



# BULLETIN

## GOVERNMENT FINANCE OFFICERS ASSOCIATION

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of the United States and Canada

Alberta Chapter

### Alberta GFOA Special Release Bulletin #22 March 16, 2017

#### **Alberta Government 2017 Budget Announcement**

The Alberta Government tabled the 2017 provincial budget on March 16, 2017.

The three components of the Provincial Budget are:

- *Practical changes that make life affordable for Albertans:*
- *Creating good jobs and building a diversified economy; and,*
- *Protecting and improving the services and supports that make a difference in the lives of Albertans.*

The following are some of the highlights of the budget's impact directly on Alberta municipalities:

- Municipal Grants – There were very few changes to the Municipal grant funding formulas or allocation amounts as summarized below:
  - Municipal Sustainability Initiative (MSI) Capital - Funding remains at \$846 million for 2017. Although the program will be replaced, the funding is estimated to remain at this level for the next four years. **Variations exist between municipalities as individual allocations reflect the most recent population figures.**
  - Basic Municipal Transportation Grant (BMTG) - To be funded for \$335 million in 2017, which is a reduction from 2016 as a result of lower gas volume sales. **The five-year plan calls for further increases dependent on the gas sales volumes.**
  - MSI operating funding will be maintained at \$30 million in 2017.
  - New Building Canada Fund - No new funding has been allocated in 2017 for the Small Communities Fund component however \$60 million has been identified for the Edmonton Valley Line (LRT). **The budget amount reflects cash flow required for projects already approved.**
  - GreenTRIP - Funding will be increased to \$477.4 million from \$125 million.

- Water for Life program will be funded at \$55 million in 2017, down from \$80 million in 2016.
  - Municipal Water and Wastewater Program will remain at \$50 million, but will be reduced in future years to \$45 million in 2018 and \$25 million in 2019.
  - Strategic Transportation Infrastructure Program (STIP) - This program has been reinstated at \$35 million for 2017.
  - Alberta Community Transit Fund - This is a new program that will be funded at \$40 million in 2017. The criteria will be announced at a future date.
  - Access to Regional Drinking Water Systems (UNDRIP) – This is a new program funded for \$25 million and in support of the rights of indigenous peoples. The criteria will be announced at a future date.
  - There were two new federally funded grant programs announced in the Provincial budget. The Clean Water Wastewater Fund (phase 1) for \$165 million and the Public Transit Infrastructure Fund (PTIF) Phase 1 allocating \$285 to Alberta municipalities in 2017.
- Climate Leadership – The province estimates that it will collect \$5.4 billion over the next three years through the carbon levy on fuels and from carbon pricing applied to large emitters. Budget 2017 has indicated that some of this revenue will be used to support municipalities, as well, \$214 million will be invested in “green Infrastructure”, however the details have yet to be announced.
  - Education Property Taxes – There will be no changes in the Education property tax rates in 2017.
  - Grants in Places of Taxes – There will be no change to funding levels.
  - There were no new or revised fees, charges or other costs announced in the budget that would impact Alberta municipalities.

To view the complete 2017 Provincial Budget visit [www.alberta.ca](http://www.alberta.ca)

To view AUMA’s analysis of the 2017 Provincial Budget visit <https://auma.ca/news/view-auma%E2%80%99s-analysis-2017-provincial-budget>

Prepared by the Emerging Issues Task Force

***Alberta GFOA’s Special Release Bulletins***

*Alberta GFOA, through the Communications Task Force, augments its Quarterly 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](http://www.gfoa.ab.ca).*