

March 1, 2023

Alberta Budget 2023 - 2024: RMA Initial Analysis

The Government of Alberta has released [Budget 2023: Securing Alberta's Future](#) and the [2023 - 2026 Fiscal Plan](#).

RMA President Paul McLaughlin's initial reaction to the 2023 - 2024 provincial budget is as follows:

Budget 2023 reflects the Government of Alberta's solid fiscal position, mainly due to the strong performance of the oil and gas and other resource industries. Unfortunately, the budget does not extend the "good times" to municipalities, despite their crucial role in supporting economic development through the management of most of Alberta's infrastructure, including that used by industry. The budget has left municipalities to continue to shoulder growing infrastructure costs by making no changes to Municipal Sustainability Initiative funding in the current year, or more importantly, Local Government Fiscal Framework (LGFF) funding beginning in 2024 - 2025. The decision to exclude increased municipal capital support through the LGFF will stall infrastructure investment, especially in rural communities. While Budget 2023 does include modest increases to the Strategic Transportation Infrastructure Program and municipal water and wastewater grants, these largely off-set reductions in previous years and provide limited benefits to municipalities considering inflationary impacts on municipal costs.

On a more positive note, Budget 2023 does make several important investments in rural community services. This includes a much needed \$15 million increase in Family and Community Support Services (FCSS) funding, support for capital upgrades to agricultural society facilities, as well as major increases in funding for Alberta's justice system, which should help to address ongoing rural crime issues.

For a full breakdown of the budget and estimates, visit the [Government of Alberta's Budget 2023 webpage](#).

The following are details of the 2023 - 2024 budget that will be important for RMA members:

- ◆ Alberta's estimated revenue is \$70.7 billion, an increase from last year's budget of \$62.6 billion. This increase is a result of high commodity prices and production growth, increasing demand and reduced international sources for oil and gas due to global instability, and increased corporate income taxes linked to higher commodity prices.
- ◆ The Government of Alberta is anticipating a surplus of \$2.4 billion.
- ◆ The initial Local Government Fiscal Framework (LGFF) funding amount for 2024 - 2025 remains at \$722 million despite the significant provincial surplus. This represents a 37% decrease from historical Municipal Sustainability Initiative (MSI) funding levels over the past 10 years.
- ◆ MSI operating funding has been doubled from \$30 million to \$60 million.
- ◆ Funding for the Strategic Transportation Infrastructure Program (STIP) has increased from \$35 million to \$43 million in 2023 - 2024.
- ◆ Water for Life funding has increased from \$37.3 million to \$69.3 million.
- ◆ The Education Property Tax Requisition revenue is forecast at \$2.5 billion, which is unchanged from last year. The residential / farm rate has decreased from \$2.65 to \$2.56 per \$1,000 of equalized assessment, and the non-residential rate has decreased from \$3.90 to \$3.76 per \$1,000 of equalized assessment.
- ◆ Funding for provincial contract policing has increased from approximately \$344 million in 2022 - 2023 to approximately \$371 million in 2023 - 2024.
- ◆ The Policing Assistance to Municipalities Grant remained steady at \$89.2 million in 2022 - 2023. This grant is provided to municipalities with a population above 5,000 to assist with municipal policing costs.
- ◆ Funding for the Alberta Sheriffs increased to \$132.1 million from \$94.8 million.

- ◆ Operational funding from Alberta Crown Prosecution services has increased from \$98.8 million to \$129.1 million.
- ◆ Family and Community Support Services (FCSS) funding has increased to \$115 million, an increase of \$15 million from its level for the previous several years.

The [backgrounder](#) provides more budget highlights that may affect rural Alberta. The RMA will provide additional details through member bulletins as they become available. You can [view the complete budget and its supporting documents online](#).

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