

BACKGROUNDER: RMA Budget 2025 Details

PROVINCIAL FINANCES

- On February 27, the Government of Alberta tabled Budget 2025, 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 \$74.1 billion, an increase from last year's budget of \$73.5 billion but much lower than the 2024-2025 third quarter forecast of \$81 billion. The large drop from the third quarter estimate is due in large part to lower non-renewable commodity prices, geopolitical factors such as conflicts, tariffs, and retaliatory measures, and reduced tax revenue of \$1.2 billion (\$600 million due to the introduction of a new 8% personal income tax bracket for income below \$60,000 and \$600 million in reduced corporate taxes due to forecasted reductions in corporate profitability).
- Estimated operating expenses are \$64.3 billion, a \$4.2 billion increase from last year's budgeted amount.
- Contrary to the surpluses projected in 2024-2025, the Government of Alberta is now anticipating deficits of \$5.2 billion, \$2.4 billion, and \$2 billion over the next three years.
- Real gross domestic product (GDP) is forecast to decelerate to 1.8% in 2025 and 2.7% in 2026, down from an estimated 3% in 2024-2025.
- Net debt to GDP has decreased from a budgeted amount of 8.8% in 2024-2025 to an estimated 8.7% in 2025-2026. However, debt to GDP is expected to rise to 9% in 2026-2027 and 9.3% in 2027-2028.

ADVANCED EDUCATION

- Budget 2025 invests a total of \$7.4 billion in post-secondary education, with an operating budget of \$6.6 billion in 2025 – 2026.
- The ministry will invest \$2 billion in operational funding for post-secondary institutions through the Operating and Program Support Grants.
- Budget 2025 includes an investment of \$43.8 million for the Physician Training Expansion Program through rural training centres that will provide rural, Indigenous, and other learners with increased access to medical education in rural areas.
- Capital maintenance and renewal of post-secondary infrastructure increased from \$133.1 million in 2024 – 2025 to \$144 million in 2025 – 2026.

AFFORDABILITY AND UTILITIES

- The Ministry of Affordability and Utilities business plan includes several objectives relevant to the RMA members including:
 - ◊ Lead and coordinate the Government of Alberta's efforts to address affordability and cost-of-living challenges through collaboration with partner ministries to guide and inform Albertans on strategies related to utilities, housing, insurance, food, and other essential household expenses.
 - ◊ Tackle the cost of utility payments for Albertans by:
 - Protecting consumers through more predictable and stable electricity and natural gas prices.
 - Exploring how to design rates for electricity and natural gas to best serve Albertans, including ways to make electricity and natural gas distribution costs more consistent across the province.

- Identifying policy changes and opportunities to reduce utilities costs for Alberta consumers.
- Ensuring Albertans are aware of their electricity options, including the Rate of Last Resort, so they can make more informed financial decisions.
- Representing consumers through interventions in the AUC proceedings by the UCA.
- \$8.2 million is allocated to the Utilities Consumer Advocate to educate, mediate disputes, and continue advocacy. This is consistent with the 2024 budget amount.
- Funding for the Rural Utilities Grant Program remains stable at \$6 million.

AGRICULTURE AND IRRIGATION

- The Ministry of Agriculture and Irrigation's business plan includes several objectives relevant to RMA members including:
 - ◇ Increase investment in value-added agriculture to generate economic growth and create jobs.
 - ◇ Invest in modernization and expansion of irrigation infrastructure that enables agricultural productivity and improved water utilization.
 - ◇ Improve access to capital to generate direct economic and social benefits in rural communities.
 - ◇ Manage government-owned and operated water infrastructure and allocate water resources in support of public safety and water security.
- The capital plan allocates \$152 million over three years and \$55 million in Budget 2025 towards the Agriculture Sector Strategy - Irrigation Projects program.
- The capital plan allocates \$19 million towards the Irrigation Rehabilitation Program which supports the expansion and support for Alberta's irrigated areas and associated agricultural production.
- Contingency, disaster, and emergency assistance funding is grouped together. This includes funding for fighting wildfires, crop insurance, and flood recovery. In 2025 the contingency funding for these elements remains steady at \$2 billion.
- There is no funding information on the Small Community Opportunity Program in Budget 2025-2026, which supports rural and Indigenous capacity building for entrepreneurship, skill development, and strengthens small business resilience throughout Alberta.
- Funding for the Sustainable Canadian Agricultural Partnership (SCAP) has increased slightly from \$60.5 million to \$65.4 million.
- The University of Calgary Veterinary Medicine facility has been allocated \$3.1 million in Budget 2025-26, as the project nears completion.
- \$41.5 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. This represents a slight increase of \$3 million.
- \$2 million is allocated for the Water Management Feasibility Study while \$47 million is allocated towards Water Management Infrastructure in Budget 2025-26.
- Agricultural service boards operational funding is \$11.6 million in Budget 2026, a slight reduction from the previous year's allocation of \$12 million.
- Agricultural societies are allocated \$14 million in operating and capital funding to support rural quality of life while Agricultural Society Infrastructure Revitalization is allocated \$3 million to support modernization through repairs, renovations, and energy efficiency upgrades to existing facilities
- \$54.9 million is allocated to irrigation modernization and expansion to minimize the effects of adverse weather conditions and improve water utilization. This allocation is expected to support local economic growth, protect communities and infrastructure from floods and drought, and maintain a safe, reliable water supply.

- Over a three-year period from 2025-2028, \$2.3 million will be allocated to increase support for Alberta's beef industry to support small and medium sized producers domestic and international economic viability
- Alberta's two Crop Diversification Centres are provided \$5.2 million in operating and capital funding in 2025-26. This funding allocation helps agricultural producers to address threats from emerging plant, bee and soil health issues and supports crop resilience.

EDUCATION

- The Alberta Education business plan identifies one objective of interest to RMA members:
 - ◊ Revise K-12 education funding framework to provide more funding to school authorities and be more responsive to high growth school authorities while shielding those school authorities with declining enrolment.
- \$3.3 billion in capital investment is allocated over three years to maintain, enhance, plan and build new schools.
- Student Transportation Services funding decreases from \$492 million to \$486 million.

ENERGY AND MINERALS

- The Alberta Energy and Minerals business plan identifies several objectives of interest to RMA members:
 - ◊ Collaborate with other ministries to maintain and strengthen a balanced, sustainable and responsible approach to managing the impacts of resource development activities and continue to implement the Liability Management Framework.
 - ◊ Modernize Alberta's coal legislation and regulatory framework to guide responsible development, protect the environment and increase royalties for the benefit of all Albertans.
- The Alberta Energy Regulator budget has increased from \$246.4 million to \$269.7 million in 2025 - 2026.
- Orphan Well program funding has increased by \$10 million to \$145 million.
- \$11 million is allocated for the Coal Workforce Transition Program, a \$1.7 million increase.

ENVIRONMENT AND PROTECTED AREAS

- The Alberta Environment and Protected Areas business plan identifies several objectives of interest to RMA members:
 - ◊ Strengthen the land-use planning system and cumulative effects management approaches to advance environmental standards expected by Albertans.
 - ◊ Strengthen environmental resource stewardship and conservation through partnerships with municipalities, non-profit organizations, industry, Indigenous communities, and others, to support healthy airsheds and watersheds, and to minimize waste through a circular economy
 - ◊ Deliver science-based environmental condition monitoring, evaluation, and reporting to support environment and resource stewardship and Albertans' safety
 - ◊ Continue the protection, conservation and sustainable management of fish and wildlife
 - ◊ Enhance integration and delivery of preparedness, response and recovery from individual, concurrent and consecutive environmental events, or emergencies, to protect Albertans and their communities.
 - ◊ Prevent entry of aquatic invasive species into Alberta and implement rapid response measures to mitigate impacts if invasive species are detected.

- ◇ Transition Alberta to a new extended producer responsibility (EPR) system in April 2025 (for single-use products, packaging, and printed paper products as well as hazardous and special products), encouraging businesses to find new ways to recycle materials and reduce waste
- The capital plan invests \$164 million over three years in the Water Management Infrastructure Program to repair and upgrade water infrastructure such as canals, dams, spillways, and reservoirs.
- The Drought and Flood Protection Program’s funding is stable at \$25 million to support municipalities and other local authorities to undertake local drought and flood mitigation projects.
- \$155 million is allocated for flood mitigation projects, including \$12 million in new funding for planning and approvals related to hazards in the Bow River basin.
- \$2 million is available for the Water Storage Assessment Program. Overall, there appears to be a reduction in water storage funding in the 2025 budget. RMA will continue to analyze this information to explore if it was reduced, or if the funding has been rolled into another program.
- \$42 million is allocated to complete the Springbank off-stream reservoir to store flood waters and provide protection from future flooding, a \$121 million decrease from the previous year.
- \$55 million is allocated for irrigation projects to support farmers and agriculture producers.
- \$13 million is allocated to establish new land-use plans and review existing land-use plans in 2024 – 2025, a \$2 million reduction from the previous year.
- Funding for the Digital Regulatory Assurance System build continues with \$5.1 million allocated, a reduction of \$1.5 million from the previous year.
- \$22 million has been allocated for Fish and Wildlife Management, which represents a \$26 million reduction from the previous year.
- \$40 million is allocated for caribou recovery planning and actions, a \$2 million increase.
- \$4 million is allocated towards aquatic invasive species management and prevention.
- \$54.4 million through industry funding is provided to support the multi-stakeholder Oil Sands Monitoring Program in 2025-26 which informs responsible development, environmental protection, and enhancement.
- \$22.2 million is allocated to conservation programs including \$10 million from the Land Stewardship Fund in 2025-26, to support the conservation and stewardship of land in Alberta

FORESTRY AND PARKS

- The Alberta Forestry and Parks business plan identifies several objectives of interest to RMA members:
 - ◇ Develop a Crown land recreation and conservation strategy to expand public access while protecting natural spaces, including a new Plan for Parks.
 - ◇ 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. This objective is directly carried forward from the 2024 business plan.
 - ◇ Develop and implement a Provincial Wildfire Mitigation Strategy with ministry partners.
- \$13.4 million is allocated to Crown land enforcement and compliance.
- \$40.7 million is allocated for wildfire mitigation initiatives, and an additional \$2.1 million is available to modernize wildfire applications.
- The initial total Forestry and Parks budget is \$4 million higher than the initial budget approved in 2024, at \$362 million. In 2024 the budget was temporarily increased by more than \$700 million to fight wildfires. Should additional funding be required again in 2025, the overall budget makes \$4 billion available for all contingencies, including disaster response.

HEALTH

- The Alberta Health business plan includes several objectives of interest to RMA members:
 - Operationalize provincial health agencies for acute care and primary care, to oversee and coordinate service delivery, to improve health outcomes for Albertans
 - Ensure equitable, timely, and culturally relevant access to health services across the province, including remote, rural, and First Nations, Métis, and Inuit communities, by advancing workforce recruitment and retention strategies and policies, and modernizing critical capabilities in the delivery of health care services.
- Alberta Health estimates \$22 billion in operating expenses in 2025-2026, an increase of roughly \$1 billion from what was budgeted in 2024-2025. An increase in health spending is attributed to population growth, an ageing population, increasing patient complexity, wages, and inflationary supplies pricing.
- The capital plan has allocated \$39 million, including \$5 million in 2025-2026, over three years towards the University of Lethbridge Rural Medical Teaching School. A combined total of \$43.8 million will be shared between new medical schools in Lethbridge and Grande Prairie.
- The Rural Health Facilities Revitalization program has been eliminated. It was steady at \$40 million in 2024-25 and 2025-26, however, only \$25 million is projected to be spent in 2025-2026. \$15 million is designated for the Rural Hospital Enhancement Program over two years, after which the program is not funded.
- Funding for Emergency Health Services Vehicles Capital Program is increasing from \$15 to \$20 million.
- \$20 million was designated to support nurse practitioner participation in the healthcare system.
- Each of the four healthcare pillars now have associated budgets. Primary Care Alberta has been established with a budget of \$322 million in 2025-26.
- In 2025 - 2026, \$15 million was designated for the recruitment and retention of physicians who practice full-time in underserved areas.
- Mental Health and Addiction has planned spending to implement the compassionate intervention framework, Recovery Alberta, and recovery communities (\$148 million).
- A three-year total of \$557 million is designated for the Red Deer Regional Hospital redevelopment.

INDIGENOUS RELATIONS

- 2025-2026 funding for Indigenous Relations is \$228 million, an increase from last year's budget of \$220 million.
- The budget of the First Nations Development Fund (FNDF) increased by \$13 million due to gaming income and federal funding.
- The budget references plans to extend highway 686 from Fort McMurray to Peerless Lake. No funds accompanied this reference.

INFRASTRUCTURE

- The Ministry of Infrastructure's business plan includes the following objectives most relevant to RMA's members:
 - Work with ministry partners and industry to deliver new construction and major modernization projects for health, school, and government-owned facilities.
 - Explore opportunities to use alternative financing such as P3s, federal funding programs, and unsolicited proposals to create jobs, grow the economy, and deliver public infrastructure for Albertans.
 - Streamline processes and evaluate priority stakeholder recommendations to accelerate construction timelines and reduce costs and red tape.

- Manage government assets through effective decision-making related to facilities, land, and leasing to aid in cost-effective delivery of public services.
- Maximize the efficiency of government-owned and -operated infrastructure, support vital public services and the economy, and achieve annual operating savings through effective long-term investments in core assets and by disposing of assets government no longer needs.
- \$155 million is allocated for flood mitigation projects, including \$12 million in new funding to advance planning and regulatory approval processes to mitigate flood and drought hazards in the Bow River basin.
- Funding for the construction of school facilities is allocated \$789.3 million, including \$73 million for projects under the School Construction Accelerator Program. This represents an increase of \$133.6 million over 2024-2025's amounts.
- Funding for the construction of health and mental health facilities is allocated \$625.4 million, including \$137.6 million for the Red Deer Regional Hospital Centre Redevelopment and its interim catheterization lab.

JUSTICE, PUBLIC SAFETY AND EMERGENCY SERVICES

- 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 advance digital transformation and streamline processes to improve Albertans' access to justice, including a renewed focus on delivering the most efficient and effective way for Albertans to access court services.
- The Alberta Public Safety and Emergency Services business plan identifies several objectives of interest to RMA members:
 - ◇ Implement strategies 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 support for municipalities and Indigenous communities in the development of new models of policing and public safety.
 - ◇ Strengthen partnership with police services, municipalities, and Indigenous communities to implement strategies to address crime and social disorder.
 - ◇ Provide direct and timely supports and services to victims of crime and tragedy, including emergency expenses and recovery.
 - ◇ Continue to work with public safety and community partners to deliver stable and consistent victims services across the province.
 - ◇ Support Albertans and communities to raise their awareness of disaster risk and preventative action.
 - ◇ 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.
- Funding for the delivery of the new victim services delivery model and the Victims of Crime Assistance Program remains the same at \$38.8 million.
- The launch of the Police Review Commission is allotted \$15.7 million.
- Funding for the Alberta Sheriffs increased from \$136.7 million to \$156 million.
 - ◇ \$28.6 million is allocated to the Sheriffs Interdiction Patrol Teams to combat the illegal smuggling of drugs, firearms, and people across the Alberta-United States border.
- Funding for provincial contract policing has increased slightly from approximately \$371 million in 2024 – 2025 to \$397 million in 2025 - 2026.

- Funding for law enforcement oversight, which includes specialized policing, has increased from \$29.7 million to \$47.7 million.
- The Disaster Recovery Program is expected to be redesigned and will be allocated \$2 million total from 2025-2028.
- Funding to address organized and serious crime has remained the same at \$66.3 million.
- Operational funding for legal services has increased from \$70.2 million to \$79.9 million.
- Operational funding for court and justice services has increased from \$257.4 million to \$270 million.
- Operational funding for Alberta Crown Prosecution services has increased from \$139.4 million to \$146.5 million.
- Alberta Emergency Management Agency (AEMA) operational funding has increased from \$108 million to \$118.3 million.

MUNICIPAL AFFAIRS

- The business plan for Alberta Municipal Affairs identifies several objectives of interest to RMA members:
 - ◇ Continue to engage with industry and municipal stakeholders to modernize the assessment models for regulated property to reflect current construction costs and methods.
 - ◇ Continue to support cost-effective municipal service delivery through regional collaboration and make required amendments to intermunicipal collaborative frameworks.
 - ◇ Provide programs and grants to support municipal service delivery, regional collaboration, asset management, and enhance municipal viability.
 - ◇ Safeguard Alberta's interests during the development of national and international safety codes and standards for potential adoption in Alberta to ensure provincial priorities, such as affordability, are incorporated.
 - ◇ Provide fair, timely, and well-reasoned decisions and recommendations for matters brought before the Land and Property Rights Tribunal, including modernizing appeal and application processes through technology to improve transparency and access to justice.
 - ◇ Provide operating grants and capacity supports to Alberta's public library boards and regional library systems to support Albertans' access to well-managed and responsive library services.
- \$880 million is allocated in 2025-2026 for the Local Government Fiscal Framework (LGFF):
 - The LGFF capital component sees a funding increase to \$820 million.
 - LGFF operating component remains steady at \$60 million.
 - Total LGFF funding is expected to be reduced to \$860 million in 2026-2027.
 - Year-to-year changes in LGFF capital funding are legislatively linked to changes in overall provincial revenues.
- Provincial contributions to the Canada Community Building Fund increased from \$266.2 million in 2024-2025 to \$276.2 million in 2025-2026.
- Alberta Community Partnership (ACP) funding sees a decrease to \$13.4 million from \$15.4 million in 2024-2025.
- Grants in Place of Taxes (GIPOT) have increased from \$38.1 million in 2024-2025 to \$55.3 million in 2025-2026 due to the province raising GIPOT from 50% to 75% of the eligible tax amount. Government has committed to increased GIPOT payments to 100% of eligible amounts in 2026-27.
- Following a freeze in 2024-25, education property tax rates will increase in 2025-26 from \$2.56 to \$2.72/\$1,000 of equalized assessment for residential/farmland property, and from \$3.76 to \$4.00/\$1,000 of equalized assessment for non-residential property. This is expected to raise the education property tax requisition from \$2.7 billion in 2024-25 to \$3.1 billion in 2025-26.

- Although not reported on in Budget 2025, the Provincial Education Requisition Credit (PERC) appears to have received \$3 million in funding for 2025 - 2026.
- The Land and Property Rights Tribunal (LPRT) sees a slight increase in funding from \$7.8 million in 2024-2025 to \$8 million in 2025-2026.
- The Safety Codes Council is budgeted \$20 million, up from \$17.4 million in 2024-2025.
- The Designated Industrial Zone Pilot Project intended to provide new infrastructure to support economic growth in the Industrial Heartland receives \$18 million in 2025-2026, and \$10 million in both 2026-2027 and 2027-2028.
- In 2025-26, \$33.6 million is budgeted for public library operating grants, which fund Alberta's public library boards.
- Budget 2025-2026 sees the discontinuation of the Local Growth and Sustainability Grant (LGSG) which was introduced in Budget 2024-2025. LGSG originally provided \$60 million over three years to support infrastructure development linked to growth pressures and economic development opportunities. The decision in Budget 2025 means that only \$20 million of the original committed amount will be allocated.

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.
 - ◊ Modernize and transform the continuing care system to improve quality of care, increase choice and innovation, shift to enable provision of more care in the community and support the continuing care workforce.
- Grants for senior-serving organizations to develop and deliver programming for seniors to age in their homes and prevent elder abuse have increased slightly from \$6.2 million to \$6.5 million.
- Homelessness and outreach support services has an operating budget of \$220 million, an \$8 million increase from 2024 - 2025.
- In 2025 - 2026, \$641.2 million is allocated to build, renew, maintain, and operate affordable housing in Alberta through the government-supported affordable housing programs. This is a \$186.3 increase from 2024 - 2025.
- Family and Community Support Services (FCSS) funding remains steady at \$105 million.
- \$6.2 billion, or an 8.8% increase from 2024-25, is budgeted to support core social programs, including a short-term increase to support more people affected by potential U.S. tariffs and rising grants for housing programs.
- Community Initiatives Program funding has decreased from \$16 million to \$14 million.
- Public library service funding remains steady at \$39 million.
- Funding for the Community Facility Enhancement Program (CFEP) remains stable at \$50 million.
- Funding for the Assured Income for the Severely Handicapped (AISH) program decreased slightly from \$1.69 billion to \$1.64 billion.
- The Alberta Broadband Strategy is \$106 million for 2025-2026 due to relocating unspent funds from the previous year.
- Alberta Children and Family Services will allocate \$88 million for the prevention of family and sexual violence, a \$3 million increase from the previous year.
- Funding for Alberta Innovates Corporation has increased from \$252 million to \$265 million.

TRANSPORTATION AND ECONOMIC CORRIDORS

- 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 to advance local bridge infrastructure, regional water and wastewater projects, and mobility options such as transit and passenger rail.
 - ◊ Assess feasibility and develop a Passenger Rail Master Plan, including a 15-year delivery plan to guide investments to ensure efficient and timely use of tax dollars, including the exploration of cost-sharing arrangements to support passenger rail.
 - ◊ Invest in capital maintenance and renewal to maintain or improve the condition of the highway network, optimizing lifecycle costs 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 \$456.4 million to \$482.8 million.
- Provincial bridge construction allocation has increased from \$120.9 million to \$125 million.
- Funding for the Strategic Transportation Infrastructure Program (STIP) decreased from \$44 million in 2024-2025 to \$33 million in 2025-2026 in and \$39 million in 2026-2027.
- Overall, municipal water infrastructure grant programs are decreasing from \$134 million to just over \$121 million.
 - Funding for the Municipal Water and Wastewater Program decreased significantly, for the second year in a row, from \$66 million to \$44 million. Budget 2023 provided the program with \$85.7 million.
 - Funding for Water for Life is estimated to be \$51.3 million, an increase of \$1.3 million.
 - Funding for the First Nations Water Tie-in Program has decreased from \$8 million to \$7.5 million.
- \$6 million is allocated in 2025-26 to complete the development of a Passenger Rail Master Plan, including a 15-year delivery plan to support passenger rail in Alberta.