

Public Interest Alberta

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Alberta Child Care Budget Facts Has the Alberta government made child care a priority?

The government of Alberta has talked about the importance of quality child care every year it has put out its annual budget. However, government budget figures show that the provincial government has not spent enough in real dollars to keep up to inflation and population growth.

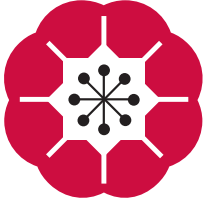
Year	2000 -01	2001- 02	2002-03	2003-04	2004-05
Actuals (Million \$)	64.0	60.0	55.5	58.4	63.0
CPI	117.4	120.1	124.2	129.7	133.6
Constant 2000 dollars	64.0	58	53	53	56

Note: The actual dollars spent on childcare over the past years consistently ranges from 5 million to 10 million less than budgeted. The budget for child care for 2005 is \$69.5 million but this does not mean the provincial government will spend more than it did on child care last year.

The amount of money that the Alberta government has put into child care has remained constant while the total government revenues have gone up dramatically. As a percentage of the total revenues of the province, spending on child care is insignificant.

Year	2000 - 01	2001- 02	2002-03	2003-04	2004-05
Total Government revenues	\$25,527	\$21,926	\$22,662	\$25,887	\$28,753
% of Childcare budget/ Government revenues	0.25%	0.27%	0.24%	0.22%	0.22%

Can the government say they have made child care a priority when the budgets for the past five years have not kept pace with inflation and they only commit less than ¼ of one percent of total government revenues?



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Are we really spending too much tax money on child care in Alberta?

Some people say that we should not be spending so much tax money on child care programs. We need to put this debate in the context of how much we are actually spending. The total percentage of Alberta's revenues that comes from personal income tax and corporate income tax is as follows:

Year	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05
Personal Income tax	15.4%	19.0%	21.3%	17.8%	16.1%
Corporate Income tax	7.9%	10.1%	8.9%	6.5%	8.1%

If you calculate the total amount of the Alberta child care budget paid for by personal and corporate taxes, you see how little of our tax dollars go into the child care budget.

Year	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05
Total Personal taxes portion of childcare expenses (\$Millions)	\$9.87	\$11.37	\$11.85	\$10.41	\$13.22
Total Corporate tax portion of childcare expenses (\$Millions)	\$5.06	\$6.05	\$4.94	\$3.82	\$5.23

To calculate the per capita spending on child care in Alberta using with the official Statistics Canada figures for Alberta, you see that individual and corporations are spending very little per person on childcare in Alberta.

Year	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05
Population	3,004,900	3,056,700	3,116,300	3,158,600	3,201,900
Personal income tax/ Alberta Population	\$3.28	\$3.71	\$3.38	\$3.29	\$3.22
Corporate income tax/ Alberta population	\$1.68	\$1.98	\$1.58	\$1.21	\$1.63

So, is \$3.22 per capita in personal income tax too much to spend on child care in Alberta? Is it too much to ask corporations to pay \$1.63 per person for child care expenses?