FISCAL PLAN

EXPENSE

The Alberta
JOBS PLAN
BUDGET
2016

TABLE OF CONTENTS

EXPENSE

EXPENSE

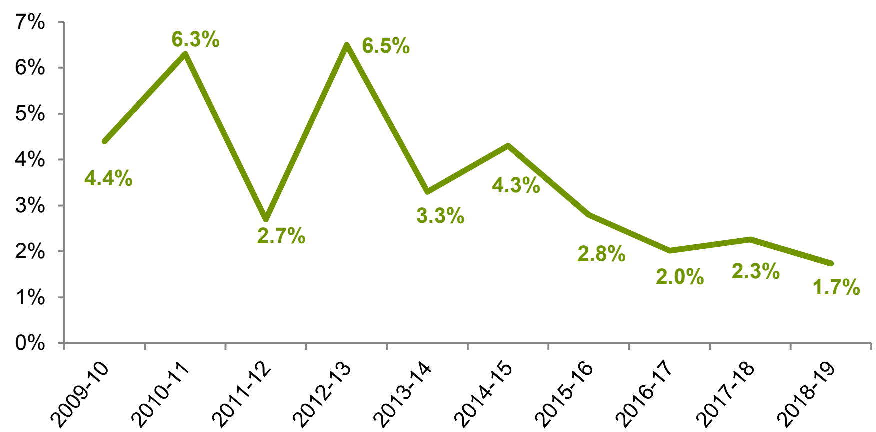
Budget 2016 keeps the government's commitment to provide stable funding for key public services, including health care, education and social services. At the same time, a number of cost saving measures have been or will be implemented in *Budget 2016*. Compared to *Budget 2015*, the operating expense budgets for 2016-17 and 2017-18 are about $300 million lower each year.

Budget 2016 *includes a number of cost saving measures.*

Operating Expense – Budget Comparison
(millions of dollars)

	2016-17			2017-18		
	Budget 2015	**Budget 2016**	**Change**	**Budget 2015**	**Budget 2016**	**Change**
Operating Expense	44,651	44,344	(307)	45,684	45,340	(344)
Less: Program Re-allocations/In-year Savings	(250)	(250)	-	(300)	(250)	50
Total Net Operating Expense	**44,401**	**44,094**	**(307)**	**45,384**	**45,090**	**(294)**

Operating Expense Increases



Source: Alberta Treasury Board and Finance

With the operating adjustments in *Budget 2016,* including in-year savings of $250 million per year, the rate of growth in government operating expense will average 2% per year. This is well below the combined rate of population growth plus inflation projected for Alberta, which is expected to average 3% per year over the next three years.

Overall, *Budget 2016* includes $51.1 billion in total expense in 2016-17, including the Climate Leadership Plan. The four largest ministries (Health, Education, Advanced Education and Human Services) account for 75% of total expense.

Budget 2016 **– Expense**
(millions of dollars)

	2014-15 Actual	**2015-16 Budget**	**2015-16 Forecast**	**2016-17 Estimate**	**2017-18 Target**	**2018-19 Target**
Health	19,262	19,613	19,854	**20,361**	20,929	21,260
Education	7,556	7,578	7,619	**7,911**	8,065	8,208
Advanced Education[1]	5,526	5,824	5,759	**5,895**	6,044	6,151
Human Services[1]	3,985	4,171	4,193	**4,395**	4,525	4,592
Other Ministries and Legislative Assembly	11,368	11,082	10,742	**11,278**	11,618	11,575
Other Expense (net of in-year savings)	669	1,638	1,164	**927**	1,230	1,756
Consolidated Expense – excluding Climate Leadership	48,366	49,906	49,331	**50,767**	52,411	53,542
Climate Leadership Plan	-	-	-	**330**	1,208	2,426
Total Expense	**48,366**	**49,906**	**49,331**	**51,097**	**53,619**	**55,968**

[1] Adjusted for government reorganization.

MINISTRY OF HEALTH

Budget 2016 *keeps the government's commitment to provide long-term stable funding for health care.*

Health's consolidated expense is budgeted at $20.4 billion in 2016-17 (excluding debt servicing costs). *Budget 2016* keeps the government's commitment to provide long-term stable funding for health care, with Health's operating budget increasing by 3% in 2016-17. Alberta's per capita spending on health is higher than comparator provinces including British Columbia and Ontario. *Budget 2016* limits the rate of growth in health spending while the government works with stakeholders to make the health care system fiscally sustainable while improving the quality of care.

Alberta Health Services (AHS). There is $14.3 billion budgeted for AHS operations in 2016-17. AHS will continue to identify operational efficiencies and other savings opportunities. This includes shifting from higher cost acute care to community-based services where possible, with additional funding for services provided by midwives as just one example.

Ministry of Health – Consolidated Expense
(excluding debt servicing costs, pension provisions and flood recovery initiatives)
(millions of dollars)

	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
Alberta Health Services' Operations:						
Facility-Based Patient Services	5,317	5,347	5,404	**5,497**	5,564	5,627
Administration and Support Services	2,391	2,381	2,404	**2,387**	2,380	2,373
Diagnostic, Therapeutic and Other Patient Services	2,012	2,068	2,090	**2,094**	2,083	2,083
Care Based Services	1,639	1,741	1,760	**1,905**	2,054	2,128
Physician Compensation and Development	920	955	955	**955**	955	955
Information Systems	566	564	628	**570**	562	557
Drugs and Supplemental Health Benefits	463	427	427	**425**	425	425
Community Programs and Healthy Living	342	355	359	**369**	382	384
Research and Education	107	99	100	**99**	99	99
Alberta Health Services Sub-total	13,758	13,937	14,127	**14,301**	14,504	14,631
Department of Health:						
Physician Compensation and Development	3,540	3,805	3,853	**3,894**	4,004	4,065
Drugs and Supplemental Health Benefits	1,376	1,508	1,500	**1,615**	1,743	1,869
Diagnostic, Therapeutic and Other Patient Services	243	277	277	**301**	321	341
Support Programs	163	183	181	**191**	198	207
Care Based Services	140	123	118	**157**	170	180
Community Programs and Healthy Living	116	122	109	**128**	133	133
Information Systems	78	80	67	**88**	83	83
Infrastructure Support	11	-	51	**43**	122	100
Cancer Prevention and Research	12	12	6	**12**	12	12
Ministry Support Services	66	72	64	**67**	68	68
Department of Health Sub-total	5,745	6,182	6,226	**6,496**	6,854	7,058
Health Quality Council of Alberta	7	7	7	**7**	7	7
Consolidation and Accounting Policy Adjustments	(248)	(513)	(506)	**(443)**	(436)	(436)
Totals	**19,262**	**19,613**	**19,854**	**20,361**	**20,929**	**21,260**

Physician Compensation and Development. There is a total of $4.8 billion budgeted in 2016-17 for various compensation and development programs for almost 9,700 physicians and 1,650 medical residents. The government and the Alberta Medical Association are currently undertaking negotiations with the aim of managing the rate of growth of the physician services budget and improving the effective provision of health care to Albertans.

There is $4.8 billion budgeted for physician compensation and development programs in 2016-17.

Drugs and Supplemental Health Benefits. There is a total of $2.0 billion budgeted for these benefits in 2016-17, including $548 million for prescription drugs and $124 million in dental, optical and other supplemental health benefits for seniors. This budget also includes a total of $321 million for outpatient cancer and specialized high cost drugs.

Other Programs. There is $233 million budgeted in 2016-17 to support the primary care networks (PCNs), a $64 million increase from 2015-16 as the PCNs drew down surpluses last year. There is $200 million budgeted for human tissue and blood services and $102 million for allied health services which include podiatry, optometry and oral surgery.

MINISTRY OF EDUCATION

Education's consolidated expense is budgeted at $7.9 billion in 2016-17 (excluding debt servicing costs and pension provisions). *Budget 2016* keeps the government's commitment to fully fund enrolment growth, projected at 1.3% (about 8,200 students) in 2016-17, 1.2% in 2017-18 and 1.9% in 2018-19, helping to maintain overall class size averages over the next three years.

Budget 2016 *keeps the government's commitment to fully fund enrolment growth.*

Budget 2016 adjusts the government's commitments to implement a school nutrition program and to reduce school fees. A targeted school nutrition program will be piloted during the 2016-17 school year and then phased-in over the following two years, with $10 million in 2017-18 and $20 million in 2018-19. The plan to reduce school fees has been deferred as Education is conducting a detailed review of the various fees applied by school boards.

School Board Operations. There is $7.5 billion budgeted for public and separate school board operations in fiscal 2016-17. This budget includes:

There is $7.5 billion budgeted for public and separate school board operations in fiscal 2016-17.

- $5.8 billion for Early Childhood Services to Grade 12 instruction, with $431 million to address inclusive education;
- $626 million to operate and maintain schools;
- $355 million for amortization of existing school facilities;
- $350 million to support student transportation services;
- $250 million for governance and system administration; and
- $99 million for program support services.

Teachers' Pensions. There is $408 million in 2016-17 for teachers' pensions current service payments included in the funding for school boards, with a further $475.5 million budgeted in Treasury Board and Finance to provide for the costs of the Teachers' Pre-1992 Pension Liability.

Private Schools. There is $248 million budgeted in 2016-17 to support about 100 accredited-funded private schools and almost 100 private operators that provide Early Childhood Services programs.

Ministry of Education – Consolidated Expense
(excluding debt servicing costs, pension provisions and flood recovery initiatives)
(millions of dollars)

	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
School Board Operations:						
Instruction – Early Childhood Services to Grade 12	5,594	5,588	5,630	**5,849**	5,979	6,115
Operations and Maintenance	604	611	613	**626**	638	634
School Facilities Amortization	301	310	310	**355**	360	360
Student Transportation	346	341	345	**350**	357	354
Governance and System Administration	253	246	246	**250**	252	256
Program Support Services	101	98	98	**99**	100	105
School Board Operations Sub-total	7,199	7,194	7,242	**7,529**	7,686	7,824
Accredited Private Schools and ECS Operators	234	239	242	**248**	251	254
Departmental Program Support & Amortization	131	135	135	**128**	128	128
Ministry Support Services	24	22	22	**22**	22	22
School Facilities (includes planning)	-	10	-	**5**	1	1
Consolidation Adjustments	(32)	(22)	(22)	**(22)**	(22)	(22)
Totals	**7,556**	**7,578**	**7,619**	**7,911**	**8,065**	**8,208**

MINISTRY OF ADVANCED EDUCATION

Budget 2016 *keeps the government's commitments to provide stable funding for Advanced Education and implement a two-year tuition freeze.*

Advanced Education's consolidated expense is budgeted at $5.9 billion in 2016-17 (excluding debt servicing costs and pension provisions). *Budget 2016* keeps the government's commitments to provide stable funding to institutions and ensure the post-secondary system is accessible and affordable for Alberta students and families with the second year of a two-year tuition freeze.

Post-Secondary Operations. There is $5.5 billion budgeted in 2016-17 for post-secondary operations, supporting an estimated 263,100 full and part-time students and apprentices this year. *Budget 2016* provides for base operating grant increases to institutions of 2% per year and maintains the funding restored in *Budget 2015* for apprenticeship and targeted enrolment. During 2015-16, payments from the Access to the Future Fund were suspended and this continues in *Budget 2016*.

Student Aid. There is $240 million budgeted for Student Aid programs in 2016-17. This includes:

- $90 million for scholarships and awards to about 49,000 students;
- $60 million for the costs of providing student loans and student debt management programs; and
- $54 million for grants and bursaries to about 16,700 students.

In addition, there is $579 million budgeted for student loans in 2016-17, expected to assist more than 77,000 students.

Foundational Learning. There is $76 million budgeted for Foundational Learning Supports in 2016-17. This includes $65 million in grants to support eligible Albertans attending programs such as English as a Second Language, basic skills and academic upgrading programs or occupational training to help them transition into post-secondary studies and/or find employment. While attending an approved foundational learning program, eligible individuals receive monthly financial assistance and funding for the costs of tuition, books and mandatory fees.

Ministry of Advanced Education – Consolidated Expense (excluding debt servicing costs and pension provisions)
(millions of dollars)

	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
Post-Secondary Operations	5,123	5,402	5,351	**5,485**	5,634	5,734
Student Aid	228	228	229	**240**	242	245
Other Support for Adult Learning	75	79	78	**80**	81	83
Foundational Learning Supports	78	81	72	**76**	72	72
Apprenticeship Delivery	41	41	41	**43**	44	45
Alberta Centennial Education Savings Plan	17	19	14	**-**	-	-
Ministry Support Services	30	30	30	**28**	29	29
Consolidation Adjustments	(66)	(56)	(56)	**(58)**	(58)	(58)
Totals	**5,526**	**5,824**	**5,759**	**5,895**	**6,044**	**6,151**

MINISTRY OF HUMAN SERVICES

Human Services' consolidated expense is budgeted at $4.4 billion in 2016-17 (excluding flood recovery initiatives). *Budget 2016* keeps the government's commitment to support strong families and strong communities with the new Alberta Child Benefit and continued support for income support programs, homeless and outreach supports including women's shelters and community-based Family and Community Support Services. *Budget 2016* adjusts the government's commitments for child care and child intervention but will maintain the funding levels that support existing programming.

Budget 2016 *keeps the government's commitment to support strong families and strong communities.*

Persons with Disabilities Supports. There is $1.1 billion budgeted in 2016-17 for programs supporting persons with disabilities including persons with developmental disabilities, family support for children with disabilities and fetal alcohol spectrum disorder initiatives.

AISH. There is $978 million budgeted in Human Services for income and other support and $257 million budgeted in Health for related health benefits in 2016-17, helping about 54,000 disabled adults live more independently. Combined, the budgets reflect an increase of $63 million from 2015-16 to address expected caseload growth and increases in the costs per case.

Child Intervention. There is $734 million budgeted in 2016-17 for child intervention. *Budget 2016* maintains stable funding for child intervention reflecting the actual level of spending in this program area.

Employment and Income Support. There is $683 million budgeted in Human Services for these programs in 2016-17, including $480 million for income support programs. There is an additional $206 million budgeted in Health for related health benefits. These programs help eligible Albertans cover their basic costs of living and find or maintain jobs.

Child Care. There is $307 million budgeted in 2016-17 for child care programs. This budget will provide $10 million for new initiatives including phasing-in an evidence-based practice framework for child care practitioners, planning to increase access to child care programs in communities with the most significant space pressures, and developing models for affordable child care options. *Budget 2016* defers the government's commitment on $25/day child care.

Homeless and Outreach Support Services. There is $181 million budgeted in 2016-17 for these supports. This will help house about 2,000 homeless Albertans this year and support nearly 3,200 spaces in 25 homeless shelters, 710 beds in 30 women's emergency shelters, programming in 11 second-stage shelters, and outreach supports to women and children leaving family violence. Since 2009-10, about 12,250 Albertans who were homeless have been housed.

Alberta Child Benefit. There is $147 million budgeted in 2016-17 to implement the Alberta Child Benefit beginning July 1, 2016. This new benefit will provide up to $2,750 each year to Alberta's most vulnerable families, in support of 235,000 children.

Family and Community Support Services (FCSS). There is $101 million budgeted in 2016-17 for FCSS, keeping the government's commitment to provide increased support for these 80/20 partnerships between the province and 319 municipalities and Metis settlements.

Ministry of Human Services – Consolidated Expense (excluding flood recovery initiatives)
(millions of dollars)

	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
Persons with Disabilities Supports	1,047	1,067	1,066	**1,089**	1,106	1,122
Assured Income for the Severely Handicapped	916	949	949	**978**	1,001	1,014
Child Intervention	712	736	736	**734**	738	742
Employment and Income Support	611	653	675	**683**	703	736
Child Care	281	297	291	**307**	322	322
Homeless and Outreach Support Services	162	178	178	**181**	181	181
Alberta Child Benefit	-	-	-	**147**	196	196
Family and Community Support Services	76	101	101	**101**	101	101
Early Intervention Services for Children and Youth	96	90	90	**92**	93	95
Other Programs and Services	66	82	89	**67**	67	67
Ministry Support Services	41	41	41	**40**	40	40
Consolidation Adjustments	(23)	(23)	(23)	**(23)**	(23)	(23)
Totals	**3,985**	**4,171**	**4,193**	**4,395**	**4,525**	**4,592**

JOBS, INVESTMENT AND DIVERSIFICATION

Economic Development and Trade. Consolidated expense is budgeted at $343 million in 2016-17. This budget includes $183 million in transfers to the Alberta Innovates Corporation, as four corporations are amalgamated into one under this ministry in 2016-17.

Economic Development and Trade is leading implementation of the new jobs, investment and diversification package. Over two years, this $250 million package will provide:

Budget 2016 *provides $250 million over two years for a new jobs, investment and diversification package.*

- $90 million for a new Alberta Investor Tax Credit that will provide investors a tax credit for investing in eligible small and medium enterprises in Alberta.
- $75 million for a new Capital Investment Tax Credit that will provide a tax credit supporting the first time acquisition of new and used property in value-added agriculture, manufacturing and processing, tourism infrastructure and culture industries.
- $25 million for the Alberta Enterprise Corporation. This will be invested by the Corporation in early stage as well as clean technology focused venture capital to spur innovation and help grow companies and increase employment in this sector. This is in addition to the $50 million included in *Budget 2015* for investments by the Corporation.
- $25 million for attracting and supporting new businesses. This includes $10 million in support to entrepreneurs and small or medium-sized enterprises commercialization efforts; $10 million to expand the Agrivalue Processing Business Incubator in Leduc, and $5 million to attract major new business investment or company headquarters to Alberta.
- $25 million for apprenticeship and training. This includes a $15 million program to support apprenticeship focused training opportunities and $10 million to provide occupationally focused training opportunities.
- $10 million to support regional economic development initiatives that drive investment, business growth, job creation and diversification throughout Alberta.

CLIMATE LEADERSHIP PLAN

Under the Climate Leadership Plan, gross revenue raised from compliance payments from large industrial emitters and the carbon levy will be fully reinvested in Alberta's economy. This will provide $9.6 billion over the first five years of the Plan to be used to fund investments to further reduce emissions and help households, businesses and communities adjust to the new carbon price.

Budget 2016 *implements the Climate Leadership Plan.*

Priority areas for investment under the Plan include:

Bioenergy. Bioenergy is a renewable resource which supports economic development opportunities across Alberta in sectors such as agriculture and forestry.

Energy Efficiency. Through a new agency, Energy Efficiency Alberta, $45 million will be invested in 2016-17 to help households, businesses and communities reduce their energy consumption and greenhouse gas emissions. Energy Efficiency Alberta will provide education and outreach, energy audits and incentives to encourage energy efficiency and community energy systems.

Green Infrastructure. Support will be provided to municipalities for public transit and other green infrastructure. Green build programs will be integrated into the planning for government-owned assets. The $5 million budgeted in 2016-17 is for project planning.

Innovation and Technology. In partnership with other governments and industry, funding will support transformative research, innovation and technology focused on Alberta's climate change objectives.

Renewable Energy. The government will support a transparent and competitive process through the Alberta Electric System Operator to bring on new, large scale renewable generation capacity in Alberta. The first competition will launch in late 2016 with the first projects potentially in service by 2019.

Plan Implementation. The Alberta Climate Change Office will provide leadership and coordination of all implementation activities under the Plan.

Initiatives to help Alberta consumers and businesses adjust to the new carbon price include the consumer rebate program, expected to provide $95 million in 2016-17, and a 1% reduction in the small business tax rate effective January 1, 2017. These initiatives are described in detail in the Tax Plan chapter.

Funding will also be provided to help communities most affected by the phase out of emissions from coal-fired electricity generation, including training to help impacted workers transition into other areas of the economy. Support will also be provided to Indigenous communities to enable them to participate in all facets of the Climate Leadership Plan. There is $10 million budgeted in 2016-17 for these adjustment programs.

OTHER MINISTRIES

Agriculture and Forestry. Consolidated expense is budgeted at $1.1 billion in 2016-17 (excluding debt servicing costs). This budget provides $466 million for crop, hail and livestock insurance and $129 million for agriculture income support programs; $103 million for industry development to support ongoing efforts to expand existing and open new markets for Alberta's agricultural products, and $48 million to ensure food safety and animal health.

Culture and Tourism. Consolidated expense is budgeted at $334 million in 2016-17 (excluding flood recovery initiatives). This budget provides $99 million for Community and Voluntary Support Services, including $38 million under the Community Facility Enhancement Program and $7 million in new funding for cultural infrastructure. This budget also provides $75 million in support for creative industries, including $37 million for the Alberta Media Fund. There is also $62 million for tourism marketing and development. The *Budget 2015* commitment to provide additional support to the Alberta Foundation for the Arts has been deferred.

Energy. Consolidated expense is budgeted at $769 million in 2016-17. This budget provides $245 million for operations of the Alberta Energy Regulator and $36 million for the Alberta Utilities Commission. The budget for Orphan Well Abandonment, which nearly doubled in 2015-16 to $30.5 million, will be maintained at this level in *Budget 2016*.

Environment and Parks. Consolidated expense is budgeted at $459 million in 2016-17 (excluding the Climate Leadership Plan and flood recovery initiatives). This budget provides $74 million for ongoing parks operations and infrastructure management, including the costs of Parks Conservation Officers who have been transferred back to Environment and Parks from Justice and Solicitor General. This budget also provides $77million for water management and $46 million for land management programs. The *Budget 2015* commitments for enhanced environmental enforcement and an energy retrofit loan program have been deferred.

Executive Council. Consolidated expense is budgeted at $26.9 million in 2016-17. This budget provides $6.9 million for public affairs and $4.2 million for intergovernmental relations.

Indigenous Relations. Consolidated expense is budgeted at $186 million in 2016-17 (excluding flood recovery initiatives). This budget provides $126 million for the First Nations Development Fund and $32 million for First Nations and Métis Relations. There is $3 million allocated to help build a new relationship with Indigenous peoples and support initiatives in response to the United Nations Declaration on the Rights of Indigenous Peoples.

Infrastructure. Consolidated expense is budgeted at $670 million in 2016-17 (excluding flood recovery initiatives and debt servicing costs). This budget provides $371 million for property management operations and $217 million for realty services including leases and land sales.

Justice and Solicitor General. Consolidated expense is budgeted at $1.4 billion in 2016-17. This budget provides $501 million for ongoing Public Security programs including policing, provincial sheriffs, enforcement and the Alberta First Responders Radio Communications System. Funding for contract policing is $239 million in 2016-17, providing RCMP officers across the province. This budget also provides $266 million for Correctional Services, $91 million for the Crown Prosecution Service and $68.5 million for Legal Aid.

Labour. Consolidated expense is budgeted at $212 million in 2016-17. This budget provides $122 million for workforce strategies, including $38 million for skills and training support and $35 million for labour market programs. *Budget 2016* keeps the commitment to reintroduce the Summer Temporary Employment Program (STEP), with $10 million per year.

Budget 2016 *keeps the commitment to reintroduce the Summer Temporary Employment Program (STEP).*

Municipal Affairs. Consolidated expense is budgeted at $1.8 billion in 2016-17. This budget provides $1.2 billion to municipalities through the Municipal Sustainability Initiative, including $360 million in basic municipal transportation grants. This budget also provides $56 million for Grants in Place of Taxes and $37 million for public library services.

Seniors and Housing. Consolidated expense is budgeted at $644 million in 2016-17 (excluding debt servicing costs). This budget provides $357 million for the Alberta Seniors Benefit, supporting about 150,000 low income seniors. This budget also provides $230 million for programs delivered by the Alberta Social Housing Corporation, with $94 million for seniors housing and $67 million for the rental assistance program.

Service Alberta. Consolidated expense is budgeted at $305 million in 2016-17. This budget provides $197 million for technology and business services to government ministries, centralizing core administrative functions to maximize their efficiency and effectiveness. This budget also provides a total of $95 million for services to Albertans, including Motor Vehicles and Other Registry Services, Land Titles and Consumer Awareness and Advocacy. This reflects $3 million in savings from the switch to electronic reminders for registration, licence and identification card renewals.

Status of Women. Consolidated expense is budgeted at $7.6 million in 2016-17. This budget will support integration of gender equality into government policy and programs with a focus on ending violence against women and girls, increasing women's economic security as well as supporting women in leadership.

Transportation. Consolidated expense is budgeted at $1.3 billion in 2016-17 (excluding debt servicing costs). This budget provides $443 million for on-going Provincial Highway Maintenance and Preservation, and a total of $255 million in capital grants to municipalities for programs including GreenTRIP, the Municipal Water Wastewater Program and Water for Life. The *Budget 2015* commitment for rural bus initiatives has been deferred. A rural bus service pilot program will be developed as part of the provincial transit strategy.

There is $137 million budgeted in 2016-17 for the Alberta Family Employment Tax Credit.

Treasury Board and Finance. Consolidated expense is budgeted at $1.5 billion in 2016-17 (excluding the Climate Leadership Plan, debt servicing costs and pension provisions). This budget provides $475.5 million for the Teachers' Pre-1992 Pension Liability, $457 million for operations of the Alberta Investment Management Corporation and $137 million for the enhanced Alberta Family Employment Tax Credit.

PUBLIC SECTOR COMPENSATION

Total public sector compensation costs of $25.2 billion are budgeted in 2016-17, or one-half of total expense. This includes the costs of existing collective agreements and reflects the savings from freezing management salaries in the Alberta Public Service, government agencies including Alberta Health Services (AHS) and political staff. Continued hiring restraint by government departments will limit the growth in the Alberta Public Service in 2016-17. Across the broader public sector, there are increases in front-line staffing levels for school boards and AHS.

Budget 2016 – Public Sector Compensation

(millions of dollars)

	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
Alberta Health Services (includes physician payments)	7,532	7,611	7,718	**7,760**	7,864	7,949
School Boards	5,511	5,609	5,648	**5,863**	5,980	6,100
Post-Secondary Institutions	3,181	3,398	3,398	**3,495**	3,593	3,664
Alberta Public Service (departments)	2,678	2,806	2,798	**2,772**	2,775	2,826
Other Government Agencies[a]	600	620	612	**614**	619	633
Environmental Protection and Enhancement Fund[b]	25	129	129	**10**	10	11
Sub-total	19,527	20,173	20,303	**20,514**	20,841	21,183
Physician Compensation and Development[c]	4,291	4,604	4,652	**4,693**	4,803	4,864
Total Public Sector Compensation Costs	**23,818**	**24,777**	**24,955**	**25,207**	**25,644**	**26,047**

[a] Excludes Environmental Protection and Enhancement Fund.

[b] Environmental Protection and Enhancement Fund includes seasonal employees engaged in wildfire suppression activities.

[c] Physcian Compensation and Development amounts are net of physician payments included in Alberta Health Services.

SUPPLIES AND SERVICES

The budget for supplies and services, including payments to contracted agencies, is $12.5 billion in 2016-17, or one-quarter of total expense. The 2016-17 budget for supplies and services for government departments is $87 million lower than the 2015-16 budget. AHS, school boards, post-secondary institutions and major agency contracts were exempt from the cost saving measures related to supplies and services implemented in *Budget 2016*.

Budget 2016 – Supplies and Services

(millions of dollars)

	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
Alberta Health Services	4,731	4,770	4,853	**5,084**	5,220	5,262
School Boards	1,310	1,237	1,239	**1,273**	1,310	1,318
Post-Secondary Institutions	1,152	1,279	1,228	**1,244**	1,268	1,276
Government Departments	3,617	3,779	3,660	**3,692**	3,715	3,776
Other Government Agencies[a]	646	619	653	**652**	657	700
Agriculture Financial Services Corporation[b]	606	925	700	**566**	565	577
Environmental Protection and Enhancement Fund[c]	127	250	270	**13**	13	12
Total Supplies and Services	**12,189**	**12,858**	**12,603**	**12,524**	**12,748**	**12,921**

[a] Excludes Agriculture Financial Services Corporation and Environmental Protection and Enhancement Fund.

[b] Agriculture Financial Services Corporation includes contracts and other costs for agriculture disaster assistance in 2015-16.

[c] Environmental Protection and Enhancement Fund includes contracts and equipment engaged in wildfire suppression activities.

ABC REVIEW

In November 2015, the government announced a review of agencies, boards and commissions (ABCs), focused on improving services and ensuring value for Alberta taxpayers. The first phase of the review, which is nearing completion, included 136 public agencies subject to the *Alberta Public Agencies Governance Act*. The second phase, to be concluded by Fall 2016, includes 146 agencies that are not governed under the Act. The third and final phase, to be concluded by early 2017, will focus on the boards of governors at public post-secondary institutions.

Based on the review to date, 11 agencies will be amalgamated in some fashion, and 15 agencies will be dissolved with the relevant functions brought into government departments. In some cases, stakeholder consultations will be undertaken to assist with the development of implementation plans.

Budget 2016 reflects savings of $33 million over three years related to phase one changes. Additional savings from the remaining phases of the review will be reflected in *Budget 2017*.

ABC Review

Agencies to be Amalgamated or Dissolved

Amalgamate:

- Alberta Innovates Corporations
  (four agencies into one under Economic Development and Trade)
- Land Compensation Board, Municipal Government Board, New Home Buyer Protection Board, Surface Rights Board
- Calgary and South, Central, Edmonton and North Mental Health Review Panels

Dissolve:

- Agricultural Development Committee
- Agricultural Operation Practices Act Policy Advisory Group
- Alberta Environmental Monitoring, Evaluation and Reporting Agency
- Alberta Farm Safety Advisory Council
- Alberta Grains Council
- Alberta Livestock and Meat Agency Ltd.
- Alberta Next Generation Advisory Council
- Alberta Recreation Trails Partnership
- Alberta Strategic Tourism Council
- Buffalo Lake Management Team
- Disabled Hunter Review Committee
- Government House Foundation
- Seniors Advisory Council for Alberta
- Utilities Consumer Advocate Advisory Board
- Wild Rose Foundation