



BULLETIN

GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Alberta Chapter

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Provincial Budget Bulletin

On March 7, 2014 the Government of Alberta released their budget for the 2014-15 fiscal year. The following link from the Government of Alberta provides budget highlights. <http://alberta.ca/budget-highlights.cfm>

Some key impacts on municipalities are listed below.

The Southern Floods are very important in the government fiscal plan. The province says the Disaster Recovery Program (DRP) is expected to cost \$3.8 billion this year and \$1.1 billion in operational and capital spending over the next three years to address flood recovery initiatives.

Key changes to municipal grant programs were announced in the 2014 Budget:

- Consolidation of the MSI Capital and Basic Municipal Transportation Grant (BMTG) under the MSI;
- Transfer of the administration of the building Canada – Gas Tax Fund (BC-GTF) program from Transportation to Municipal Affairs; and
- Realignment of \$20 million in funding from the MSI Operating program to the Alberta Community Partnership Program (the former Regional Collaboration Program), as announced in Budget 2013.

The government remains committed to providing the full \$11.3 billion in funding to municipalities over the life of the MSI. The 2014 budget is \$1.24 billion: \$871 million from the former MSI Capital program, \$30 million from the MSI Operating program and \$343 million from the former BMTG program.

Funding for the consolidated MSI Capital program will be provided under the MSI Capital program conditions. Funding allocations under the consolidated program in 2014 will be calculated using the current MSI formula for the former MSI Capital funds, while the amount of the former BMTG will be calculated using the existing BMTG funding formula.

The attached link from Municipal Affairs provides more detail including allocation by municipality:

<http://www.municipalaffairs.alberta.ca/msi.cfm>

Other highlights include:

- The Alberta Community Partnership, formerly the Regional Collaboration Grant has increased by \$20 million to \$49 million dollars.
- Family and Community Support Service funding has been maintained at approximately \$76 million.
- The Municipal Affairs business plan shows the establishment of a Premier's council on a New Provincial-Municipal Partnership. The council is expected to hold its first meeting this spring. The

plan also identifies support for transformational change for municipalities by providing a suite of options for effective regional collaboration.

- Green TRIP funding increased by nearly 25% to \$246.9 million for 2014-15 and an additional \$162 million has been identified for 2016-17, bringing Green TRIP funding commitments to \$667 million over the next three years.
- Government continues to support the Water for Life Strategy and the Municipal Water/Wastewater program and will provide \$225 million over the next three years.
- Alberta Human Services also outlines some significant increases in areas of child intervention, disabilities, homeless support etc., which are outlined on the attached link.
<http://humanservices.alberta.ca/newsroom/17456.html>
- Policing Assistance to Municipalities Grant (MPAG) increased by 9.8% to approximately \$83 million
- Funding for the provincial policing contract has increased to \$239 million in 2014-15.

Jules Tailleux, Chair
Emerging Issues Task Force

Alberta GFOA's Special Release Bulletins

Alberta GFOA, through the Communications Task Force, augments its Newsletter Publications with Special Release Bulletins that will be distributed from time to time to all Members. These Bulletins are intended to provide information pertinent to various aspects of municipal finance. They will also be utilized to profile upcoming professional development and training opportunities. The Bulletins are intended to outline information on a specific topic in a brief and concise manner. In some cases, contact references will be provided in order that readers can obtain more detailed information from specific sources.

Current and archived Special Release Bulletins can be viewed on the Alberta GFOA Website at www.gfoa.ab.ca