

March 1, 2024

Alberta Budget 2024 - 2025: RMA Initial Analysis

The Government of Alberta has released [Budget 2024](#) and the [2024 - 2027 Fiscal Plan](#).

RMA President Paul McLaughlin's initial reaction to Budget 2024 is as follows:

For rural municipalities, Budget 2024 shows that the Government of Alberta is making a commitment to improving planning, mitigation, response, and resiliency to natural disasters, including drought and wildfire. As rural municipalities manage approximately 85% of Alberta's landmass, these investments should go a long way towards supporting safer rural communities and driving continued investment in Alberta's rural-based resource sectors. The RMA and its members look forward to working with the Government of Alberta to determine how new investments in these areas can best be implemented.

While this budget will support rural communities in being more prepared for disasters, the RMA is disappointed that similar investments were not made in supporting rural municipalities to maintain the core infrastructure that is relied upon by industries operating across Alberta, including roads, bridges, and water/wastewater systems. Local Government Fiscal Framework funding continues to fall well short of historical levels, and allocations for more targeted programs aimed at resource roads, bridges, and water infrastructure remained stagnant or were significantly reduced. As municipalities continue to be downloaded increasing responsibilities in areas such as policing and healthcare, it will become harder and harder to keep critical core infrastructure in good condition and expand networks to accommodate industry growth. The RMA is frustrated that the Government of Alberta continues to view core municipal infrastructure support as an obligation to avoid, rather than an investment in the economic engine of the province.

For a full breakdown of the budget and estimates, visit the [Government of Alberta's Budget 2024 webpage](#).

The following are details of the 2024 - 2025 budget that will be important for RMA members:

- ◆ 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.
- ◆ 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.
- ◆ 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 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.
- ◆ \$251 million in capital funding is allocated over three years for flood and drought mitigation projects.
- ◆ 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.
- ◆ The Provincial Education Requisition Credit (PERC) is funded at \$3 million each in 2024 - 2025 and 2025 - 2026.

- ◆ \$418 million in capital funding is allocated over three years to expand water supply and storage infrastructure.
- ◆ The Capital Plan invests \$151 million to enhance wildfire response, readiness, planning and operations, a \$50 million increase from 2023 - 2024.
- ◆ \$55 million in capital funding is allocated for new wildfire fighting equipment and facilities, such as sprinkler trailers and weather stations, and to upgrade existing airtankers.
- ◆ \$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.
- ◆ Funding for the Strategic Transportation Infrastructure Program (STIP) remains nearly unchanged from the previous year.
- ◆ Funding for the Alberta Municipal Water / Wastewater Program and Water for Life funding has decreased.
- ◆ 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.
- ◆ 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 [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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