

September 4, 2019

MackInnon Report: Implications for Municipalities

Government report makes recommendations that would affect municipal funding

On September 3, the Government of Alberta released the [MacKinnon Report](#), which explores Alberta's provincial government spending. The report makes 26 recommendations to address government spending, one of which is specifically related to municipalities. Recommendation 15 calls on the Government of Alberta to examine the legislative framework for capital funding to municipalities with the goals of:

- aligning funding to provincial goals and priorities and fiscal capacity, while further considering funding formulas that require municipalities to share more in the costs of major projects;
- adjusting its allocation formulas for grants to municipalities in line with the policy of bringing Alberta's provincial and municipal per capita capital stock in line with the comparator provinces;
- establishing accountability mechanisms and performance measures to monitor the delivery of municipal programs and services and value for money spent, so citizens have the ability to constructively evaluate their local government and their use of tax dollars; and
- making better use of federal infrastructure funding, through the Investing in Canada Infrastructure Program (ICIP), as a means of more effectively managing the costs of the Capital Plan.

The report notes that the Government of Alberta funds \$440 per capita in municipal grants, 20% higher than the national average. RMA has identified concerns regarding the use of per capita metrics as they do not capture the challenges of providing services and maintaining infrastructure in rural areas with low population density. RMA remains committed to working with the provincial government to reach a legislated agreement for municipal funding.

To view the MacKinnon Report, click [here](#).

The Government of Alberta may not implement all 26 recommendations. RMA will monitor and keep members apprised of the government response to the recommendations, as well as any changes to municipal infrastructure funding upon the release of the provincial budget in October 2019.

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