



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

Nova Scotia Alternative Provincial Budget 2014

A Budget for the 99%

Budget in Brief

Introduction

After more than thirty years of jobless growth and growing household debt punctuated by a series of increasingly severe economic crises, September 17, 2011 marked an important turning point. On that day, “thousands of people marched on the Financial District, then formed an encampment in Zuccotti Park, launching a movement that shifted the conversation on economic inequality.”¹ Following the emergence of “Occupy Wall St,” similar “Occupy” movements sprang up all around the world, including here in Nova Scotia. The Occupy Movement was driven by the clear sense that it is both possible – and absolutely necessary – to build an economy in the interests of the people, not corporations and the wealthy. The drive to achieve social and economic justice was not just morally right, it was economically efficient. Since then, the mountain of evidence attesting to the fact that income inequality is bad for the economy, for the environment and climate change, and for democracy as well, has only grown.² In fact, even the International Monetary Fund, which has arguably acted as one of the architects of the current situation, has recently warned that income inequality leads to slower or less sustainable forms of economic growth.³

Inequality has long hindered the ability of most Nova Scotians to enjoy a decent standard of living. The growing gap between rich and poor in this province has only served to multiply the obstacles that most Nova Scotians now face as they work to achieve a basic level of security and sustainability. Indeed, under the mistaken idea that we need simply to grow our economy, the government and policy-makers have lost sight of the fact that how we grow is at

least as important as growth itself. Rather than growing inequality in a growing economy, we need to ensure economic benefits are spread widely and fairly throughout Nova Scotia.

Unfortunately, this has not happened. In fact, most workers in Nova Scotia have seen their wages stagnate despite rising rates of productivity. Between 1981 and 2006 the province's economy expanded by 62.44% with most of that growth -- 36% -- occurring since 1997. During the same 25 year period, as the general provincial economy expanded, "labour productivity" (GDP per hour worked) also rose (by 37%), but the average "real" (inflation-adjusted) weekly earnings of Nova Scotia workers actually declined by 5%.⁴ Clearly, growth was not enjoyed equally by all Nova Scotians.

Since 1982, the increase in real incomes in Nova Scotia has been modest for most: \$3,500 for the bottom 90% of tax filers; and massive for a few: \$99,500 for the top 1%. In 1982, the average top tax filer enjoyed an income 8.3 times greater than those whose earnings put them at the bottom of the income distribution. Today, the 1% tax-filer makes about 10.5 times more than do the lowest earners.⁵ To qualify for membership in Atlantic Canada's 1% requires an income of at least \$151,900. On average, however, the incomes earned by Atlantic Canada's 1%'ers is much higher: \$259,300. In contrast, the average income of the bottom 90% of tax filers is just \$26,700—the lowest in the country.⁶

To deal with the problem of inequality, we need to break apart and democratize the controls that the wealthiest Nova Scotians have over how our wealth is both generated and allocated. Societies that are more equal are commonly described by things like employee-owned and controlled businesses like co-operatives. Such businesses also often meaningfully involve local community and consumer representatives on their governing boards.

High rates of unionization are also key to re-balancing priorities and achieving a more equitable form of growth.⁷ Evidence shows that the higher the unionization rate in a society, the lower the poverty rate. Conversely declining union membership is closely related to growing income inequality.⁸ We also know that women benefit from the union advantage even more than do men, thereby helping to address gender inequality.⁹ Wage differences between racialized and non racialized workers, and between workers with and without disabilities is also narrower in unionized workplaces.¹⁰

A society mired by income inequality is one where few will take risks. Without risk there is little change and little innovation. Risk-taking is unlikely when people are worried about meeting their daily needs, or are only a few pay cheques away from living on the streets. When students come out of university with huge debt loads it is difficult to consider taking risks, or even staying in a province with some of the lowest wages in the country. A safety net that helps people take risks is one designed to make sure that no one falls too far when things go awry and they hit hard times. Likewise, no one should face greater risks just because of their race, ethnicity, sex, gender, age, or the fact that they have a disability. Indeed, the risks associated with our social locations need to be eliminated entirely. At the same time, and in

the same way, we do not want to reduce risk-taking to a simplistic calculus around money. Choosing a career in art, becoming a farmer, opening your own business, taking leave to take care of young children or elderly parents, going back to school to retrain or further your education, these are all things that contribute to our quality of life. And, in our present society, these are all economic risks of such severity that we are pressed to avoid them.

The **Nova Scotia Alternative Provincial Budget** (NSAPB) recognizes that to reduce inequality requires a combination of increasing incomes and lower costs of living for the majority. That means employers and owners must share more of the productivity gains and profits with workers, which is why unions become a critical part of the solution, as do alternative work models including worker co-operatives. Progressive taxation also becomes a critical part of the solution to ensure we have a sufficient and fair tax base to expand affordable access to post-secondary education, public transit and child care.

Smart public investments that address inequality and insecurity not only achieve greater fairness; they also provide more opportunities for economic growth, but not just any kind of growth. Public services help level the proverbial playing field, and thereby make it possible for most people to access meaningful forms of work. Unfortunately, between 1990 and 2009, Nova Scotia consistently invested less than did most provinces in terms of the provision of social services. In fact, the Province consistently spent less on a per-capita basis than the Canadian provincial or the Atlantic average.¹¹

As the NSAPB clearly shows, it is possible to build an economy in the interests of the people, to achieve social and economic justice. All of our citizens have the right to fully use their skills and capabilities. If we want to attract more people to live here, or entice them to stay, we need to attack inequality in all of its forms. We need to offer a caring, inclusive, and prosperous community. Demographic trends are undoubtedly important, but demographics are not destiny. Demographic trends are influenced by our policy choices.¹² One of our most important choices is how we choose to share our prosperity.

It is about **all** of us. Our economy is our people; our people are our government; and without our environment nothing else matters.

Fiscal Overview and Alternative Provincial Budget Summary

The Nova Scotian economy needs a boost. With real economic growth expected to reach only 0.7% for 2013,¹³ finding stable employment remains a challenge. Though the unemployment rate over the past year has dropped slightly, this is only because over 9,000 Nova Scotians, unable to find work, have dropped out of the labour force. From January, 2013 to January, 2014, employment fell by 3,200. Meanwhile, the youth unemployment rate remains stubbornly high at 18.7%.¹⁴

TABLE 1 Nova Scotia Department of Finance Base Case (December 2013)

	Budgetary Transactions (\$mil) 2013-14
Revenues	\$9,323,403
Expenditure (inc. Debt Service)	\$9,852,736
Budget balance	-\$481,714
Debt to GDP	34.8%

Fortunately, the provincial government's finances are in a strong position to make much needed investments in our social programs and to support the economy and employment. Though the Finance Department's December Budget Update (Table 1) forecasts a deficit of \$481.7 million for 2013/14, \$280 million of this is the result of a one-time increase in pension valuation adjustments. Thus, the starting point for 2014/15 is a deficit of approximately \$200 million.¹⁵

Most measures of Nova Scotia's fiscal health have improved consistently over the past few years. Our debt-to-GDP ratio, which provides the best measure of Nova Scotia's ability to pay off its debts, has fallen from 48.7% in 2000 to its current level of 36.7%. Debt servicing charges as a percentage of provincial government expenditure have fallen from almost 20% in 2002 to 8.7% in 2013/14.¹⁶ As a percentage of GDP, debt charges have fallen from a peak of 5.1% in 1995 to only 2.2% today.¹⁷

The new government projects a significantly larger deficit than anticipated in the last budget for 2013–2014, an estimated surplus of \$16.4 million at budget time. Thus, government projections from the last budget (2013-14) are no longer valid. The new government has yet to produce updated projections.

TABLE 2 Nova Scotia Alternative Provincial Budget (\$mil)

	2014-15	2015-16	2016-17	2017-18
Base Revenue	\$9,835,021	\$10,333,454	\$11,065,332	\$12,041,368
Base Expenditure	\$10,279,530	\$10,648,560	\$11,215,866	\$11,985,968
Budget Surplus (deficit)	(\$444,509)	(\$315,105)	(\$150,534)	55,400
Debt to GDP Ratio	36.9%	36.4%	35.5%	34.3%

The Nova Scotia Alternative Budget (Table 2) assumes expenditures will increase by the consumer price increases. Thus, wages and purchases of equipment and materials are assumed to move with the cost of living – in aggregate, existing programs will not grow but neither will they be cut, although funds may be re-distributed among programs. Given Nova Scotia's good fiscal health, the provincial government can easily afford the recommendations of the NSAPB which calls for a balanced budget in 2016/17. Over this period, the debt-to-GDP

ratio will continue to fall. Moreover, these are very conservative estimates and do not take into account the expansionary impacts of our investments, which is estimated to result in another \$100,000 million in revenue. Our estimation is that this stimulus budget will result in a balanced budget by 2016-17.

TABLE 3 NSAPB 2014 Summary Overview (\$mil)

NEW SPENDING	2014-15
Adult Learning	20
Age and Disability Friendly	20
Arts, Culture and Heritage	9
Economic Development	20.5
Early Learning and Child Care System (double)	43
Energy	37
Environment	2.6
Food Security and Agriculture	9.6
Forestry	2
Health Care	91.6
Housing and Homelessness	40.41
Inclusive Labour Market	3.4
Justice	6.5
Justice for Sex Workers	1.2
Pensions	2
Post-Secondary Education	76.95
Poverty Reduction	83
Primary to Grade 12 Education	82.5
Sustainable Transportation	50
Water	60.02
Women's Rights, Bullying, Sexualized Violence	7.085
REALLOCATED SPENDING	
Your Energy Rebate	-110
NSBI	-27
Heating Assistance Rebate Program Decrease	-6
Total New Spending (net)	525.365
New Tax Revenue	
Decrease Revenue (user fees & flow through)	30
Total New Revenue (net)	-247.928

The spending priorities of the Nova Scotia Alternative Provincial Budget (NSAPB) (Table 3) not only maintain the province on its road to improved fiscal health, they improve the health of the population, create jobs, strengthen public services and stimulate economic growth. The NSAPB is a budget designed to address the issues related to growing income inequality, and therefore, ensure that all Nova Scotians benefit.

The NSAPB proposes to redistribute income through a more progressive tax system; however, tackling inequality is not just about redistributing income. The NSAPB also seeks to redress the negative social and economic effects of income inequality, as well as prevent income inequality from worsening. The NSAPB thus also invests in the creation of an inclusive labour market with more secure, well-paid, unionized jobs. Reducing poverty and ensuring everybody has affordable energy and food security, are priorities in the NSAPB. The NSAPB also invests in quality public services including early learning and child care, affordable housing, improving primary health care, and providing education opportunities that are inclusive and able to respond to the needs in our society. Finally, the NSAPB invests to address the imperatives of global warming, which require us to focus on solutions that create a truly sustainable society. Developing green energy, fostering sustainable agriculture, and forestry practices, and democratizing policy decisions, will all help address the fallout from a society allowing runaway wealth at the top, while the rest struggle against the erosion of their share.

99 Ways to Make the Gov't Work for the 99%

Our Jobs & Economic Security

Economic Development: From Corporate Driven to Community Developed and Cooperative (Total Investment: \$20.5 million):

1. Shift funding away from corporate-driven economic development by eliminating NSBI (**\$27 million**) and instituting more transparency and accountability related to the Jobs Fund.
2. Reallocate **\$14 million** annually to the new Cooperative Investment Corporation to expand the cooperative economy across Nova Scotia.

3. Strengthen the provincial procurement policy with specific targets for local sourcing, and develop an implementation plan that will include the additional funding required to enable our public sector institutions to meet the targets.
4. Invest **(\$2 million)** to advance the further implementation of the Social Enterprise Strategy.
5. Set up a Start-Up Nova Scotia Equity Fund for Youth (SUNSEFY) targeting **(\$4.5 million)** funding to start-ups that contribute to advancing rural economic development, especially those which target underemployed/unemployed groups and contribute to keeping youth in Nova Scotia. Therefore, the fund is limited to persons under 30, or those who have graduated from a post-secondary program no more than 5 years prior to their application.

Inclusive Labour Market (Total Investment: \$3.4 million):

6. Develop a strategy to move toward full employment.
7. Review and improve the Trade Union Act to make it easier to unionize.
8. Overhaul and strengthen the Labour Standards Act, while investing **(\$240,000)** to hire additional Health and Safety inspectors.
9. Extend pay equity to the private sector (all workplaces with 10 or more workers) and hire more regulators to enforce it **(\$160,000)**.
10. Invest **\$3 million** in targeted labour market support including additional funding to African NS organizations such as the Black Business Initiative.

Retirement Security (Total Investment: \$2 million):

11. Invest up to **\$2 million** to establish an arms-length Pension Benefits Insurance Program that would be fully funded through sponsor levies and would provide workers with monthly protection of up to \$2500.00.

Our People, Our Communities

Disability and Age Friendly (Total Investment: \$20 million):

12. **\$10 million** to support transformation of residential and vocational support programs.
13. **\$10 million** to reduce wait lists for Services for Persons with a Disability (SPD).

Women's Equality, Bullying and Sexualized Violence (Total Investment: \$7.084 million):

14. Develop a women's equality action plan with targets and timelines **(\$200,000)** for addressing gender discrimination and sexism; this work will be led by women providing women-centred, community-based services, include and compensate broad, diverse and multi-sector participants.

15. Provide **\$2.3 million** in additional core funding to service organizations providing women-centred, community-based supports and services, and those on and off campus organizations providing sexual assault services.
16. Provide **\$3.2 million** in additional funding to programs that have a proven success in getting women into traditionally male-dominated professions including Women Unlimited, NOW and the Women's IT program, as well as provide core funding to the WEE society and Hypatia, which are critical non-profit partners.
17. Provide additional staff resources at the Advisory Council on Status of Women (**\$84,000**) to undertake and publish gender-based budgetary analysis and indeed more research employing an intersectional lens to policies and programs.
18. Provide **\$500,000** additional funding for programs and resources to address and prevent workplace sexual harassment.
19. Allocate resources to enable non-profit organizations to continue and expand their advocacy work preventing discrimination on the basis of sex, gender or sexual orientation: **\$800,000**.

Justice for Sex Workers (Total Investment: \$1.2 million):

20. Allocate resources (**\$200,000**) to ensure that responses to legal changes by our provincial and municipal institutions protect the rights, and health and safety of sex workers. This includes Labour Standards legislation, Health and Safety standards, as well as municipal bylaws. This will require establishing a provincial working group that directly involves sex workers and sex work advocates.
21. Provide additional funding (**\$800,000**) to support organizations working with vulnerable youth to address issues of poverty and homelessness, as well as groups providing services to LGBTQI youth, and aboriginal youth.
22. Provide additional funding (**\$200,000**) for programs and services to non-governmental support organizations which assist sex workers to achieve a level of safety at work and to assist those who wish to leave the trade.

Poverty Reduction (Total Investment: \$83 million):

23. Invest **\$50 million** to increase income assistance transfers by 20%. The increase will be across the board and combined into one monthly payment, no longer distinguishing between personal allowance and shelter allowance.
24. Invest **\$16 million** to decrease the earnings claw-back: All applicants and recipients should have their monthly Employment Support and Income Assistance (ESIA) amounts calculated based on retaining earnings of \$300/month plus 50% of their earnings for everyone.
25. Invest **\$2 million** to increase the Poverty Reduction Credit.
26. Increase funding to the Affordable Living Tax Credit by **\$9 million**.
27. Provide an additional **\$6 million** in funding to the Nova Scotia Child Benefit.

Housing and Homelessness (Total Investment: 40.41 million):

28. Secure the **\$400,000** Department of Community Services grant for the HRM Housing Support Workers and invests an additional **\$50,000** to that initiative and an additional **\$800,000** to support hiring 13 new housing support workers outside of HRM and in existing housing-related non-profit organizations. These are to serve all areas of the province, including dedicated workers to support off-reserve Aboriginal people and to serve African Nova Scotians.
29. Invest **\$300,000** into a fund to retrofit housing units with enhanced security measures to serve as second stage housing in rural Nova Scotia.
30. Additional funding of **\$1.8 million** to non-profit organizations operating second and third stage housing, for additional staff for appropriate programming and support as required by residents.
31. Only \$30 million of the promised \$500 million over 10 years for the Housing Strategy has been allocated thus far; The NSAPB earmarks this **\$30 million** and an additional **\$30 million** this year and for 10 years to build non-profit affordable housing units. It will ensure housing and supports meet the specific needs of women at risk as well as targeted supports to other at-risk groups including youth, families, African Nova Scotians, and Aboriginal, as well as people with disabilities.
32. Ensure that Housing NS Board of Directors has representation from non-profit housing providers, collaborative governance and a clear mandate for affordable housing for those least able to afford it.
33. Funding (**\$3 million**) for the various programs including Home Ownership and Repair, and Public Housing Subsidies.
34. Invest **\$1.2 million** for co-operative housing for artists and students.
35. Invest **\$2 million** for rent supplements targeted to non-profit providers.
36. Reinstigate rent control on rental increases and provides funding (**\$860,000**) for additional enforcement officers to ensure that the legislation is enforced, as well as health and safety standards and accessibility standards for housing. These officers need to be distributed to ensure coverage in each county.

Public Transportation (Total Investment: \$50 million):

37. An initial investment of **\$18 million** for the creation and first year operating costs for a provincial transit corporation, Transit Nova Scotia.
38. Additional core funding to the Community Transportation Assistance Program for community-based inclusive transportation services: **\$2 million**.
39. **\$30 million** to begin creating a commuter-rail system (Halifax-Windsor).

Arts, Culture, and Heritage (Total Investment: \$9 million):

40. Invest **\$1 million** targeted to increase budgets for African NS, and Aboriginal Affairs to support their ongoing work.
41. Support a multi-level government approach to collect data on the state of health and education for African Nova Scotians, led by African NS Affairs and Community Counts in collaboration with the African Nova Scotian community and academic researchers in this area.

42. Invest adequately in an African Nova Scotian Success Strategy to ensure that policy developers and strategic planners draw upon an equity lens that is fully informed by African Nova Scotian perspective.
43. Support a multi-level government approach to collect data on the creative economy, including the arts and culture community and the creative industries, and on the effectiveness of programs in developing the sector.
44. Increase investments to the arts, culture, and heritage sectors by increasing the budget for this Department by **\$8 million** this year, and target the approximately 10% funding increase in direct support, eg. for research, collections at museums, grants to nonprofit organizations for cultural activities, more core funding to professional artists (not for increased government staffing), and develop a plan to arrive at a multi-year funding plan for strengthening these sectors.

Early Learning and Child Care (Total Investment: \$43 million):

45. End existing public subsidies to for-profit operators and re-invest these resources in the developing public system. This will eventually phase out for-profit providers, particularly the growing commercial child care chains.
46. In close consultation with the child care community (early childhood educators, child care advocacy organizations, feminist organizations, labour unions, human rights groups, aboriginal communities and researchers), we will develop an Early Learning and Child Care (ELCC) Action Plan that identifies clear goals, targets, and timelines for developing a system.
47. **\$1 million** will be dedicated to funding supports for inclusion of children with diverse needs in early learning and care settings, to be invested in staff training, physical equipment and space modifications, and additional staff as needed.
48. Under a planned investment approach, the NSAPB will begin to meet this target with an increase of **\$42 million** on ELCC for 2014-2015. This would double the current provincial investment. Incremental increases are to follow in subsequent years as the ELCC Action Plan is completed and then implemented in stages. By international standards, the minimum target for annual expenditure on ELCC should be 1% of GDP. Nova Scotia currently spends only about 0.37%.

Primary to 12 Education (Total Investment: \$82.5 million):

49. Reinvest the **\$65 million** cut from the P-12 education since 2010 and invest an additional **\$3.5 million** to provide class-size relief.
50. Invest **\$10-million** into programs targeted toward educational equity and inclusiveness for African Nova Scotian, Mi'kmaq students and students with disabilities.
51. Invest **\$4 million** to hire 51 guidance counsellors.

Post-Secondary Education (Total Investment: \$76.95 million):

52. Invest **\$25 million** to reduce university tuition fees by 10% and bring them back to 2011 levels.
53. Increase base funding to universities by **\$30 million** (3.5%), bringing funding levels back up to 1993 levels on a full-time equivalent basis.

54. Develop a framework to work with students, faculty and staff to provide stable funding to Nova Scotia's post-secondary institutions and further reduce tuition fees.
55. Redirect **\$28 million** by cancelling the graduate retention rebate (\$15 million) and another the student debt cap program (\$13 million) to:
 - a. Increase the portion of Nova Scotia students' provincial loan from 30% to 100% grant based (cost **\$15 million**); and
 - b. Increase the value of the Nova Scotia student bursary to \$1283 for out-of-province students (**\$13 million**).
56. Improve university governance and accountability by:
 - a. Amending legislation to ensure all universities and colleges are administered by a unicameral body, with the majority of seats drawn from the student body, the faculty, and the staff, all via a democratic selection process; and
 - b. Implement standard financial reporting procedures for universities, and ensure that university financial documents, wherever possible, be released to the public.
57. Open Access, Zero-Licensing to maximize public interest by:
 - a. Introducing legislation that requires university-based researchers who receive research money from the province to immediately publish research results in open-access and public journals. Prevent the results of publicly funded research from being licensed at any cost; all patented knowledge discovered with public funding must be freely available; and
 - b. Require universities and colleges which conduct commercially oriented research (even if partnered with private-sector partners) to account for the contribution from provincially funded research infrastructure (i.e. the fixed capital assets of the university purchased and maintained with provincial funding).
58. Fully secure funding for autonomous arts education by investing **\$1.4 million** to ensure NSCAD remains autonomous, while also paying off the NSCAD Port Campus Debt (**\$14.4 million**).
59. Invest **\$16 million** to reduce NSCC tuition fees by 50%.
60. Invest **\$150,000** to fully fund Medical Services Insurance for international students upon their arrival.
61. Cancel and redirect funding (**\$10 million**) from the excellence in innovation fund.

Lifelong Learning (Total Investment: \$20 million):

62. Invest **\$5 million** to foster a learning culture in Nova Scotia by providing funds for Adult Learners' Week and for putting into practice the NS School for Adult Learning regulations.
63. Allocate **\$5 million** to promote existing programs and ensure current funding levels are maintained regardless of Labour Market Agreement (LMA) funds.
64. Invest **\$5 million** to offer diverse programs to meet learning needs, including "career ladder" modelled programs.
65. Reduce financial barriers, while creating incentives to adult learning by investing **\$5 million** to ensure that learners are provided a living wage with a learning bonus.

Health Care (Total Investment: \$91.6 million):

66. Invest **\$57.8 million** to improve Primary Care by:
 - a. Open 10 new Community Health Centres and provide support to existing facilities through an investment of **\$40 million**, plus **\$500,000** to fund the NS Federation of CHC's;
 - b. Eliminate fee-for-service payments of physicians and move to Alternative Payment Plans, which encourage more comprehensive and preventive care, leading to cost savings;
 - c. Allocate additional funding of **\$12.3 million** to hire 100 nurse practitioners;
 - d. Increase funding for and enrollment in Nurse Practitioners training programs: **\$5 million**; and
 - e. Engage the other Atlantic provinces and federal government to develop a plan for the creation of a midwifery training program in the region.
67. Invest **\$25.6 million** in Continuing Care as follows:
 - a. Create a revamped multi-year continuing care strategy to provide a continuum of care developed through broad consultation by investing **\$100,000**;
 - b. Create a dementia strategy developed as part of the overall continuing care strategy by investing **\$35,000**;
 - c. Create a major facility and housing support development fund to improve residential facilities and housing options for seniors, persons with disabilities, and others in need. Facilities are in desperate need of repairs and an initial investment of \$10 million, which will be followed by **\$15 million** per year for the following 3 years;
 - d. Create a provincial recruitment, retention and training fund to cover negotiations, labour adjustments, and increased staffing levels for long term care facilities and home care. The APB will establish the fund with **\$15 million** and increase funding by \$10 million per year for 5 years;
 - e. Family and resident councils should be required and supported in each licenced nursing home. The NSAPB will achieve this through an investment of **\$500,000**; and
 - f. Support home care workers and respect the right to collective bargaining by revoking the recent 'essential services' legislation for home care workers. 'Essential services' legislation undermines free and fair bargaining and undercuts the ability of health care workers to bring crucial issues in patient-care to the public's attention.
68. Invest **\$8.2 million** in support for Mental Health and Addictions:
 - a. Review funding support for mental health and addictions to determine the proportion of health spending that goes to mental health. Continue the provincial mental health and addictions strategy but at double the initial funding provided in May 2012, an investment of **\$5.2 million**;
 - b. Double the funding announcement for peer support development (\$1 million, May 2013, plus an investment of an additional **\$1 million**, for a combined \$2 million fund);
 - c. Invest **\$25,000** in the development of an integrated strategy for acquired brain injury (ABI) that focuses on education, injury prevention, and accessible comprehensive services to both individuals and families affected by brain injury. Provincially there are 2,000-3,500 new brain injuries per year;

- d. Increase community grants program to a core funding support program for community agencies to **\$2 million** from just \$1 million; and
- e. Invest **\$1 million** to establish a fund to support workplace mental health programs to help implement the National Standard for Psychological Health and Safety launched in 2013.

Justice (Total Investment: \$6.5 million):

- 69. Invest **\$500,000** in the development of best practices for implementing a HUB model approach to policing across the province, and support police services that employ the model in community-based policing and enforcement.
- 70. Allocates resources to undertake a systematic study on the over-representation of the African Nova Scotian population in the criminal justice system.
- 71. Invest **\$1.5 million** in the creation of a Drug Treatment Court in Halifax.
- 72. Invest **\$2.5 million** in alternative justice programs, to be allocated based on evidence-based best-practices for crime prevention initiatives, and to be governed by quality standards. This will contribute to the expansion of Restorative Justice Program for adult offenders in HRM and across the province.
- 73. Invest an additional **\$2 million** into community-based crime prevention initiatives in non-profit organizations and in particular those serving populations that are over-represented in the criminal justice system-African Nova Scotians and First Nations.

Our Environment

Environment (Total Investment: \$2.6 million):

- 74. Environmental Protection: **\$2.6 million**.

Energy (Total Investment: \$37 million):

- 75. **\$1 million** in the development of a long term energy security plan.
- 76. Allocate **\$33 million** to the Universal Service Program for electricity and heating fuels for low-income households (which decreases need for Heating Assistance Rebate Program by **\$6 million**).
- 77. **\$3 million** of additional funding for Efficiency Nova Scotia programs targeted at low-income renters.

Water (Total Investment: \$60 million):

- 78. Invest **\$60 million** to support municipalities to upgrade water and wastewater infrastructure, as the first year in a three-year commitment.
- 79. Recognize water and sanitation as a human right and protects water as follows:
 - a. Protect key waterways including those excluded from the new Federal Navigation Protection Act;

- b. Exclude water from all trade agreements;
- c. Prohibit public-private partnerships in order to protect the human right to water and sanitation;
- d. Ensure access to potable water and sanitation in all Nova Scotian communities, and legislates access to public water via taps (and sanitation via public, 24hr washrooms) in larger urban centres with appropriate levels of funding to implement the legislation;
- e. Eliminate industrial extraction of water for private profit (bottling plants);
- f. Establish standards for water use for industrial purposes and agri-business;
- g. Establish a Water Act by 2015 that includes transparent and accountable governance arrangements, the ability to impose licensing conditions for water use and discharge, and mechanisms for the effective designation of priority areas where additional management and restoration will be required. The Water Act should also contain measurable targets for water use efficiency and water conservation;
- h. Implement a ban on hydraulic fracturing, but during the current independent review ensure that there are opportunities for a full consultation including public town hall meetings: **\$20,000**; and
- i. Incorporate commons and public trust principles into all water-related legislation.

Food and Agriculture (Total Investment: \$9.6 million):

- 80.** Preserve existing and develops new agricultural land by:
 - a. Invest **\$5 million** per year to protect agricultural land and support agricultural land conservation easements and community land trusts; and
 - b. Design a strategy for the development of urban agriculture; **\$200,000** for study and pilot projects.
- 81.** Provides an additional **\$2 million** in investments for the food and agriculture sector for:
 - a. Target investments in small and medium-size enterprises;
 - b. Resources for new entrants (e.g., small one-time infrastructure grants, micro-loans); and
 - c. Facilitate more business training and mentoring for farmers and processors.
- 82.** Develop more substantial institutional procurement policies to support local producers and processors; and support institutions to implement the policies that already exist.
- 83.** Scaling food production, processing and storage regulations to be more flexible and responsive to the needs of less industrial, small scale, and seasonal producers.
- 84.** Improve local distribution by facilitating increased cooperation among producers (see for example, the US Department of Agriculture work on food hubs). This would also improve the implementation of institutional local food procurement policies.
- 85.** Prepare for the effects of CETA on supply management by developing succession and exit strategies for dairy farmers, and egg and poultry producers – e.g., consider establishing a quota bank like the licence bank for fisheries;
- 86.** Aim the Department of Agriculture’s work by developing better cost-of production statistics.
- 87.** Support nutrition and food skills education in the school system from grades primary through 12, as follows:

- a. Invest **\$2 million** in the development of a universal school nutrition program (breakfast and lunch) with a focus on locally procured foods; and
 - b. Improve food skills and nutrition education by investing **\$400,000** to support linking agriculture in the classroom to hands-on experiences (e.g., school and community gardens, etc.) .
- 88.** Increase cross-department and cross-government collaboration. There is a need to better integrate the work of Departments of Agriculture, Health and Wellness, Rural and Economic Development, Community Services and Education - **cost neutral**.

Forestry (Total Investment: \$2 million):

- 89.** Invest **\$2 million** toward the further development of a plan for a community-run forests on the former Bowater forest lands.

Our Government

The NSAPB recognizes the constitutional obligations of the federal government to support the less wealthy provinces. The fiscal health of the province (level of taxation and of spending) would be greatly improved if the federal government used its much greater taxation capacity to fund needed programs while restoring its fairness. The federal government should provide funding for pan-Canadian strategies to deal with the lack of affordable housing, and the need for a quality early learning and child care system. It also should lead with and fund an energy plan linked to one on climate change, a transportation strategy and a poverty reduction plan and a new Health Accord. It should provide funding to address the serious infrastructure deficit that exists in municipalities across this country for water and wastewater management, for bridges, for roads and for public transportation. If it did so the NSAPB could reconsider its spending priorities and our taxation proposals.

Federal Government Impact:

- 90.** The federal government should increase the equalization envelope by \$4 billion, thereby bringing it to pre-cap levels and it should be paid for by an increase in the federal share of revenues from the petroleum industry and the elimination of tax subsidies to the oil industry and the phased in federal carbon tax.
- 91.** The per-capita funding formula for health and social transfers must be scrapped and replaced with a formula that reduces transfers to provinces with above-average fiscal capacity and increases them to provinces with higher costs resulting from demographic factors.
- 92.** Our provincial government needs to demand a new comprehensive Health Accord.
- 93.** More attention needs to be brought to the Canada Social Transfer, insisting on appropriate funding levels and accountability for how the funding is being spent.

Taxation - Progressive, Equitable and Fair:

94. Increase Progressivity: Raising the tax rate one percentage point to 18.5% for those with incomes between \$93,000 and \$149,999 and raising the rate one percentage points to 23% for those making \$150,000 and over, and generate **\$35.353 million**.

95. Decrease Regressive Taxes: In addition to providing funding to account for the inflationary costs of providing government services, the NSAPB allocates **\$10 million** to decrease user fees, specifically targeted to personal fees most of which are administered by Service Nova Scotia (but not decrease fees that are related to protecting health, safety and the environment). User fees must figure into a full tax review considering consistency and fairness.

96. Begin phase-out of the Municipal Flow-Through allocating **\$20 million** next year and doubling until the full flow-through is phased-out, which can allow municipalities to begin shifting away from problematic property tax.

97. Fully Taxing Capital Gains as all income, this is estimated to raise \$55.044 million.

98. Shift Federal Tax Deductions to Provincial Tax Credits: this shift improves the progressivity and fairness of our system; it results in increases taxes on the top 45% of earners and raises revenues by an estimated **\$187.531 million**.

99. Cancel Your Energy Rebate: reallocates the cost (**\$110 million**) of this program and invests to decrease energy costs to improve Nova Scotia's energy security, and to reduce poverty. All rebates should be rescinded as part of the tax review and reinvested into programs and services.

Notes

¹ Two Years After Occupy Wall Street, a Network of Offshoots Continue Activism for the 99%, Democracy Now, September 19, 2013, http://www.democracynow.org/2013/9/19/two_years_after_occupy_wall_street

² Kate Pickett and Richard Wilkinson, *The Spirit Level* (Penguin, 2010) <http://www.equalitytrust.org.uk/resources/spirit-level-why-equality-better-everyone>

³ Income inequality leads to slower economic growth - IMF economists, February 26, 2014 <http://uk.reuters.com/article/2014/02/26/uk-imf-inequality-idUKBREA1P1PH20140226>

⁴ Mathieu Dufour and Larry Haiven, *Hard Working Province: Is it Enough? Rising Profits and Falling Labour Shares in Nova Scotia* (CCPA-NS, November 2008), p. 1.

⁵ Statistics Canada, *High Income Trends* (Ottawa: Statistics Canada, 2013).

⁶ Jason Edwards and Christine Saulnier, *Time to curb inequality in Atlantic Canada*, *Chronicle Herald*, February 5, 2013 <http://thechronicleherald.ca/opinion/644091-time-to-curb-inequality-in-atlantic-canada>

⁷ *Spirit Level*, IBID.

⁸ Errol Black and Jim Silver, *The Union makes us strong and improves our health*, in *The Social Determinants of Health in Manitoba*, Eds. Lynee Fernandez, suahan MacKinnon and Jim Silver (CCPA Manitoba, 2010) p. 195

⁹ The hourly union advantage for women is \$7.31 and for men it is \$5.44. The advantage is the amount that unionized female and male workers make compared to non-unionized workers. Statistics Canada, CANSIM Table 282-0074

- 10 Andrew Jackson, Union Communities, Healthy Communities: The New Attack on Unions and its Threat to Shared Prosperity in Canada (Broadbent Institute, 2013) <http://www.broadbentinstitute.ca/sites/default/files/documents/union-en.pdf>
- 11 CCPA-NS, Twelve Things You Should Know about Nova Scotia's Fiscal Situation (CCPA-NS, March 2012).
- 12 Robert B. Friedland and Laura Summer, Demography is Not Destiny Revisited (Georgetown, Wash., Center on an Aging Society, Georgetown University, 2005). <http://agingsociety.org/agingsociety/publications/demography/index.html>
- 13 NS Department of Finance, December 2013 Budget Update.
- 14 Statistics Canada, Labour Force Survey Estimates, Cansim # 282-0087.
- 15 NS Department of Finance, IBID.
- 16 Calculated using data from NS Department of Finance, December 2013 Budget Update.
- 17 Ibid.

Acknowledgements

The Nova Scotia office of the Canadian Centre for Policy Alternatives has produced alternative budget documents since it opened its doors in 1999. These alternative budgets would not be possible without the dedicated time and energy of volunteers, who make this budget possible. Thanks to them for all of their work. A special thanks to those who did extra service this year as copy editors extraordinaire, Mike Bradfield, Jason Edwards, Abad Khan, as well as Kady Myers and Eric Newstadt for additional research assistance. Thanks to Chris Aucoin for his timely layout.

The full budget document can be downloaded free at www.policyalternatives.ca/nsapb2014

Those who worked on this year's budget included the following members of the Alternative Provincial Budget Working Group:

Catherine Abreu, Ecology Action Centre

Gabrielle Beauchemin, Canadian Federation of Students-Nova Scotia

Sobaz Benjamin, In My Own Voice

Michael Bradfield, Department of Economics (Ret), Dalhousie University

Gary Bristow

Kyle Buott, Halifax-Dartmouth & District Labour Council

Mark Butler, Ecology Action Centre

Hugo Dann

Jason Edwards, CCPA-NS Research Associate

David Etherington, Canadian Federation of Students-Nova Scotia
Carol Ferguson, CUPE Nova Scotia
Chris Ferns, Association of Nova Scotia University Teachers
Tammy Findlay, Department of Political and Canadian Studies,
Mount St. Vincent University
Brian Gifford, Nova Scotians for Tax Fairness & Affordable Energy Coalition
Angela Giles, Council of Canadians
Larry Haiven, Department of Management, St. Mary's University
Pamela Harrison, Transition House Association of Nova Scotia
Steve Hart
Jayne Hunter, Literacy Nova Scotia
James Hutt, NS Citizens' Health Care Network
Ian Johnson, Nova Scotia Government & General Employees Union
Abad Khan
Irena Knezevic, Laurier Centre for Sustainable Food Systems
Sheri Lecker, Adsum for Women & Children
Stella Lord, Community Society to End Poverty in Nova Scotia
Marla MacLeod, Ecology Action Centre
Christopher Majka, Research Associate, CCPA-NS
Debbie McIssac, Nova Scotia Teachers Union
Kady Myers, Master's Student (CCPA-NS Practicum), University of Victoria
Eric Newstadt, Research Associate, CCPA-NS
Sylvia Parris, Congress of Black Women, NS Chapter
James Sawler, Department of Economics, Mount St. Vincent University
Christine Saulnier, NSAPB Coordinator & Director, Canadian Centre for Policy Alternatives-NS
Ben Sichel, Nova Scotia Teachers Union
Av Singh, Chair in Small Farm Sustainability, Just Us! Centre for Small Farms
Nick Stark, Canadian Federation of Students-Nova Scotia
Richard Starr
Deborah Stienstra, Nancy's Chair, Mount St. Vincent University
Fiona Traynor, Dalhousie Legal Aid & Stepping Stone
Jane Warren, Nova Scotia Disability Strategy Partnership