

# BACKGROUNDER: RMA Budget 2024 Details

## PROVINCIAL FINANCES

- ◆ On February 29, the Government of Alberta tabled Budget 2024, which focuses on strengthening health care and education, building safe and supportive communities, managing the province's resources wisely and promoting job creation to continue to build Alberta's competitive advantage.
- ◆ Alberta's estimated revenue is \$73.5 billion, an increase from last year's budget of \$70.7 billion but a decrease from the third quarter forecast of \$75.6 billion. This increase from last year's initial budget projection is the result of overall oil and gas industry growth, but the drop from the third quarter estimate is linked to reduced commodity prices and a decrease in investment income.
- ◆ Estimated operating expenses are \$60.1 billion, a \$3.1 billion increase from last year's budgeted amount.
- ◆ The Government of Alberta is anticipating a surplus of \$400 million, with surpluses of \$1.4 billion and \$2.6 billion projected in the next two years. The \$400 million surplus is a significant reduction from last year's budgeted (\$2.4 billion) and actual (\$5.2 billion) surplus.
- ◆ Real gross domestic product (GDP) grew an estimated is forecast to grow at a pace of 2.9% in 2024 - 2025.
- ◆ Net debt to GDP has decreased from a budgeted amount of 9.9% in 2023 - 2024 to an estimated 9.1% in 2024 - 2025. This is projected to continue to decline over the next two years.

## ADVANCED EDUCATION

- ◆ Capital expansion and upgrading in post-secondary infrastructure has increased significantly from \$74 million in 2023 - 2024 to \$116.7 million in 2024 - 2025.
- ◆ Capital maintenance and renewal of post-secondary infrastructure decreased \$149.1 million in 2023 - 2024 to \$133.1 million in 2024 - 2025.
- ◆ The Ministry will invest \$13.5 million to train more physicians in rural areas by partnering with local post secondary institutions.

## AFFORDABILITY AND UTILITIES

- ◆ The Ministry of Affordability and Utilities business plan includes several objectives relevant to the RMA members including:
  - ◇ Provide natural gas price stability year-round through the Natural Gas Rebate Program.
  - ◇ Address the cost of utility payments for Albertans by:
    - Exploring how to design rates for electricity and natural gas to best serve Albertans;
    - Protecting consumers from spikes in electricity and natural gas prices;
    - Identifying opportunities to reduce transmission, distribution, and other costs;
    - Educating Albertans about alternatives to the Regulated Rate Option; and
    - Advocating for consumers through interventions in Alberta Utilities Commission proceedings by the Utilities Consumer Advocate.
  - ◇ Develop policies to enable the integration of distributed energy resources (such as roof-top solar, battery storage, energy efficient technologies, etc.) to inform and support Albertans to manage their energy costs and consumption.
- ◆ \$8.2 million is allocated to the Utilities Consumer Advocate to educate, mediate disputes, and continue advocacy, an increase of \$646,000.
- ◆ Funding for the Alberta Utilities Commission has increased slightly from \$33.5 million to \$34.3 million.

- ◆ \$6.4 million has been allocated for the Rural Gas and Electric Programs to support the installation and upgrading of rural utility infrastructure.

## AGRICULTURE AND IRRIGATION

- ◆ The Ministry of Agriculture and Irrigation's business plan includes several objectives relevant to RMA members including:
  - ◇ Continue to provide market development and advocacy services to improve competitiveness, encourage new business practices, and promote Alberta's agricultural industries to support the growth of Alberta's agriculture producers and value-added processors.
  - ◇ Explore and implement capacity-building programs that advance skills development to enhance Alberta's agricultural potential, industry processing capacity, and generate direct economic and social benefits in rural communities.
  - ◇ Improve access to government programs and services that empower rural communities to lay foundations for long-term success.
  - ◇ Manage government-owned and operated water infrastructure and allocate water resources in support of public safety and water security.
- ◆ The Capital Plan 2024 - 2027 allocates \$187 million to the Agriculture Sector Strategy - Irrigation Projects program, a \$40 million increase from the previous budget.
- ◆ The Capital Plan 2024 - 2027 also allocates \$57 million, a \$14 million increase from 2023 - 2024 to the Irrigation Rehabilitation Program, benefiting multiple Irrigation Districts. This investment will expand Alberta's irrigated areas, supporting agricultural production, and attracting value-added processing.
- ◆ Contingency, disaster, and emergency assistance funding is grouped together. This includes funding for fighting wildfires, crop insurance, and flood recovery. In 2024 - 2025 the contingency funding for these elements will be \$2 billion, an increase of \$500 million from the previous year.
- ◆ The Small Community Opportunity Program will allocate \$3 million to build rural and Indigenous capacity for entrepreneurship, skills development, and strengthen small business resilience throughout Alberta.
- ◆ A total of \$7.5 million over three years is allocated to capital upgrades for agricultural societies.
- ◆ Sustainable Canadian Agricultural Partnership (SCAP) funding decreases to \$58 million from \$55 million.
- ◆ The University of Calgary Veterinary Medicine will receive \$37.2 million in 2024 - 2025 in funding to complete their expansion.
- ◆ \$38.5 million is allocated to Results Driven Agriculture Research to develop high-quality, robust and adaptable crops and farmed animals, disseminate agricultural research, and meet market demands.
- ◆ \$5.5 million is allocated for operating, inspecting, and managing deficiencies in water infrastructure across Alberta, ensuring it remains functional and delivers water supply safely.
- ◆ Agricultural service boards operational funding is expected to stay level at \$12 million.
- ◆ The Agricultural Societies Infrastructure Revitalization allocate \$2.5 million for modernization through repairs, renovations, and energy efficiency upgrades to existing facilities.

## COMMUNITY SERVICES

- ◆ The operating budget for the Alberta First Responders Radio Communication System will decrease from \$17 million to \$2 million.
- ◆ Family and Community Support Services (FCSS) funding remains steady at \$105 million.
- ◆ Community Initiatives Program funding has decreased slightly from \$17.5 million to \$16 million.
- ◆ Funding for public library operating grants will be \$33.6 million for 2024 - 2025.
- ◆ Funding for the Community Facility Enhancement Program (CFEP) remains stable at \$50 million.

- ◆ Funding for the Assured Income for the Severely Handicapped (AISH) program increases from to \$1.54 billion to \$1.65 billion.
- ◆ \$98 million has been allocated under the Alberta Broadband Strategy for 2023 - 2024, marking a shift in funding allocation as the province continues its work with the federal government's broadband strategy and ensuring a more prolonged funding commitment.
- ◆ Alberta Children and Family Services will allocate \$85 million for the prevention of family and sexual violence, a \$5 million increase from the previous year.
- ◆ Funding for Alberta Innovates Corporation has decreased from \$252.9 million to \$190 million.

## EDUCATION

- ◆ The total budget for Alberta Education has increased from \$5.5 billion to \$5.7 billion. This is likely linked to the Education Property Tax requisition increasing by the same amount.
- ◆ The province has committed to a \$2.8 billion capital investment, over three years, in educational infrastructure.
- ◆ Student Transportation Services funding increases from \$476 million to \$539 million.

## ENERGY AND MINERALS

- ◆ The Alberta Energy and Minerals business plan identifies several objectives of interest to RMA members:
  - ◇ Developing and implementing a regulatory framework for small modular reactor technology use in Alberta.
  - ◇ Collaborate with other ministries within the Integrated Resource Management System to maintain and strengthen a balanced, responsible approach to managing the impacts of resource development activities and continue to implement the Liability Management Framework.
- ◆ The Alberta Energy Regulator budget has increased from \$231 million to \$246.4 million in 2024 - 2025.
- ◆ Orphan Well Abandonment program funding has remained steady at \$135 million.
- ◆ \$96.9 million is allocated for costs associated with the Coal Phase-Out Agreements, which remains steady from the 2023 - 2024 Budget.
- ◆ \$9.3 million is allocated for the Coal Workforce Transition Program, a \$3.9 million increase.

## ENVIRONMENT AND PROTECTED AREAS

- ◆ The Alberta Environment and Protected Areas business plan identifies several objectives of interest to RMA members:
  - ◇ Maintain and strengthen the land-use planning system and approaches for cumulative effects management along with an enhanced regulatory framework with high environmental standards, monitoring, evaluation, and reporting.
  - ◇ Strengthen environmental resource stewardship and conservation through working in partnerships with municipalities, non-profit organizations, industry, and Indigenous communities to ensure water management maximizes water availability while maintaining the highest standards of water conservation and treatment, airsheds remain healthy and Alberta is well-positioned to move to a more circular economy that minimizes waste.
  - ◇ Develop and implement ways to make water more available to support Alberta's growing economy and communities and to also mitigate the adverse effects of flood and drought, while maintaining a high standard of aquatic environmental conservation.
  - ◇ Continue implementation of the province-wide regulatory system transformation to enhance administrative and regulatory efficiency and effectiveness; and implement key Designated Industrial

Zones to reduce red tape, streamline regulatory approvals, and attract job-creating investments for Albertans.

- ◇ Improve and streamline reclamation and remediation through effective liability management (including water-related liabilities such as excess oil sands mine water on sites), reclamation and remediation policies, and business processes.
- ◇ Continue establishing land-use plans and reviewing existing land-use plans for management of the many values and uses of landscapes across the province, to support identification and achievement of economic, environmental, and social outcomes.
- ◆ The Capital Plan invests \$147 million in the Water Management Infrastructure Program to repair and upgrade water infrastructure such as canals, dams, spillways, and reservoirs, an increase of \$104 million.
- ◆ The Government of Alberta is introducing the Drought and Flood Protection Program, which will invest \$125 million over five years in support for municipalities and other local authorities to undertake local drought and flood mitigation projects.
- ◆ \$251 million in capital funding is allocated over three years for flood and drought mitigation projects, such as berms, dams, reservoirs, and flood walls, including:
  - ◇ \$163 million to complete the Springbank off-stream reservoir to store flood waters and provide protection from future flooding.
  - ◇ \$75 million for a renewed flood and drought program.
  - ◇ \$13 million for other flood and mitigation projects across the province.
- ◆ \$418 million in capital funding is allocated over three years to expand water supply and storage infrastructure, including:
  - ◇ \$262 million for irrigation projects to support farmers and agriculture producers.
  - ◇ \$147 million for water infrastructure projects to ensure necessary irrigation water supply throughout the province.
  - ◇ \$10 million for feasibility studies to explore options for water storage in the Waterton - Belly - St. Mary Basins and Ardley, Alberta.
- ◆ \$19 million is allocated to create a modern water strategy to increase water availability through enhanced storage, conservation, data systems, and policies.
- ◆ \$10 million in capital funding is allocated over three years to expand air and water monitoring and increase the government's capacity to respond to spills, wildfires, droughts, and floods.
- ◆ \$15 million is allocated to establish new land-use plans and review existing land-use plans in 2024 - 2025.
- ◆ Funding for the Digital Regulatory Assurance System build continues with \$6.6 million allocated.
- ◆ Funding for flood adaptation capital projects has decreased from \$47.1 million to \$33.5 million for 2024 - 2025.
- ◆ Funding for wildlife management has remained generally level at \$48.5 million.
- ◆ Funding for fisheries management has remained generally level at \$11 million.
- ◆ \$38 million is allocated for caribou recovery planning and actions, a slight increase from 2023 - 2024.

## FORESTRY AND PARKS

- ◆ The total Alberta Forestry and Parks operating budget has increased by \$52 million compared to 2023 - 2024 forecasts, to \$351 million. This increase is mainly linked to enhanced spending on wildfire preparedness.
- ◆ The Alberta Forestry and Parks business plan identifies several objectives of interest to RMA members:
  - ◇ Explore and adopt innovative wildfire management technologies to promote the health and resilience of Alberta's forest resources.

- ◇ Enhance wildfire response capacity.
- ◇ Replace the Fire Information Resource System (FIRES) and other wildfire applications with a modernized application platform to enhance wildfire decision support capability and meet business reporting requirements.
- ◇ Develop a Provincial Wildfire Mitigation Strategy with ministry partners.
- ◆ The Capital Plan invests \$151 million to enhance wildfire response, readiness, planning and operations, a \$50 million increase from 2023 - 2024.
- ◆ \$55 million is allocated in capital funding for new wildfire fighting equipment and facilities, such as sprinkler trailers and weather stations, and to upgrade existing airtankers.

## HEALTH

- ◆ The Alberta Health business plan includes several objectives of interest to RMA members:
  - ◇ Ensuring equitable and timely access to health services across the province, including remote, rural, and indigenous communities by implementing workforce strategies and policies to attract, recruit and retain health professionals and modernizing critical capabilities in delivery of healthcare services.
  - ◇ Increased access to healthcare services for Albertans by improving EMS system, reducing surgical wait times, decreasing emergency department wait times, reducing lab and diagnostic service delays, and improve primary health care across the province.
- ◆ In 2024 - 2025, \$164 million has been allocated for training, recruitment, and retention initiatives for healthcare professionals, including \$126 million over three years for the Rural Physician Expansion Program.
- ◆ The capital plan has allocated \$26 million dollars towards the University of Lethbridge's Rural Medical Teaching School.
- ◆ Funding for emergency medical services has decreased from \$736 million in 2023 - 2024 to \$730 million in 2024 - 2025.
- ◆ The Rural Alberta Health Facilities capital program remains steady at \$40 million.

## INDIGENOUS RELATIONS

- ◆ 2024 - 2025 funding for Indigenous Relations is \$215 million, a decrease from last year's budget.
- ◆ The First Nations Development Fund (FNDF) has decreased from \$147 million in 2023 - 2024 to \$141.8 million. The FNDF is supported by a percentage of revenues from government-owned slot machines operating in First Nations casinos in Alberta.

## JUSTICE AND POLICING

- ◆ The Alberta Justice business plan identifies several objectives of interest to RMA members:
  - ◇ Improve Albertans' access to justice and ensure a sustainable justice system that utilizes court and prosecution resources efficiently and effectively.
  - ◇ Continue to implement digital transformation and streamline processes to improve Albertans' access to justice, including the development of a renewed strategy aimed at providing the most efficient and effective way for Albertans to access the courts and the services they provide.
  - ◇ Implement strategies to make the justice system more responsive to the needs of Albertans, including the use of restorative justice practices to help victims, offenders, and communities affected by conflict or crime reach reconciliation.

- ◆ The Alberta Public Safety and Emergency Services business plan identifies several objectives of interest to RMA members:
  - ◇ Continue to improve the delivery of policing services in the province to ensure Albertans are safe and police are accountable to the communities they serve, including working with the Alberta Sheriffs and further investment in Indigenous policing programs.
  - ◇ Support municipalities and Indigenous communities interested in exploring different models of policing and public safety.
  - ◇ Work with municipalities, police services, community-based organizations, and other ministries to improve the alignment of mental health and addictions crisis response resources in community policing and corrections.
  - ◇ Work with emergency management partners to enhance the coordination of disaster response and recovery across Alberta, including timely and fiscally responsible administration of disaster financial assistance.
- ◆ Alberta Emergency Management Agency (AEMA) operational funding has increased slightly from \$105 million in 2023 - 2024 to \$109 million in 2024 - 2025. It is notable that actual forecasted AEMA spending for 2023 - 2024 is \$400 million, likely due to provincewide wildfires in spring and summer of 2023.
- ◆ Funding for provincial contract policing has increased from approximately \$371 million in 2023 - 2024 to approximately \$391 million in 2024 - 2025.
- ◆ Funding for the Alberta Sheriffs increased slightly from \$132.1 million to \$136.7 million.
- ◆ Funding for law enforcement oversight has increased from \$25 million to \$29.7 million.
- ◆ Funding to address organized and serious crime increased from \$55.6 million to \$66.3 million.
- ◆ Operational funding for court and justice services has increased from \$260.4 million to \$283.7 million.
- ◆ Operational funding for legal services has increased from \$65.8 million to \$70.2 million.
- ◆ Operational funding from Alberta Crown Prosecution services has increased from \$129.1 million to \$139.4 million.
- ◆ \$3 million in grant funding will be allocated to municipalities and Indigenous communities interested in exploring alternative policing models.

## MUNICIPAL AFFAIRS

- ◆ The business plan for Alberta Municipal Affairs identifies several objectives of interest to RMA members:
  - ◇ Work with municipalities and industry to address issues associated with unpaid oil and gas property taxes, including supporting the Alberta Energy Regulator to make well licence transfers contingent on the payment of outstanding property taxes.
  - ◇ Determine the feasibility of amending the Education Property Tax to assist municipalities with retaining more funding for local priorities.
  - ◇ Continue to engage with industry and municipal stakeholders to modernize the assessment models for regulated property.
  - ◇ Continue to support municipal service delivery through regional cooperation and growth management boards, including monitoring the effectiveness of the Calgary and Edmonton Metropolitan Region Boards, and reviewing the legislative provisions related to Intermunicipal Collaboration Frameworks
  - ◇ Review the *Local Authorities Election Act* and the *Municipal Government Act* to identify any recommended amendments that will strengthen public trust in the integrity of Alberta's municipal election laws and improve councillor accountability to their residents.

- ◇ Protect Alberta's interests during the development of national and international safety codes and standards for potential adoption in Alberta.
- ◆ \$724.2 million is allocated for the Local Government Fiscal Framework (LGFF) capital component. Funding will increase to \$820 million in 2025 - 2026 due to the linkage to provincial revenue growth.
- ◆ LGFF operating funding remains steady at \$60 million.
- ◆ Provincial contributions to the Canada Community Building Fund remain steady at \$266.2 million.
- ◆ Budget 2024 introduces the new Local Growth and Sustainability Grant, funded at \$60 million over three years. Funding will be allocated on a competitive basis and focus on infrastructure development linked to growth pressures and economic development opportunities. More details on the program will be released in the coming months.
- ◆ The Provincial Education Requisition Credit (PERC) is funded at \$3 million each in 2024 - 2025 and 2025 - 2026.
- ◆ Alberta Community Partnership (ACP) funding remains steady at \$15.4 million.
- ◆ Grants in Place of Taxes (GIPOT) have increased from \$36 million to \$38.1 million.
- ◆ \$32 million is allocated over three years to support the Designated Industrial Zone Pilot Project to provide new infrastructure to support economic growth in the Industrial Heartland.
- ◆ Education Property Tax Requisition rates will be frozen at \$2.56 per \$1,000 of equalized assessment for residential/farmland, and \$3.76 per \$1,000 of equalized assessment for non-residential property. Despite this, the budget estimates that the education property tax requisition will grow from \$2.5 billion to \$2.7 billion due to growth in property values and increased development.
- ◆ In 2023 - 2024, \$33.6 million is budgeted for public library operating grants, a very slight increase from last year.

## SENIORS, COMMUNITY AND SOCIAL SERVICES

- ◆ The business plan for Seniors, Community and Social Services includes several objectives of interest to RMA members:
  - ◇ Supporting municipalities and Metis Settlements to design and deliver preventative social programs which address key social issues in their communities.
  - ◇ Review the senior lodge program to ensure it meets the needs of communities and seniors.
- ◆ Family and Community Support Services (FCSS) funding remains steady at \$105 million.
- ◆ \$5 million has been allocated to community organizations that support food security for Albertans in need.
- ◆ \$6.2 million has been allotted to senior community grants for senior-serving organizations to develop and deliver programming for seniors to age well in their homes and prevent elder abuse.
- ◆ Homelessness and outreach support services has an operating budget of \$212 million, a \$30 million increase from 2023 - 2024.
- ◆ In 2024 - 2025, \$455 million is allocated to build, renew, maintain, and operate affordable housing in Alberta through the government-supported affordable housing programs, including rent supplements.

## TRANSPORTATION AND INFRASTRUCTURE

- ◆ The business plan for Transportation and Economic Corridors includes several objectives of interest to RMA members:
  - ◇ Plan the multi-year replacement of a set of aging bridges, which are vital to rural Alberta.
  - ◇ Administer capital grant programs and special grants and pursue federal grant investments to advance local bridge infrastructure, regional water and wastewater projects, and mobility options.

- ◇ Facilitate the research and development and piloting of innovative approaches and new technologies such as hydrogen vehicles and e-mobility.
  - ◇ Invest in capital maintenance and renewal to maintain or improve the condition of the highway network and extend the life of existing roads and bridges.
  - ◇ Partner with industry and other orders of government to address procurement-related capital project challenges such as cost escalation and estimation, uncertainty, and risk sharing ensuring Albertans receive top value.
- ◆ Provincial highway maintenance funding has increased from \$402 million to \$430 million.
  - ◆ Provincial bridge construction allocation has increased from \$106 million to \$120.9 million.
  - ◆ Funding for the Strategic Infrastructure Program (STIP) increased slightly from \$43 million to \$43.5 million, with a total of \$111 million allocated over the next three years.
  - ◆ Funding for the Municipal Water and Wastewater Program decreased significantly from \$86 million to \$66 million. Over three years, this program will receive a total of \$206 million.
  - ◆ Funding for Water for Life has decreased from \$69.3 million to \$50 million.
  - ◆ Funding for the First Nations Water Tie-in Program has decreased from \$27.7 million to \$8 million.