

MEMORANDUM

TO: Hon. Nate Horner, MLA for Drumheller-Stettler, Minister of Treasury Board and Finance

CC: Hon. Mickey Amery, MLA for Calgary-Cross, Minister of Justice
Hon. Matt Jones, MLA for Calgary-South East, Minister of Jobs, Economy and Trade
Hon. Adriana LaGrange, MLA for Red Deer-North, Minister of Health
Hon. Dale Nally, MLA for St. Albert-Morinville, Minister of Service Alberta and Red Tape Reduction
Hon. Demetrios Nicolaides, MLA for Calgary-Bow, Minister of Education
Hon. Rajan Sawhney, MLA for Calgary-North West, Minister of Advanced Education
Hon. Dan Williams, MLA for Peace River, Minister of Mental Health and Addiction

FROM: Andreae Sennyah, Director of Policy

DATE: January 11, 2025

SUBJECT: Alberta's Budget 2025 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

Cardus is providing recommendations as part of the consultation for Budget 2025. Our recommendations address the following areas: supporting more families with child care costs, expanding support for independent education, reviewing post-secondary education funding to better serve working-class Albertans, redirecting gambling revenues to addiction relief programs, limiting the expansion of online gambling, increasing investments in palliative care for adults and children, and promoting employment for people with criminal records.

RECOMMENDATIONS

RECOMMENDATION 1 – Child care: Renegotiate the federal Canada Wide Early Learning and Child Care (CWELCC) Agreement to provide direct funding to families. At a minimum, ensure that low-income families receive the highest support.

- While Alberta has lowered the average fees to parents for licensed child care, the province continues to face challenges creating spaces because the federal CWELCC approach has prioritized non-profit over for-profit care.
- Cardus research on the implementation of the agreements also shows that the current approach does not serve the lowest income families. In fact, these families tend to use subsidized care *less* than higher income families do. Low-income families tend to use forms of unlicensed care that are not subsidized by the CWELCC agreements or these families may require care during non-standard work hours (ex. evenings, weekends).
- The Government of Alberta should renegotiate their CWELCC agreement to directly fund parents rather than allocating money to spaces. This would help parents choose the form of care that best serves their children, regardless of who provides that care (licensed care, unlicensed care, etc.). If Alberta is unable to amend the agreements in this way it should, at a

minimum, implement income testing thresholds that ensure the lowest-income families have the highest access to subsidies.

For further background read [Memo: Federal Consultation on Early Learning and Child Care](#) (Cardus, September 2024) and [Child Care Funding Update: Alberta—Year One \(2021–22\): Implementation of the Canada-Wide Early Learning and Child Care Agreements](#) (Cardus, May 2024).

RECOMMENDATION 2 – Education: Guarantee funding for new independent school operators.

- Since 2022, existing independent school operators have been guaranteed access to funding from year one when they start a new school. However, brand new operators are not guaranteed access to funds in their first year. While the Minister is able to waive this limitation on a case-by-case basis, the lack of funding security may disincentivize new operators from opening a school and creates unnecessary financial uncertainty.
- The *Private Schools Regulation* should be amended to guarantee funding in year one to new independent school operators. This would simply entrench the ministerial precedent from recent years that has waived this exclusion for many new operators.

For more details see [Policy Brief: Providing First Year Funding for New Alberta Independent-School Operators](#) (Cardus, February 2023).

RECOMMENDATION 3 – Education: Release details of the independent school portion of the School Construction Accelerator Program funding.

- In Fall 2024, the government announced that independent schools would be eligible for a portion of funding through the \$8.6 billion School Construction Accelerator Program. However, details of that funding disbursement have not been made public.
- Budget 2025 should include the details of this funding for independent schools. As outlined in our previous publications, the funding should be designed with a matching ratio that ensures independent schools can retain ownership of their capital. The funds should include certain conditions to ensure taxpayer accountability and to meet space-creation goals. Several tracks for eligibility should be introduced to ensure different types of schools (ex. special education, new operators, or specific regions) can access the funds. The administration of the grant process should be done in partnership with the independent school sector. Finally, the total amount set aside for the independent sector should be guaranteed to them over the course of the next few years to allow schools to make capital plans and compete for funding.

For more details see [Memo: Considerations for Independent Schools in Alberta’s School Construction Accelerator Program](#) (Cardus, October 2024).

RECOMMENDATION 4 – Education/Advanced Education: Ensure the education system supports working class Albertans and addresses the problem of over-credentialization.

- Working class Albertans are defined as those who work in jobs that do not require post-secondary credentials. However, our research found that 53% of working class Albertans actually hold some form of post-secondary credential, with 21% holding a university degree. Data show that this trend has been growing Canada-wide. Since 2006, the percentage of the working class in Canada with a post-secondary credential has grown by 32% and the percentage specifically holding a university degree has more than doubled. The planned expert panel

studying the competitiveness of Alberta's post-secondary system should examine how provincial funding may be contributing to the problem of over-credentialization.

- Budget 2025 should continue supporting the following areas:
 - Investing in co-op opportunities for high school students.
 - Increasing educational permeability that allow credits to transfer more easily between university and non-university programs.
 - Promoting opportunities to earn micro-credentials to help working class Albertans increase their earning potential.

For further background read [The Frustration of Canada's Over-Credentialed Working Class](#) (Cardus, October 2024) and [Canada's New Working Class](#) (Cardus, September 2022).

RECOMMENDATION 5 – Finance/Mental Health and Addiction: Separate gambling revenue from general revenue, and redirect funds into addiction relief programs.

- Since 2019, Alberta has combined revenue from gambling into general revenue. However, because of its addictive nature, gambling should not be understood as a voluntary tax but rather as a regressive tax on the poor. This is because Canadian and international research show that poorer households spend the highest proportion of their income on gambling. This is exacerbated by the fact that much of Alberta's gambling revenue comes from the most addictive forms of gambling, namely slots and video lottery terminals.
- The Government of Alberta should separate gambling revenue from general revenue. These gambling revenues should then be directed to problem-gambling research, prevention, and treatment.

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

RECOMMENDATION 6 – Red Tape Reduction/Mental Health and Addiction: Alberta should not expand the online gambling market. If it proceeds with the expansion, Alberta should ban advertising for online gambling and ban in-game bets for live sporting events.

- Cardus research on the expansion of single-event sports betting in Ontario found that their approach provides inadequate protections for players. Online gambling effectively creates a casino in your pocket with features that put players at a high risk of gambling addiction. These include being able to bet at short intervals with unlimited online access, allowing people to gamble while alone, drunk, or high.
- Young people are extremely vulnerable to gambling addiction. According to the Centre for Addiction and Mental Health, the percentage of grade 7 to 12 students who have gambled online grew from 4% in 2019 to 15% in 2021.
- Given the significant risks, Alberta should not expand its online gambling market. If it proceeds with an expansion, Alberta should prioritize player safety through the following measures:
 - Prohibiting all advertisements for online gambling consistent with current approaches to alcohol, tobacco, and cannabis advertising.
 - Banning all in-game bets for single-event sports betting.
 - Creating a centralized platform for players to limit the total amount they gamble online.

- Investing in research to ensure responsible-gambling messages are more effective.
- Requiring gambling companies to contribute to problem-gambling prevention and treatment at an amount proportionate to their spending on marketing.

For more details see [The Hidden Harms of Single-Event Sports Betting in Ontario](#) (Cardus, September 2024), [How Big Is Canada's Black Market for Sports Betting? The Gambling Industry's Claims Don't Survive Scrutiny](#) (Cardus, September 2024), and [Memo: Senate Committee's Study of Bill S-269 on Advertising for Sports Betting](#) (Cardus, September 2024).

RECOMMENDATION 7 – Health: Continue and strengthen investments in palliative care and pediatric palliative care.

- Investments in and early introduction of palliative care can reduce pressure on the health-care system overall, resulting in better care for patients and lower costs. Alberta adopted a provincial framework on Palliative and End of Life Care in 2014 and has made important investments in this area over the past decade, including funding the Atlas project to map out palliative care provision in the province. Based on data from the 2023 Atlas project, further investments in palliative care should be targeted toward:
 - Expanding access to community-based and in-home palliative care services, particularly within rural and remote communities, including ensuring that 24/7 availability of personnel is provided across the province.
 - Addressing accessibility for Albertans who may prefer to receive in-home care but cannot cover the costs of equipment and supplies.
 - Increasing the availability of hospice beds, particularly in rural and remote areas, allowing Albertans to receive hospice care closer to home.
 - Supporting the integration of palliative care into outpatient clinics as well within long-term care facilities.
 - Investing in further palliative care instruction in medical schools, as well as in nursing and social work programs. Enhanced training of palliative care, even at a generalist level, can result in earlier referral and introduction of palliative care to patients.
 - Making significant investments in pediatric palliative care to provide much needed access to pediatric hospice and hospice beds, particularly north of Red Deer.
- Funding research and programs specific to the needs of Indigenous communities in both adult and pediatric populations.

For further background see [Make palliative care a priority in health-care funding negotiations by Rebecca Vachon, Eric Wasylenko](#) (Policy Options, July 2023), [The State of Pediatric Palliative Care in Canada](#) (Cardus, February 2024), and [Alberta Palliative Care Atlas](#) (University of Calgary, 2023).

RECOMMENDATION 8 – Justice/Jobs, Economy and Trade: Promote employment and reduce recidivism for people with criminal records.

- One out of every 10 Canadians has a criminal record. Research shows that employment is a significant factor in reducing the likelihood of reoffending. However, having a criminal record can significantly affect a person's employability. Several initiatives could help change the perspectives of employers and encourage them to hire from this group, promoting reintegration, reducing recidivism, and increasing productivity.

- To encourage the hiring of people with criminal records, Budget 2025 should fund pilot programs for the following initiatives:
 - Requiring police services to include general information directly on criminal records about the positive aspects of employing people with criminal records.
 - Allowing people to include information about their positive interactions with the justice system directly on their criminal record checks. This information could include record of positive behaviour or work and training programs that were completed in prison.
 - Creating a provincially-funded bonding program to insure employers against the risks of hiring people with criminal records.
 - Creating a general wage subsidy for employers that hire people with criminal records.

Our report written for the Ontario context is also applicable to Alberta. For more information read [Employing Ontarians with Criminal Records: Policies to Correct Labour-Market Misconceptions](#) (Cardus, December 2023) and [Humanizing Criminal Records: Toward a View of the Whole Human Person](#) (Cardus, November 2023).