



The Advocate
A PUBLICATION OF PUBLIC INTEREST ALBERTA

Fall 2019

IN THIS ISSUE:

**P3s in Education:
A Bad Deal for Alberta**

**Is it time for a Basic
Income Guarantee?**

**The Cuts are Coming:
Protecting Our Public Services**





The Advocate

We hope you enjoy this issue of our newsletter. It is intended to be a space to share stories and ideas for advocacy. The Advocate is published three times a year.

Who We Are

Public Interest Alberta is a province-wide organization focused on providing advocacy and education on public interest issues. Founded in 2004, PIA exists to foster an understanding of the importance of public services, institutions, and spaces in Albertans' lives, and to build a network of organizations and individuals committed to advancing the public interest.

We believe the primary responsibility of government is to advance the collective interest of the citizens of Alberta. This entails a commitment to accessibility, equity, inclusion, and democracy in our communities, institutions, and society.

Executive Director

Joel French

Financial & Administrative Officer

Monica Walker

Communications Officer

Laura Kruse

Share Your Thoughts

Submit letters, articles, and contributions (which may be edited) for the next issue of The Advocate:

Public Interest Alberta

604 - 12323 Stony Plain Road Nw
Edmonton, AB T5N 3Y5

780.420.0471
office@pialberta.org
www.pialberta.org

If you want to receive The Advocate online, please contact our office.



For a recap of our 2019 conference, please visit:
pialberta.org/2019_conference_wrap_up

Renew Your Membership Today!

You can renew your membership online at pialberta.org or fill out the information below and mail to:

Public Interest Alberta

604, 12323 Stony Plain Road NW, Edmonton, AB T5N 3Y5

1. ANNUAL INDIVIDUAL MEMBERSHIP

___ Regular: \$50 per year ___ Low-income: \$20 per year

2. MONTHLY INDIVIDUAL MEMBERSHIP

I would like to contribute \$ _____ monthly

3. ORGANIZATIONAL MEMBERSHIP

___ Our office will be in touch to discuss options

Payment type

Credit Card ___ Cheque ___ Cash ___

Credit card number _____

Name on card _____

Expiry date _____ / _____

Name _____

Address _____

City _____ Postal Code _____

Email _____

Signature _____

Phone _____ Date _____

DONATE

I would like to make a one-time donation of:

___ \$25 ___ \$50 ___ \$100 ___ Other

P3s in Education: A Bad Deal for Alberta

Bridget Stirling, Edmonton Public School Board Trustee

On May 13, during a news conference to talk about the first actions planned for the incoming UCP government, Jason Kenney made clear that his party would be acting on their platform commitment to build more private-public partnership (P3) projects to “bring private sector capital into building public infrastructure.”

Under the Alberta P3 Framework, a P3 is “an infrastructure project in which a private contractor provides some or all of the financing for the project, designs and builds the project, often providing operations and maintenance for the project, and receives payments from government over an extended period of time.” In other words, a P3 represents the contracting out of public infrastructure to private interests.

Conservative governments and neoliberal economists celebrate P3 models, citing the ability to leverage private investment and remove deferred maintenance from the public books. In reality, P3s have not lived up to their promise. Instead, P3 models have served to increase the control of private interests over public infrastructure, reducing oversight, creating higher costs, and leaving citizens stuck with the bills after industry cuts corners for profit.

One of the areas where these harms are most visible is in provinces’ experiments with P3 schools. Beginning in Nova Scotia in the 1990s, several provinces have either built or examined building P3 schools, with poor results.

In 2010, Nova Scotia’s auditor general noted that school boards could operate their buildings at a lower cost than P3 operators, determining that the province would have saved \$53 million by building their 39 P3 schools as public infrastructure rather than as P3s. In 2017, the government of Nova Scotia spent \$49.3 million to take back ownership of that province’s P3 schools, citing lower costs that could be realized through public ownership. New Brunswick’s P3 Evergreen Park School was found by that province’s auditor general to have cost \$900,000 more than the project would have cost as a public build. The government of Manitoba – under Progressive Conservative Premier Brian Pallister – cancelled plans to build P3 schools after finding that five schools could be built using a public model for the same costs as four P3 schools.

In Alberta, 40 schools have been built to date using a P3 model since 2008. These schools will be operated under P3 contracts for 30 years, with the final wave of contracts ending in 2044, when control of those schools will revert to their local school boards.

However, the program was halted in 2014 when the government of Alberta cancelled the construction of 19 P3 schools, citing a savings of \$14 million by building those schools as public infrastructure. Additionally, a report retrieved by the Alberta Federation of Labour under a FOIP request showed that



few companies wanted to bid on P3s using the current model, as the province’s model did not provide sufficient incentives for bidders. In other words, to save enough on costs to make P3s worthwhile, the province would have to offer a better deal for bidders (and a worse deal for the public).

Beyond the financial cost of privatizing school infrastructure, there are other substantial concerns with P3 builds. Teachers across Canada tell stories about struggling to bring students in from recess through too-narrow doorways, playgrounds that flood and are unusable in spring, or being forced to leave buildings after the operator’s approved building hours of use. Rather than district tradespeople providing service, P3 operators contract out maintenance and repairs, resulting in long waits for work to be done on schools. Any modifications to the building require approval, creating obstacles to the development of community partner spaces. And all of this takes place with less public accountability and oversight, as responsibility is handed off to profit-driven private industry rather than publicly elected and accountable school boards.

With the push to austerity, Alberta’s government is swinging back once again to the P3 model to hide deferred maintenance and infrastructure spending off the public books by tucking it away in multi-decade P3 contracts, despite experiences across Canada and here at home. Albertans need to similarly look to the lessons of other provinces. Manitoba turned away from P3 schools thanks substantially to the efforts of CUPE to resist privatization of public infrastructure.

A similar resistance needs to happen here, for the sake of students and teachers for generations to come who deserve publicly owned, publicly accountable schools.



EDUCATION

CUTS ARE COMING

In May 2019, Premier Kenney and the UCP-majority government of Alberta struck a Blue Ribbon Panel to review Alberta's finances and recommend a plan to balance the budget – only looking at the expenditure side of the equation. The panel released their report on September 3 and it is disastrous for the public services that all Albertans need and rely on.

Like Ralph Klein before them, Premier Kenny, Finance Minister Toews, and former Saskatchewan Finance Minister and Blue Ribbon Panel Chair Janice MacKinnon are repeating the talking point "Alberta has a spending problem" to justify making extreme cuts to public services and infrastructure.

The truth is, **Alberta has a revenue problem.** Due to decades of insufficient taxation and overreliance on resource revenues, there is a shortfall of up to \$14.1 billion dollars annually in the province – that's about Alberta's annual spending on K-12 and post-secondary education, combined.

In line with her historical precedent of closing hospitals, ending the Saskatchewan children's dental plan and universal drug program, and slashing funding to schools, hospitals, universities, and local governments, MacKinnon's report is recommending:

- Cutting and privatizing health care
- Cutting public sector workers' wages, but giving raises to managers
- Cutting and commercializing post-secondary education
- Cutting funding to K-12 education

All in, the panel is recommending **cuts of over 14% in all areas of government spending over the next four years** when we consider population growth and inflation. During the election, Jason Kenney promised front-line services would be protected, but how can that be possible with these massive cuts on the horizon?

It's obvious that the Blue Ribbon Panel is serving as the political cover the UCP needs to make unpopular and drastic cuts to education, health care, and other valuable public services in their upcoming budget, and this predictable report proves it.

Public services need to be strengthened, not cut, especially in times of economic uncertainty and precarity. Albertans deserve to know if they get sick, they'll get high-quality medical care and that their children will have the opportunity to develop their full potential in classrooms that are a reasonable size and have appropriate resources and supports. Alberta parents need access to high-quality, affordable, and accessible child care. We won't give up the fight for our public services.



Public Interest Alberta

Advocating for a Better Alberta for All

SOCIAL PROGRAMS

HEALTH CARE

Is it time for a Basic Income Guarantee?

Brian Dodd, Basic Income Calgary

A Basic Income Guarantee (BIG) program has the potential to lift many Albertans out of poverty, recognize the contributions to society of unpaid care-giving and volunteer work, increase access to opportunity, improve social and health outcomes, and protect everyone from the risks of precarious employment, disruptive technology, and system changes.

What do we mean when we say Basic Income?

Basic income is a regular and predictable income, universally and unconditionally available to all who need it — sufficient to provide for a decent lifestyle and enable people to fully participate in their communities. The Basic Income concept is not new. We already have effective systems that are essentially a form of basic income. Both the Old Age Security/Guaranteed Income Supplement and the Canada Child Benefit programs are forms of basic income that have improved the lives of millions of seniors and families. From many vantage points, basic income is a policy choice that makes sense.

Why is Basic Income a good idea?

Reducing poverty and income inequality

The rise of precarious and part time work, coupled with weaker redistribution through taxes and transfers, has led to continued widening of the income gap in Canada. What affects one of us affects all of us. Research has shown us that more equal societies do better on many measures of well-being, from reduced crime to better health, education, and economic outcomes. Basic income would decouple income security from employment and bring on a more effective redistribution of income and wealth.

Building healthier individuals and communities

Income and health are directly linked to one another, and research has demonstrated that income is the most important factor that affects health and well-being, more influential than health care, genetics or lifestyle. Food insecurity, toxic stress, and less-than-ideal living conditions are all by-products of a lack of income, and all contribute to chronic physical and mental health concerns. A basic income would contribute to the improved health and well-being of Albertans.

Encouraging job security, entrepreneurship and risk-taking

With Alberta's changing economy and the rise of part-time and precarious work, more people are seeking additional training and education for career shifts, or are finding their place in entrepreneurship or small business ownership. The fast-approaching disruptive technology and system changes associated with artificial intelligence, robotics and climate change will significantly exacerbate these issues. Psychological



security is vital in supporting successful career transitions, and a basic income would provide the security net for Albertans to take risks that would ultimately better their lives and the strength of our economy. Basic income would also recognize the unpaid labor of caregivers, volunteers, parents, artists and entertainers, who contribute immense value to fully-functioning communities.

Respecting human rights and dignity

All people deserve to have their basic needs met, with a safety net and social support system that respects their sense of dignity and autonomy. Social assistance programs do provide last resort income support, but are often focused on monitoring people's choices instead of building relationships with them to support their complex challenges. If income was provided with no conditions, service providers in the public, as well as the charitable sector, would be able to focus on the complex issues their clients face and focus on building healthy relationships to support them through solving those issues.

In conclusion

Precarious types of employment are already causing millions to live on the edges of poverty, putting them at risk of experiencing it in the event of illness or family crisis. Consensus is building to show that a basic income program is a key part of a necessary revamping and strengthening of our social safety net. A no-strings attached, predictable, and adequate income will protect everyone in the face of rapid changes to the nature of work, and enable us to adapt to and benefit from the coming disruptive technology and system changes. It is time to implement a principled Basic Income program in Canada.

Blue Ribbon Panel is Political Cover for Coming Cuts

Joel French, Public Interest Alberta Executive Director

As published in the Edmonton Journal, August 15, 2019

With much fanfare, Alberta's UCP government has appointed the Blue Ribbon Panel on Alberta's Finances to recommend a path to balance its budget. Unfortunately, the entire project is compromised from the outset because the panel's mandate ties one of its hands behind its back.

Budgets have two components: revenue and expenses. However, the panel's mandate specifically excludes any consideration of changes necessary to the way our government generates revenue - which means that its job is restricted to recommending cuts to Alberta's public services.

This misguided mandate can only be seen as providing cover for Premier Kenney to break his election promise of getting more funding to the front lines of both our health care system, and our public education systems.

The Panel is designed to provide a rigged rationale for making big cuts to public services, by not even considering the better alternative of paying for our public services through the kinds and levels of taxation that all other provinces use for that purpose.

Residents of Calgary are already getting a taste of what is coming provincially at the municipal level. Calgary City Council approved a massive tax cut for corporations but delayed discussion of the public services it would cut to pay for it until weeks later, when it was revealed that the cuts would include public transit, affordable housing, Indigenous relations, fire and emergency response, and police services.

Citizens and civil society groups mobilized through a grassroots campaign called Keep Calgary Strong, and they even had success reversing some of them, including a planned cut to accessible transit. However, much damage was still done.

The Kenney provincial government's plans look glaringly similar. They have already adopted a massive tax cut for Alberta's largest and wealthiest corporations, making our government's significant shortage of tax revenue even worse. Our tax system was already by far the least effective in the country at raising revenue, to the extent that adopting the tax system of any other province would raise between \$11.2 and \$21.5 billion in additional revenue every year, which would more than cover our current deficit of \$6.7 billion and would allow for much-needed quality improvements to health care, education and other services.

Even before its first budget has been introduced, the cuts have begun. Without any detailed commitment of sustainable funding from the province, some school boards are being forced to cut teaching positions and prepare for even larger class sizes. Funding for Persons with Developmental Disabilities (PDD) has been frozen, leading to cuts in programs like a camp for autistic



youth and delay or denial of other supports that are normally funded on an annual basis.

The urgent need for a new diagnostic laboratory for the province was identified by Alberta's previous conservative government, which set the wheels in motion for the new facility to be located at the University of Alberta Hospital. The Kenney government immediately cancelled the initiative despite the fact that construction was underway. As a result of the cancellation, medically necessary tests will face longer delays, and our health care system will be stuck with outdated technology.

The inescapable truth is that this Panel is nothing but a political gimmick to give the UCP government a pretext to make deeply unpopular, ideological cuts to the public services we all need and value.

Obviously, more services will be turned over to the whims of private corporations, which are more than happy to turn them into for-profit businesses for the benefit of their shareholders. Others services and programs will disappear from public budgets altogether, but we all know the real costs never disappear. Instead they are shifted to the pocketbooks of Alberta families and paid for individually rather than collectively through our tax system.

How our government decides to handle its budget situation is a choice. They can fix our deficient revenue system so we can properly fund our services, or they can make deep cuts. The mandate of the Blue Ribbon Panel on Alberta's Finances makes it abundantly clear that the UCP government has already decided on the latter and simply appointed the Panel to tell it what it wants to hear.

Con't page 8

Blue Ribbon Panel is Political Cover for Coming Cuts

Con't from page 7

Albertans should reject this panel's biased mandate, hold Premier Kenney to his word that more funding - not less - will be allocated to the front lines of our public services, and demand a process that fairly considers the alternative of revenue reform to properly support and enhance our public services.

Congratulations to Public Interest Alberta's new Board President, Terry Price!

As a retired teacher and activist, Terry has served in various elected and staff position with territorial, provincial, and national teachers' organizations for the past 26 years. Terry served in various capacities in the Canadian Teachers' Federation from 1993 to 2005, including two years as President. She served as a staff officer of the Manitoba Teachers' Society from 2006 until her retirement in November 2017, when she moved to Edmonton to be closer to family. Terry has been active with Public Interest Alberta as a member of the Board of Directors, Secretary of the Executive, and Chairperson of the Seniors' Task Force. Terry guided the planning of a highly successful Citizens' Forum on seniors' issues held in Red Deer in March 2019.

