICES

It's been four months since the UCP government's first budget. Since then, they have placed a target squarely on the backs of working Albertans.

Yesterday (Feb. 27), they dropped budget 2020, which will further attack the crucial public services AUPE members and other frontline workers provide so the UCP can afford their \$4.7-billion tax-break to large corporations.

### BREAKING DOWN THE BUDGET

#### PUBLIC-SECTOR JOB CUTS

An estimated 16,000 full-time equivalent (FTEs) public-sector jobs (union and management positions in GOA, Boards & Agencies, Post-Secondary and AHS) are set to be axed over the UCP's 4-year term. Budget 2020 will cut an estimated 1,436 public-sector FTEs.\*

\*Source: Fiscal Plan, p. 218

Premier Kenney introduced his corporate tax-cut back in 2019 to create jobs, but since then he's only been killing jobs. Between June 2019 and January 2020, 49,600 full-time jobs have disappeared, including over 19,400 jobs in the goods producing private sector.

\*Source: Stats Canada, Table 14-10-0287-01 & Table 14-10-0355-01

These losses are only the tip of the iceberg. Overall, Budget 2020 will slash \$813 million from the public-sector operating budget over the next year.

#### THE DAMAGE

All Albertans will feel the true human cost of the UCP's austerity Budget 2020 as cuts to public funding continue:

#### Direct Government Services

- Cut of \$1 million to the Justice and Solicitor General budget.
  - Some impacts: No commitment from the UCP to hire more court clerks.
- Funding for Community and Social Services is up \$63 million, an increase of 2% in its total operating budget, which fails to keep up with the 3.6% increase in population plus inflation growth.
  - Some impacts: UCP plan to cut 136 more FTE jobs in Community and Social Service.

#### Education

- Funding for K-12 education: Operating budget set to go up only 1.2%, failing to keep up with the 3.6% increase in population plus inflation growth.
  - Some impacts: School boards (including Francophone / charter) face jobs cuts of 138 FTE Certified Staff and 106 Non-Certified Staff.
- Funding for advanced education: \$346 million cut from the total operating expenses, which includes \$317 million cut to post-secondary operations.

\*A correction was made on March 4, 2020. The update previously said an estimated 17,436 full-time equivalent (FTEs) public-sector jobs will disappear over the UCP's 4-year term. This number has been abandoned.

- Lifting the Tuition freeze will cost students more upfront. This budget increases tuition by an average of 6.9% over four years. This means students' tuition fee costs will increase by a total of \$290 million over this period. (Fiscal Plan, p. 113).
- UCP plan to cut 398 FTE jobs in Advanced Education.

#### Health-Care

- The UCP will cut \$129 million from the total operating budget. This is a drop of 1.4%, which will have devastating impacts to all Albertans as health care funding fails to keep up with the 3.6% increase in population plus inflation growth. These cuts include:
  - AHS Support Services a decrease of \$26 million (1.4% drop).
  - Diagnostic, Therapeutic and Other Patient Services a decrease of \$46 million (1.9% drop).
  - Drugs and Supplemental Health Benefits decrease of \$34 million (1.9% drop). Seniors' dependents and spouses younger than 65 will lose coverage under the Seniors Drug Program. Patients on biologics will also lose their public drug coverage.
  - Ambulance Services funding decreased by \$2 million.
  - Home Care will see an increase of \$2 million (0.3% increase). However, it's unclear if this funding will be used for publicly provided care.
  - Budget states government will commission new long-term care and designated supportive living spaces. No mention of whether these will be public or privately run facilities/places.
- Some Impacts:
  - A major concern for all Albertans is that the UCP has instructed AHS to develop a long-term comprehensive implementation plan based on the Ernst & Young Report recommendations. The report outlines 57 recommendations including privatization of services and outsourcing more surgeries to private providers.
  - As the province moves towards cutting health care funding and towards more privatization of health services, thousands of good jobs are on the line

#### Boards & Agencies

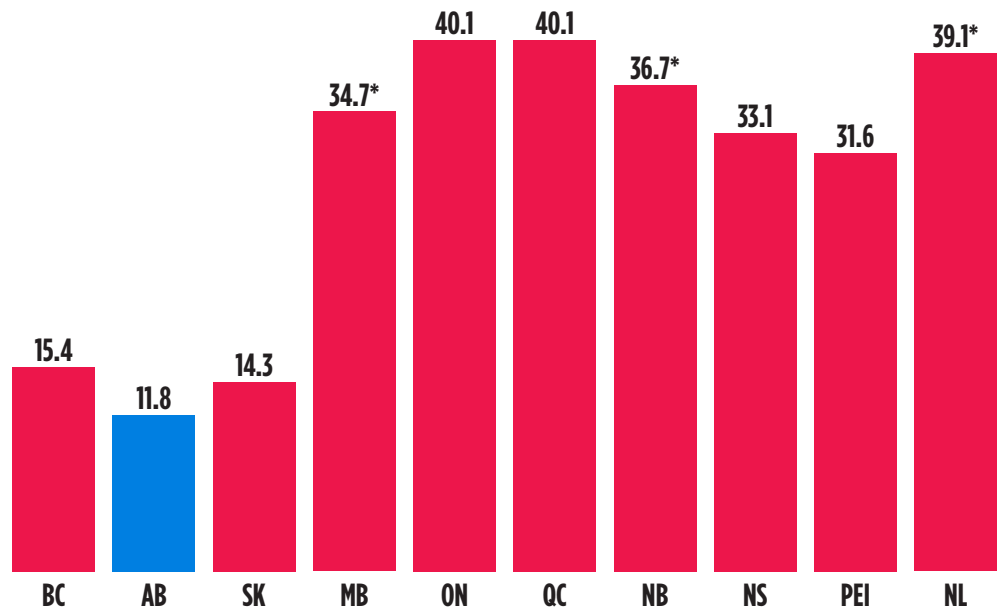
- \$14-million cut to the Ministry of Municipal Affairs budget

(Continued on pages 2 & 3)

## BUSTING UCP BUDGET MYTHS

The UCP continue to fan the fake fire they lit, telling Albertans we need to tighten our belts to pay down a debt Finance Minister Toews exaggerated. To date, Alberta has the lowest net debt to GDP ratio in all of the country:

**GDP to net debt ratio by province for 2019-20**



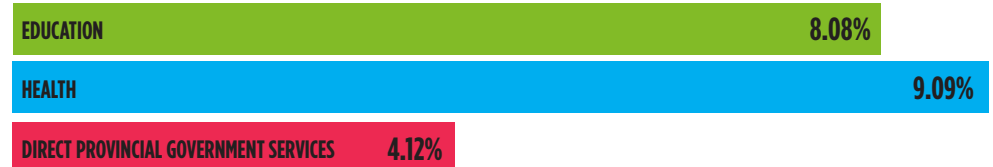
\* Net debt to GDP ratio 2019-2020 values

The UCP are also after public sector compensation. Budget 2020 shows public-sectors worker's compensation will take an estimated \$610-million hit.

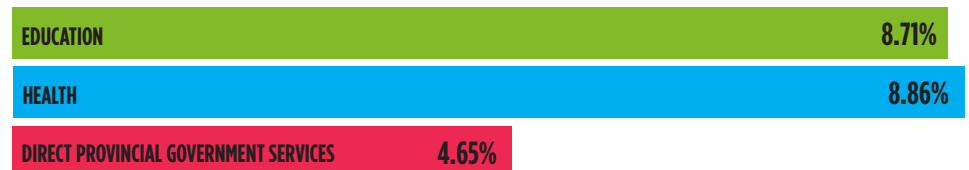
The reality is Alberta's compensation for public-sector workers, as a proportion of total compensation in the province, is one of the lowest in Western Canada.

**Public-sector wages as a percentage of total wages (2018)**

### Manitoba



### Saskatchewan



### British Columbia



### Alberta



\*Numbers taken from Statistics Canada data compiled by University of Calgary economist Trevor Tombe.

## THE REVENUE PROBLEM

Where the budget only proposes funding cuts, the UCP are failing to look at Alberta's real economic problem: revenues. According to the provincial government's own numbers, total revenue – money going into the public purse – will decrease by \$969 million from last year.

Still the government introduced a massive tax break to big businesses in 2019. Since then (2018-19), corporations' share of tax revenue has dropped by an estimated 2.6%, leaving everyday Albertans to pick up the tab and shoulder a larger proportion of the province's income tax revenue.

Instead of focusing on real solutions to the revenue problem, the government would prefer to slash funding.

One of the few sources of revenue they do focus on is the increasingly volatile non-renewable resource market. Non-renewable resource revenues are estimated to total \$5.1 billion in 2020-21, which represents a decrease of \$1.6 billion over the previous year. The government seems intent on gambling on this industry, paying no heed to the risk borne by everyday Albertans.

## RURAL ALBERTANS LEFT IN THE DUST

Since they came into power the UCP have been leaving the rural heartland of Alberta in the lurch. Rural municipalities took a big hit in the 2019-20 budget. On top of this, the provincial government gave a big tax handout to rich corporations, including oil and gas giants that owe Alberta's 69 counties and municipal districts about \$173 million in unpaid property taxes, up 114 per cent since spring 2019, according to a 2020 survey conducted by the Rural Municipalities of Alberta.

The 2020-21 budget is set to push these 69 communities further into the peripheries with a \$14-million cut to the Ministry of Municipal Affairs budget.

### THE EFFECT

Less money in the bank for municipalities will download more of the cost of important local projects and infrastructure – such as flood mitigation, waste disposal, water treatment, snow removal and more – onto struggling cities and towns.

Worst case scenario: more rural towns and cities will be forced to abandon community projects or to slam working families with higher property taxes. This is exactly what happened after the last budget.

In Grande Prairie, where the city's provincial funding took a \$1.7-million hit, the mayor said they'd have to raise resident property taxes by over 1% to compensate for the loss. Fort Macleod had to withdraw from the Community Peace Officer program after it was forced to shoulder more of its policing costs and Red Deer had to put a pause on their desperately needed homeless shelter.

A \$14-million cut will mean more stories like these for rural Alberta.

## THE REAL NEED

On the ground, in our communities, workplaces and homes: this is where the need is. Alberta's population is only growing and the cost of living is only going up.

In 2020 alone, Alberta's population is set to grow by 68,000 people – that's about the size of Medicine Hat – and inflation is expected to rise 2.0% (source: Budget 2020 pg. 52).

We need to be adding resources to the public sector, not taking away.

## THE UCP IS AFRAID OF PEOPLE POWER

The UCP have been abusing the power of the state since they got into office. Budget 2020 is one more example of this.

In April, the GOA and AHS collective agreements are coming up for renewal along with our job security letters of understanding. The UCP are coming after 5,900 front-line FTE jobs in these sectors.

Today AUPE is 97,000 workers strong. We've been weathering a storm for months, and we've been building people power in that time. Our collective strength is the one thing the UCP don't have, and we're using it to brace ourselves for the fight back.

