



BULLETIN

GOVERNMENT FINANCE OFFICERS ASSOCIATION

of the United States and Canada

Alberta Chapter

Alberta GFOA Special Release Bulletin #23 **March 22, 2017**

Federal Government 2017 Budget Announcement

The Federal Government announced highlights of Budget 2017 on March 22, 2017.

The main themes of Federal Budget 2017 are:

- “Skills, innovation, and middle class jobs”, which focuses on supporting and promoting learning, skill development and innovation;
- “Communities built for change”, focusing on creating sustained economic growth, inclusive communities and middle class jobs for Canadians through investments in infrastructure;
- “Tax Fairness for the middle class” which involves improving tax fairness for Canadian families and cracking down on tax evasion; and,
- “A strong Canada at home and in the World”, focusing on improving access to mental health and home care services, opportunities for Indigenous People, support for veterans and upholding Canada’s place in the world.

The most prominent impact of the 2017 Federal budget on Alberta municipalities would relate to infrastructure spending commitments. The commitments made in the 2016 Federal budget under Canada’s New Infrastructure Plan were maintained in this year’s budget and additional details were provided outlining infrastructure funding streams for the next 11 years.

Below are a few highlights from Canada’s infrastructure plan that may directly affect Alberta municipalities:

- Transit Infrastructure – Announced in 2016 to commit \$3.4 billion (over 3 years) to upgrade and improve public transit throughout Canada. Federal budget 2017 allocates 20.1 billion (over 11 years).
 - Included in this is the funding to be provided through the new Public Transit Infrastructure Fund of which Alberta municipalities were allocated \$285 million in 2017 to support the rehabilitation of transit

systems, new capital projects and planning studies for future transit expansion.

→ Funding will flow through the province (this funding was included in the 2017 Provincial budget announcement).

- Green infrastructure – Announced in 2016 to commit \$5.0 billion (over 5 years) for investments in water, wastewater and green infrastructure projects. Further to this, Federal budget 2017 announced 21.9 billion (over 11 years) for green infrastructure.

→ Included in this is the new Clean Water and Wastewater Fund - \$165 million was allocated to Alberta in 2017 to provide communities with more reliable water and wastewater systems so that they are able to meet legislated standards.

→ Funding will flow through the province (this funding was included in the 2017 Provincial budget announcement).

- Social infrastructure – Announced in 2016 to commit \$3.4 billion (over 5 years) for social infrastructure initiatives including investments in First Nations, Inuit and Northern Communities, affordable housing, early learning and childcare. Federal budget 2017 expanded on this, announcing \$11.2 billion (over 11 years) for social housing initiatives and \$7 billion (over 10 years) in support of affordable and quality childcare.

- Budget 2017 will continue to fund projects through the Gas Tax Fund and provide incremental Goods and Services Tax Rebates for Municipalities.

→ \$222 million of the Gas Tax Fund has been allocated to Alberta in 2017.

Other budget highlights include:

- \$35 billion over 11 years to fund a new Canada Infrastructure Bank which will invest in large infrastructure projects. This investment will take the form of loans, loan guarantees and equity. \$5 billion has been allocated for green and public transit projects. Unknown how this affects Alberta projects as communities already have access to low interest loans through Alberta Capital Finance Authority.
- The Federal Government announced the funding of \$30 million (one-time payment) to the Alberta provincial government to help stimulate economic growth in Alberta's resource sector.
- \$950 million (over 5 years) will be used to support of a small number of business-led innovation superclusters that have the greatest potential to support economic growth.

- \$300 million (over 11 years) has been committed to launch a Smart Cities Challenge Fund in support of the development of ambitious plans to improve the quality of life for urban residents.
- Changes to parental leave which will provide for an extension of leave and benefits to 18 months. The offset is a decrease in the EI benefit rate from 55 percent of average weekly earnings to 33 percent over that period.

To view the complete 2017 Federal Budget visit www.budget.gc.ca

To view AUMA's analysis of the 2017 Federal Budget visit <https://auma.ca/news/read-aum%E2%80%99s-analysis-2017-federal-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.