

Winter 2016-17



The Advocate

A PUBLICATION OF PUBLIC INTEREST ALBERTA



IN THIS ISSUE

Tuition freeze in Alberta

Considering affordability and quality in post-secondary education

More Democracy in Alberta

Steps for how to get us there

Solving Alberta's revenue shortage through income tax

Income tax in Alberta explained

The Advocate

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

Who We Are

Public Interest Alberta is a province-wide organization focused on advocacy and education on public interest issues. Founded in 2004, the organization 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 that the primary responsibility of government is to advance the collective interests 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

Office Administrator

Monica Walker

Communications Officer

Aleah Loney

Share Your Voice!

Submit letters, articles, and contributions, for the next issue of *The Advocate*. Send all correspondence to:

PUBLIC INTEREST ALBERTA

604, 12323 Stony Plain Road NW
Edmonton, AB

T5N 3Y5

Ph: 780.420.0471

Email: office@pialberta.org

www.pialberta.org

If you would like more copies of this newsletter to share, contact our office or download it directly from our website: pialberta.org/news/-advocate-publication



2016 Holiday Open House

You're invited to join Public Interest Alberta, the Alberta Workers' Health Centre, Friends of Medicare, the Alberta Labour History Institute, and the Council of Canadians for our 2016 Holiday Open House!

December 7, 2016
4pm - 7pm
6th Floor - 12323 Stony Plain Road, Edmonton

Please RSVP to Monica Walker at
780-420-0471 or office@pialberta.org

SAVE THE DATE

Public Interest Alberta's annual
advocacy conference will be
March 30 - April 1, 2017

Stay tuned for details at
www.pialberta.org

Join our mailing list!

Stay up to date on Public Interest Alberta's work and find out about upcoming events happening across the province.

To sign up, visit pialberta.org/action-areas/all/email_signup

More democracy in Alberta - now is the time

By Larry Booi

Public Interest Alberta Board Chair

The results of the recent American elections and the rise of right-wing populism elsewhere are troubling and discouraging for advocates of stronger democracy.

Paradoxically, the prospects for democratic reform in Alberta have never been better, and it is vitally important for citizens and civil society organizations to seize this crucial opportunity, which is a result of two factors.

First, the NDP government's commitment to moving ahead with a broad range of elements of democratic renewal, which started with the elimination of campaign and party contributions by corporations and unions in Bill 1. They have a majority government, and they can make the necessary changes happen in the near future through legislative action which would make Alberta a leader in democratic renewal in Canada.

The second has to do with the government's challenging financial situation: their \$10 billion deficit has made it difficult to make progress on much-needed but expensive social programs. Democratic reforms have the important and timely virtue of minimal cost. Many of these essential and progressive changes can be put in place without adding to the province's deficit – a crucial consideration in challenging political times.

The government has decided not to extend the mandate of the all-party legislative committee that had been considering reviewing legislation related to democratic reform. This may disappoint some, but it also means that the government can move ahead with legislation to put in place a comprehensive approach to democratic reform under the leadership of the Minister Responsible for Democratic Renewal, Hon. Christina Gray.

So what will it take to ensure that the government acts in the near future to put in place these important (and inexpensive) reforms? In a word, pressure.

There are many competing interests and obligations facing government and legislators, and they need to hear from citizens and organizations who are demanding (not just requesting) that democratic reform measures become a top priority. In other words, our government and our MLAs (including opposition MLAs) need to be on the receiving end of systematic and effective advocacy, especially in the coming months, so that the opportunity becomes a reality.

We are fortunate to now have a minister responsible for democratic renewal, but the reality of the situation is that no staff are assigned to support the minister in this area, meaning MLAs are going to have to play a crucial role in hearing from constituents and communicating to government the importance of moving soon with legislation to bring about the range of changes needed.

And the role of citizens will be crucial. Here is what you and others can do:

1. Focus on the next needed steps for democratic reform

There is much to be done in several key areas, including further changes to campaign and party finance rules, electoral reform, and citizen and civil society engagement in governance and decision making. Be sure to check the Public Interest Alberta website for details on reform proposals, especially our submission to the legislative committee, available at www.pialberta.org/StrengthenDemocracy



2. Communicate your concerns to your MLA

It is a good idea to begin by sending an email to your MLA to outline why you want democratic reform to be a high priority, and to send a copy to Hon. Christina Gray and to Premier Notley as well.

But it is more important to arrange a meeting with your MLA, so you can communicate your concerns and proposals directly. Ask your MLA to play a leadership role in their party caucus in making democratic reform a top priority. Remember that the goal is not to debate with or convince your MLA, but rather to communicate your strong view that these measures are of crucial importance to you as a citizen.

3. Keep up the pressure

Make a second appointment with your MLA to follow up. Find out what action they have taken, and remind them that it is a top concern for you as a constituent to see significant action on these issues in the Alberta Legislature. Ask others to meet with their MLAs as well and please follow our website for more on this. We want to work with you in these important advocacy efforts.

If you have suggestions, concerns, or observations about what you have learned through contacts with your MLA, please contact us at communications@pialberta.org.

Solving Alberta’s revenue shortage through income tax

By Joel French

Public Interest Alberta Executive Director

In our Summer 2016 issue of The Advocate, I wrote about the Government of Alberta’s revenue shortage and why we need to greatly increase Alberta’s total tax revenue with the goal of protecting and expanding our public services. I laid out two main options for raising that revenue: introducing a sales tax or significantly changing our personal income tax system.

The idea of a sales tax is fairly straight forward, and I think everyone understands what it would look like and generally how it would affect each of us. The primary concern I hear from progressive advocates is that a sales tax is a form of flat tax; every person pays the same percentage without regard for their income level. At the federal level, that concern is mitigated by GST rebate cheques the federal government sends quarterly to lower-income individuals and families.

Fig. 1 Changes to Alberta’s Personal Income Tax Structure

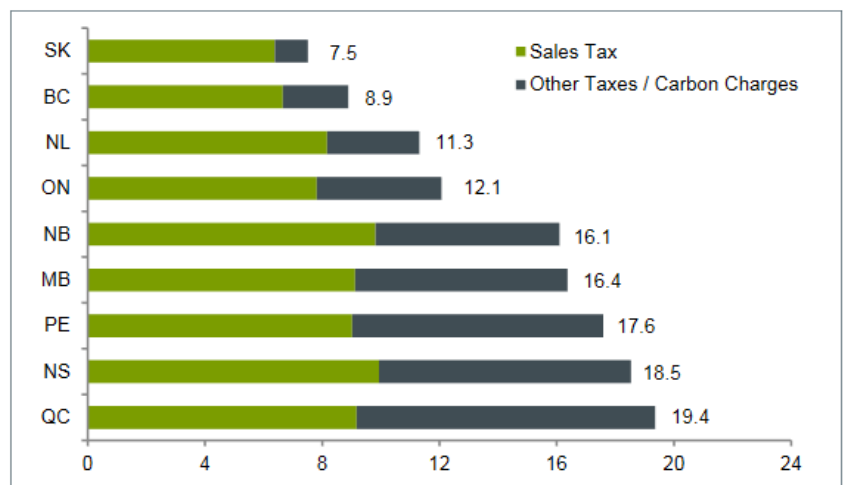
Taxable Income Bracket	PC income tax system (2014)	NDP income tax system (2016-17)
On first \$125,00 of taxable income	10%	10%
On next \$25,000, from \$125,000 to \$150,000	10%	12%
On next \$50,000, from \$150,000 to \$200,000	10%	13%
On next \$100,000, from \$200,000 to \$300,000	10%	14%
On taxable income above \$300,000	10%	15%

The coming provincial carbon levy is similar. All Albertans will pay at the same rate, but it will be mitigated for lower and middle-income Albertans (60% of Alberta households) by the new Climate Leadership Adjustment Rebate.

It is less clear to most people what it would look like to raise substantially more revenue by adjusting Alberta’s personal income tax system. Our current progressive (meaning income-sensitive) income tax system was introduced by the NDP government near the beginning of its term in 2015. It replaced the previous PC government’s flat income tax system, introduced under Premier Klein in 2001, which had Albertans paying the same rate of tax (10%) on all taxable income (Fig. 1). The “taxable” part is important and is often forgotten or deliberately left out of public conversations on personal income taxes.

Every provincial government, as well as the federal government, has a “basic personal amount,” which exempts everyone, regardless of income level, from paying income tax on a certain amount of their income. In Alberta, our current basic personal amount is set at \$18,451, the highest in the country (the second-highest is Saskatchewan at \$15,843). That means every Albertan, rich and poor, pays zero tax on the first \$18,451 they earn in 2016.

Fig. 2 Alberta’s Tax Shortfall (billions of dollars)



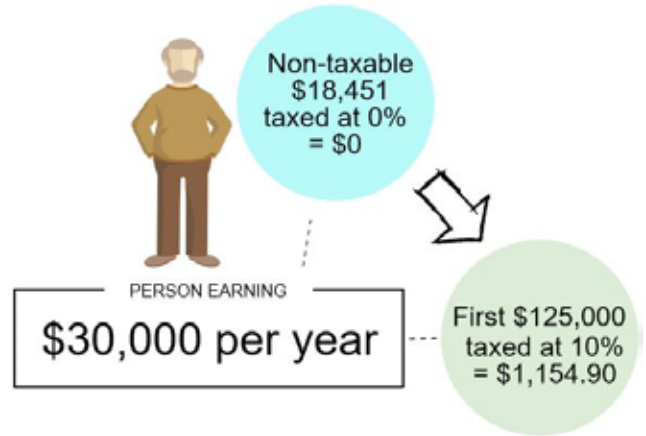
Source: Alberta Treasury Board and Finance

Alberta’s lowest income tax bracket with the NDP’s progressive income tax is 10% on the first \$125,000 of taxable income (Fig. 1). That rate is the same as it was under the previous PC government. The NDP’s progressive income tax raised rates

on those with taxable income over \$125,000, so given the first \$18,451 of income is not taxable in Alberta, the income tax increases affected only those earning at least \$143,451 per year.

Furthermore, the same principle I pointed out about the basic personal amount applying to everyone also applies to every other income bracket. Meaning every Albertan earning over \$18,451 per year pays 10% income tax on their next \$125,000 of income, whether that person earns a total of \$30,000 or \$1,000,000 per year.

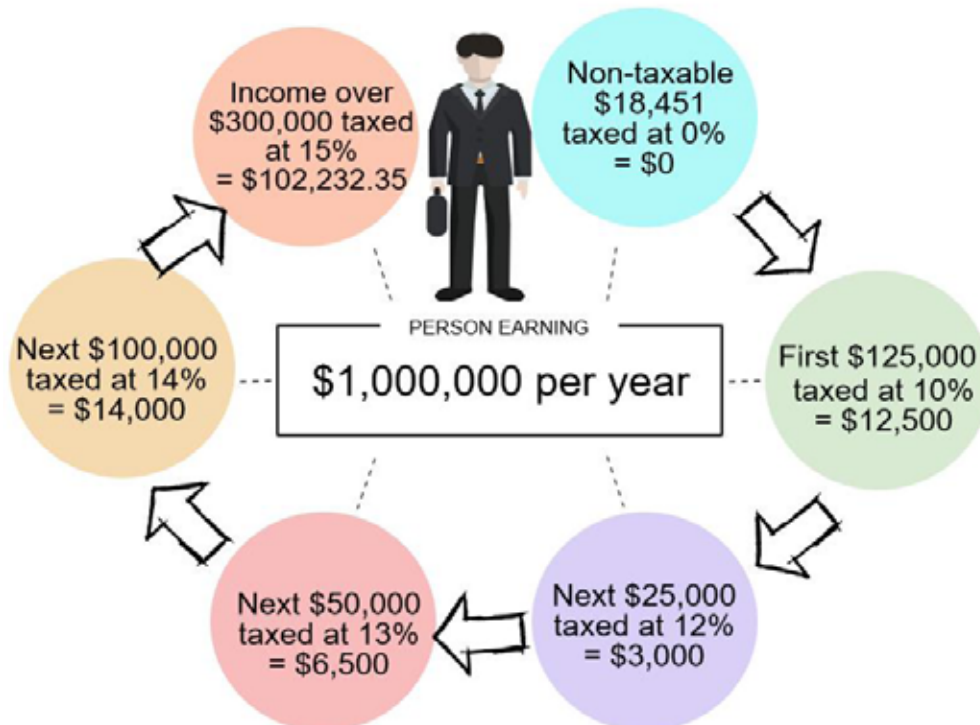
The NDP's increases on the top 10% of income earners were expected to boost revenues by \$450 million in 2015-16 and as much as \$936 million per year in future years. Those are significant dollar amounts, but they come nowhere close to the approximately \$10 billion currently missing from our annual budget.



All of this is to say that raising significantly more revenue from the income tax system is a complex conversation. It is a conversation we need to have, but we need to be clear about what the options are and how much revenue can be generated from those options.

Those of us on the progressive side of the political spectrum believe the wealthiest Albertans should be paying more income tax to address our revenue shortage because those are the people who can afford to pay more. And while I agree with that principle, the reality is that raising the rates of the highest income brackets on its own will not generate the amount of revenue required to fix the current revenue shortage.

The place we should begin this conversation is here: if Alberta adopted the tax system of any other province, the minimum amount of additional revenue we would generate per year is \$7.5 billion - if we had the same tax system as Saskatchewan - and up to \$19.4 billion - if we had the same tax system as Quebec (Fig. 2). Every other province in the country generates a significant amount of its government revenues from a sales tax. If Albertans want to forego a sales tax and instead use the personal income tax system to generate the revenue we need to protect and expand our public services, most Albertans will need to pay more income tax than we do today.



Public lands should be for public interests

By Harold Neth

Chair, Public Interest Alberta Education Task Force

Why should Public Interest Alberta, the Edmonton and District Labour Council, and unions representing support, custodial, and maintenance staff in Edmonton's two school districts take issue with public lands being sold to private interests?

Edmonton City Council's Executive Committee has recommended to Council that surplus school lands formerly owned by Edmonton Public Schools be sold to two private schools. The Government of Alberta turned the properties over to the City after the Edmonton Public School Board determined these communities would not need schools on these sites in the near or long-term future.

The Muslim Association of Canada has sought to buy a piece of surplus school land in the north Edmonton neighbourhood of Evansdale, and the Sikh-run Headway School wants to build in Kiniski Gardens in the southeast. Edmonton Public Schools already has popular Arabic and Punjabi cultural and language programs available without charge in the same areas of the city that enjoy a great level of support from within those communities. By focusing on culture and language, these programs bring students of different backgrounds together in the same classrooms.

Joel French, Executive Director of Public Interest Alberta, stated at a recent press conference that, "Private schools with private agendas should not be the beneficiaries of surplus school sites. These pieces of land should be used to strengthen communities, not further divide them. If private schools want to buy land, let them do so in private markets like all other private businesses."

The deals will be subject to public hearings in early 2017, however, Bev Esslinger, Councillor for Ward 2 and member of the Executive Committee, asserts that the Islamic and Sikh schools are accredited and in operation on other sites and takes no issue with selling the public sites to them.

At this same press conference, Bruce Fafard, President of the Edmonton and District Labour Council, noted that "Public lands should be used in the public interest," and noted that the City should follow its own policy that normally allocates surplus school sites to non-market housing. The reality is; the land is much needed.

A recent article on housing in the Edmonton Journal stated that "... even if Ottawa and the province put up money to build more permanent supportive housing, the city doesn't know where to build it." Ward 6 City

Councillor Scott McKeen went on to call on every councillor to help find locations in their own wards. The article further notes that the federal government is interested in funding such housing projects, but if Edmonton doesn't come up with locations, the money will go elsewhere. Edmonton City Council's Community Services Committee is set to start identifying locations soon.

Well, we know of at least two excellent locations, publicly-owned and ear-marked for public use.

It is time for Edmonton City Council to connect the dots: this is an issue for which Edmontonians, individuals and organizations alike, need to contact their City Councillors and reverse the plan that will see public lands lost to private interests. It is time for the larger city community to seize the opportunity to deal with the social and economic crisis of homelessness now, and make Edmonton a better city to live in for everyone.



Support our work.
Become a member or renew today!

Annual Membership
Individual - \$50.00
Individual (low-income) - \$20.00
Organization - \$100.00

BROOKLYN, N.Y.
SEP 30
1 - PM
1958

Public Interest Alberta
Suite 604
12323 Stony Plain Rd NW
Edmonton, AB T5N 3Y5

www.pialberta.org/join

Post-secondary education policies must address affordability and quality

By the Council of Alberta University Students

Public Interest Alberta Post-Secondary Education Task Force

Since the drastic and overwhelming tuition increases in the 1990s, Alberta's post-secondary students have been working tirelessly to advocate for affordable and predictable tuition rates. With tuition and fee rates in Alberta being consistently higher than the national average since the spikes in the 1990s, it has been an ongoing challenge to convince governments that affordable education is in the best interests of both students and society as a whole.

We know, backed by significant research, that lower tuition rates create a more affordable post-secondary education system and in turn open access to a wider range of prospective students. Additionally, students with less student debt coming out of post-secondary are able to begin actively participating in the economy earlier. More affordable tuition and fee rates, in conjunction with progressive student financial aid options, are at the heart of this equation and exactly what students have been consistently asking for.

Post-secondary students in Alberta have been dealing with a changing and evolving financial situation due to fluctuating rates of tuition and fees for the past decade. After a brief tuition freeze in 2004, and a review of the adult learning system in 2006, most post-secondary tuition increases have been tied to the rate of inflation in the Consumer Price Index (CPI). This policy, known as the 'tuition cap', ensures predictability for students when planning for their post-secondary education and is one of the most affordable ways for all parties involved (government, administration, and

students) to move forward on a fair and equitable playing field.

Despite the linkage of tuition increases to the CPI, students have still faced numerous challenges regarding increasing costs to post-secondary education in recent years. Both Mandatory Non-Instructional Fees (MNIFs) and Market Modifiers have been significant stressors to students' financial well-being. Both of these policy mechanisms allow government and post-secondary institution administrations to move beyond the spirit of tuition regulation.

Specifically, in the case of MNIFs, they allow increases in student compulsory



fees, or in the case of Market Modifiers, increases to tuition rates for specific, competitive programs such as Law and Pharmacy. While tuition has been either frozen or tied to CPI since 2006, these additional fees have allowed Alberta's tuition rates to appear low on paper, while the overall cost of attending post-secondary in our province has increased well beyond the Canadian average.

Following a tuition freeze in 2013-14, students expected to see an increase in tuition for inflation in 2015 or even the possible removal of the tuition cap. Instead, Alberta saw a change in government for the first time in

decades, and with that came the news that tuition would continue to be frozen while a complete review of the provincial adult learning system is conducted.

Additionally, students were told that MNIFs would also be frozen and that all Market Modifiers approved by the government in 2014 would be rolled back. With this incredibly positive news came notice from the Government of Alberta that institutions would be compensated for the loss of revenue associated with the tuition freeze and fees, as well as the roll-back of Market Modifiers. This is crucial to mention as it highlights the importance of predictability for our institutions in ensuring they are able to make efficient use of government and student funding and thereby ensure quality teaching and research.

Moving forward, students are committed to advocating strongly for an affordable, predictable, and equitable tuition policy from the Government of Alberta. Whether that comes in the form of tuition increases tied to the rate of CPI, a tuition freeze, or even the lowering of tuition and fees, it is crucial that government dollars are invested to ensure our institutions are not left with lower overall revenues. Students strongly believe that through the current review of Adult Learning, the Government of Alberta will be able to come to an acceptable policy on tuition and funding for all stakeholders.

We need only remember the drastic cuts to programs and diminished quality of education from institutional budget cuts in the 2013 provincial budget to see the importance of stable, predictable post-secondary funding. (*see Tuition page 8*)

Tuition and fees policy in Alberta

(from *Tuition page 7*) Such shortages in revenue hurt our institutions and in turn hurt students through the loss of quality and experienced faculty, larger class sizes, and reduced or limited program offerings. This, in turn, impacts society and the economy further down the road.

Through paying taxes in Alberta, and tuition at our institutions, students

contribute heavily to our education system and we strongly encourage government policy makers to ensure that whenever a tuition freeze occurs, additional funding is provided to our universities to offset foregone revenue. In instances where this “back-fill” funding has not been provided, dramatic increases in the rate of tuition usually follow the end of such a freeze.

The complexities of tuition policy continue to be a challenge for all stakeholders involved, including students, but we know that when there is affordable and accessible education, with predictable and equitable funding from government as an investment in the future, all of society will benefit from a highly educated and engaged population.

New report shows superiority of public long-term care

By **Sandra Azocar**

Executive Director, Friends of Medicare
Public Interest Alberta Seniors Task Force

On October 25, 2016, the Parkland Institute released its latest report on long-term care in Alberta, titled *Losing Ground: Alberta's Residential Elder Care Crisis*.

Most health and seniors' advocates will not be shocked by the findings of the report. Still, there is important evidence here that helps us make the case that superior care is provided in public facilities – those that are government-owned and operated.

The number one question for the public should be: has the privatization of long-term care resulted in better care for patients? Parkland's recent report provides data that suggests a resounding “no”. Whether in private for-profit or private not-for-profit, the hours of care per resident per day are far behind standards supported by research. They are also behind in hours per care per resident provided in public facilities.

The minimum standard was established in a 2002 study which suggests 4.1 hours of care per day are needed to maintain health outcomes. Not-for-profit homes deliver the least care, averaging 3.0 hours of care per resident per day, while the for-profit sector provides slightly more care at 3.1 hours per day. The publicly-run beds provide the most

hours of care per day, 4.0 hours, which is just shy of what research identifies as the minimum standard to maintain health outcomes.

Further evidence in *Losing Ground* provides more justification to abandon private care: the public system is spending over 10% more on direct care staff than their private counterparts, while private sector trends show more spending is geared towards administration costs.

Combined with the public subsidy of private care through millions of dollars in capital grants to build new beds and millions more to operate the care in those homes, we simply cannot justify any more private delivery of care on either financial or quality of care grounds.

There will be those who will call advocates for public care “ideological” despite evidence showing that publicly-run facilities provide more care and in more efficient ways. Publicly delivered long-term care is in the best interests of patients, their families, staff, and the public purse. With obscene profit margins in private care, we have to question whose side the advocates for more privatization are on.

The report also highlights that with a change in government, we have yet to see a reversal of former PC governments' trajectory of private continuing care. We all must continue to press for details and action on the Alberta NDP election promise to create 2,000 public long-term care spaces as well as their promise to end the PCs' costly experiments in privatization and redirect the funds to public care.

Friends of Medicare will be partnering with CUPE Alberta to tour the province from November 28 to December 2. Read more about the tour and download our long-term care petition at www.friendsofmedicare.org/care

