



20 Questions from AUMA on Budget 2018

1. What is the breakdown of the provincial education tax requisition? As part of the response, please complete the following chart:

Education Property Tax Requisition (\$million)			
Fiscal Year			
	2017-18 Forecast	2018-19 Budget	Percent Change
Residential	1,492	1,492	0%
Non-Residential	954	954	0%
Total	2,446	2,446	0%
Calendar Year			
	2017	2018	Percent Change
Residential	1,493	1,516	1.54%
Non-Residential	939	929	-1.06%
Total	2,432	2,445	0.53%

2. How much funding is allocated to supporting communities in *Budget 2018* compared to *Budget 2017*? As part of the response, please complete the following chart:

Capital Grants To Municipalities (\$million)					
Capital	2017-18 Forecast	2017-18 Budget	2018-19 Budget	Explain any Grant Formula Changes	Estimates Page
Basic Municipal Transportation Grant	331.3	335.0	344.0	None	219
Municipal Sustainability Initiative	1,646.0	846.0	294.0	The decrease is due to \$800 million reprofiled funding to 2017-18, \$400 million of which was reprofiled from 2018-19, as well as a \$152 million reduction in 2018-19 to the Cities of Edmonton and Calgary.	219
GreenTrip	606.6	484.4	250.0	None	254
Gas Tax Fund	223.5	222.0	229.5	None	219



Public Transit Infrastructure Fund (PTIF) – Phase 1	121.8	285.0	136.5	None	254
Water for Life	65.0	55.0	75.3	None	254
Clean Water Wastewater Fund (CWWF) – Phase 1 Federal Contribution**	113.0	165.0	59.0	None	254
Municipal Water Wastewater Program	47.3	50.0	45.0	None	254
Strategic Transportation Infrastructure Program	85.4	35.0	26.5	None	254
First Nations Water Tie-In Program (formerly UNDRIP – Access to Regional Drinking Water Systems)	14.2	25.0	24.4	None	254
Alberta Community Transit Fund (formerly Municipal Transit Initiative)	-	40.0	22.4	New - criteria to be announced	254
Flood Recovery/Mitigation Grants	12.4 (Environment and Parks)	20.5 (Environment and Parks)	10.0 (Environment and Parks)	None	132 (Environment and Parks – element 12.4 Community Stabilization)
Redwood Meadows	-	-	8.9	None	254
Watershed Resiliency and Restoration Program	51.0	3.5	3.5	None	132 (part of element 4.4 Flood Adaptation)
New Building Canada Fund (Edmonton Valley Line LRT)	120.0	60.0	-	None	254
Alberta Community Resilience Program	61.0	57.8	-	None	132 (part of element 4.4 Flood Adaptation)



Irrigation District Infrastructure Support to the City of Lethbridge	7.0	7.0	-	None	41 (part of element 3.1 Rural Development)
Total Capital	3,505.5	2,691.2	1,529.0		

* Provincial contribution under GreenTRIP

**Provincial contribution under Water for Life



Operating Grants To Municipalities (\$million)					
Operating	2017-18 Forecast	2017-18 Budget	2018-19 Budget	Explain any Grant Formula Changes	Estimates Page
Family and Community Support Services (FCSS)	100.7	100.7	100.7	None	64
Grants in Place of Taxes	49.4	59.3	58.7	None	218
Municipal Policing Assistance Grant Program	56.6	55.8	57.7	None	193 (part of element 6.7 Policing Assistance to Municipalities)
Municipal Sustainability Initiative	30.0	30.0	30.0	None	218
Police Officer Grant Program	30.0	30.0	30.0	None	193 (part of element 6.7 Policing Assistance to Municipalities)
Alberta Community Partnership	18.5	18.5	18.5	None	218
Economic Development	8.0	8.0	3.9	None	88 (part of element 2.1 Program Delivery Support)
Community Housing – Municipally Owned Debt Subsidy	2.7	2.7	2.7	None	237 (part of Family community Housing)
Environmentally Sustainable Agriculture Grants	1.8	1.8	1.8		40 (part of element 2.2 Environmental Stewardship)
Victims of Crime Fund – Municipalities-Direct Funding	1.3	1.2	1.3	None	203 (Part of Assistance to Victims' Organizations)
Rural Bus Service Pilot	-	-	1.0	New pilot program for two years	254
Alberta Traffic Safety Fund	0.6	0.4	0.6	None	254 (part of element 3.1



Operating Grants To Municipalities (\$million)					
Operating	2017-18 Forecast	2017-18 Budget	2018-19 Budget	Explain any Grant Formula Changes	Estimates Page
					Traffic Safety Services)
Emergency Management Preparedness Program	0.2	0.2	0.2	None	218
Water Management Grants (Canadian Agricultural Partnership)	0.3	0.3	-	None	40 (part of program 8 Canadian Agricultural Partnership)
Total Operating	300.1	308.9	307.1		

Grants To Other Community Entities (\$million)					
Operating and Capital	2017-18 Forecast	2017-18 Budget	2018-19 Budget	Explain any Grant Formula Changes	Estimates Page
Housing Operating	165.0	165.2	177.7	None	237 (part of most housing programs)
Legal Aid	89.3	81.4	89.3	None	192
Alberta Innovates Corporation	60.6	49.6	80.7	None	94
Community Facility Enhancement Program	38.0	38.0	38.0	None	73
Support for Cultural Infrastructure	23.9	23.9	36.0	None	73
Housing Capital	77.9	47.9	30.0	None	237 (part of most housing programs)
Library Services Grant (Operating)	29.9	29.9	29.9	None	219
Organized and Serious Crime funding (ALERT)	29.1	29.1	29.1	None	193
Communities Initiatives Program	24.0	24.5	25.0	None	72
Family and Community Safety Program	23.8	18.6	18.2	None	64
Victims of Crime Fund – Indirect Funding	15.2	15.3	16.0	None	203 (part of Assistance to Victims Organizations)



Grants To Other Community Entities (\$million)					
Operating and Capital	2017-18 Forecast	2017-18 Budget	2018-19 Budget	Explain any Grant Formula Changes	Estimates Page
Major Fairs and Exhibitions	15.3	15.3	15.3	None	72
Irrigation Rehabilitation Program	19.0	19.0	14.0	None	41
Jobs, Investment and Diversification	20.9	20.9	12.5	None	88/90 (part of program 5 Jobs, Investment and Diversification)
Agricultural Service Boards Grants	11.5	11.5	11.5	None	40 (part of element 3.4 Agricultural Service Boards)
Agricultural Societies and Exhibitions Grants	11.5	11.5	11.5	None	40 (part of element 3.5 Agricultural Societies and Exhibitions)
Summer Temporary Employment Program (STEP)	10.0	10.0	10.0	None	208
Science and Innovation	13.4	13.4	9.0	None	88 (part of elements 4.2 Innovation and System Engagement, 4.3 Science and Innovation Policy and Strategy, 4.4 Technology Partnerships and Investment)
Economic Development	9.3	9.3	7.6	None	88 (part of elements 2.1 Program Delivery Support, 2.2 Industry Development, 2.3 Entrepreneurship and Regional Development, 2.4 Northern Alberta Development Council)
Other Culture Initiatives	11.0	2.0	6.0	None	72 (element 2.4 Other Initiatives)



Climate Leadership Plan	4.0 (Economic Development and Trade)	10.0 (Economic Development and Trade)	4.0 (Economic Development and Trade)	None	88 (Economic Development and Trade)
Rural Gas and Electric	3.4	3.9	3.4	None	41 (part of element 3.1 Rural Development)
Environmental Stewardship Program (Canadian Agricultural Partnership)	2.4	2.4	2.4		40 (part of program 8 Canadian Agricultural Partnership)
Alberta Historical Resources Foundation – Support for Provincial Heritage Organizations	2.1	2.1	2.1	None	82
Ad-hoc Justice programs	2.2	1.1	1.4	None	192 and 193 (part of various elements: 1.4 Human Resources, 6.1 Program Support, 6.4 Law Enforcement Standards and Audits, 6.5 Contract Policing and Policing Oversight, 7.1 Program Support)
Francophone Secretariat Grants	0.7	0.7	1.4	None	72 (part of program 4 Francophone Secretariat)
Public Lands Trail Development	1.3	1.3	1.3	None	132 (element 3.2 Public Land Management)
Human Rights – Support to Community Groups	0.9	0.9	1.0	None	202 (part of Support to Community Groups)
Aboriginal Friendship	0.9	0.9	0.9	None	174 (part of program 2 First Nations and Metis Relations)
Water Management Grants (Canadian	0.8	0.8	0.5		40 (part of program 8 Canadian Agricultural Partnership)



Agricultural Partnership)					
Fire Services and Emergency Preparedness Program	0.5	0.5	0.5	None	218
Restorative Justice	0.4	0.4	0.4	None	203 (part of Assistance to Victims' Organizations)
Youth Justice	0.4	0.4	0.4	None	193 (part of Element 7.5 Young Offender Community Correctional Services)
Search and Rescue Grants	0.2	0.2	0.2	None	218 (part of element 8.3 Office of the Fire Commissioner)
Library Services Grant (Capital)	12.7	12.7	-	None – One-time grants in 2017-18	219
National Disaster Mitigation Program	-	3.8	-	None	132 (part of element 4.4 Flood Adaptation)
Canada Winter Games	0.1	0.1	-	None	83 (part of High Performance Sports)
Air Policy	0.4	-	-	None	132
Watershed Resiliency and Restoration	2.3	-	-	None	132 (part of element 4.4 Flood Adaptation)
Total	734.3	678.5	687.2		

* It is anticipated that the sum of the totals above will reconcile to Budget 2018 total support for communities. If it does not, please explain and include a description of any other funding allocated to the community support component of the budget that has not been described above.



3. How does Budget 2018 support the implementation of the province’s affordable housing strategy? How much new funding is being allocated to achieve the outcomes outlined in the strategy? As part of the response, please complete the following chart:

Seniors Housing and Affordable Housing (\$million)	2017-18 Forecast	2017-18 Budget	2018-19 Budget
Seniors			
Seniors Housing	49.2	49.2	49.2
Seniors Housing Capital Grants	46.3	25.8	11.8
Senior Housing Capital Programs	118.8	213.1	151.6
Community Housing Capital Grants	25.6	22.1	18.2
Health Continuing Care Beds Capital Grants	48.9	122.0	49.0
Operating Support			
Family Housing:			
Rent Supplement	66.6	66.6	67.6
Community Housing	41.3	41.5	52.5
Family Housing – Other & Emergency	-	-	-
Special Needs Housing	15.7	15.2	15.7
Homeless Support:			
Homeless Shelters	43.1	43.1	46.8
Outreach Support Services	94.5	95.8	92.9
Women’s Shelters	49.7	49.7	51.3
Balance of Program	4.3	4.3	4.6
Capital			
Women’s Shelter Maintenance Grants	-	-	1.1
Housing Capital Programs	172.7	258.0	200.7

4. What is the financial impact on municipalities of any new or revised fees, charges or other costs under *Budget 2018*? As part of the response, please complete the following chart:

RESPONSE:

There are no new or revised fees, charges or other costs in Budget 2018 that impact municipalities.

5. The modernized Municipal Government Act now requires municipalities to develop five-year capital plans. Historically, it has been challenging for municipalities to develop an accurate long-term financial plan because provincial funding such as the Municipal Sustainability Initiative is consistently under-funded compared to future budget estimates. Will the province commit to developing a new funding program that delivers adequate funding to address the current infrastructure deficit and also offers more predictability so that municipalities can be efficient in developing more accurate 5-year capital plans?

RESPONSE:

The Alberta Government understands how unpredictable revenue sources can pose challenges in long-term budgeting. When the recession was at its lowest, despite the economic challenges facing Alberta, we stood by our municipalities to make sure they could continue to deliver high quality services, and we continued to fund the Municipal Sustainability Initiative (MSI) at a consistent level. Now, as MSI is nearing



its end, and we focus on the path to balance and dial back our capital spending to reduce our debt burden, we are committed to developing a new approach to municipal funding.

Through the city charter discussions, we've already begun working with Calgary and Edmonton on a long-term revenue sharing formula to support their continued growth and recognize the unique opportunities and challenges they may face.

In this budget, as result of the charters discussions and significant commitment to our two largest cities' priorities through other spending envelopes such as LRT funding, Calgary and Edmonton will see a reduction in their MSI funding compared to previous years.

In addition, we continue to recognize the invaluable contributions municipalities of all sizes have on the quality of life of Albertans and economic diversification.

The total amount available for other municipalities remains the same as in 2017-18 until the full \$11.3 billion MSI commitment is met, after being adjusted for the \$800 million in MSI supplemental funding in 2017-18, maintaining the predictability of MSI funding for municipalities.

In this budget, we're pleased to show the full \$11.3 billion MSI commitment will be met in 2021-22. This important milestone presents an opportunity for the province and municipalities to work together to define the future of municipal capital funding. We look forward to continuing to engage with Alberta's municipalities and municipal associations to discuss the future of the MSI and long-term funding levels in the months ahead.

Alberta's transfers to municipalities remain well above the national average.

6. How will the province change the current funding system so that the sharing of revenues links to infrastructure ownership and services and allows municipalities to be financially sustainable (e.g., will you consider reforms to property assessment and taxation, statutory grants, and greater ability to levy fees and charges)?

RESPONSE:

The *Modernized Municipal Government Act* expanded the scope of offsite levies so municipalities can charge levies for police stations, fire halls, libraries and recreation centres, and municipal road connection to provincial highways. This will permit municipalities to require developers to contribute towards the cost of needed infrastructure.

Alberta recognizes the essential role infrastructure plays in supporting local communities. We are committed to working with our municipal partners to explore all ideas, and this includes plans for long-term funding arrangements, as the Municipal Sustainability Initiative (MSI) nears its end in 2021-22.

As mentioned in response to the previous question, city charter discussions have already begun with the cities of Calgary and Edmonton on a long-term revenue sharing formula to support their continued growth.



In addition, the government recognizes the invaluable contributions that cities, towns and counties of all sizes have on the quality of life of Albertans and economic diversification opportunities they create. New funding arrangement discussions will begin with municipalities large and small.

Pending those agreements, the government will aim to make legislative changes this year to have a new system operational by the time MSI is set to expire.

7. AUMA is concerned that any cuts to provincial funding for municipalities, may affect their ability to access funding under Investing in Canada's proposed model. The Federal Government has committed under phase 2 of the Investing in Canada plan to fund forty per cent of infrastructure costs. That commitment includes \$2, 096,548,228 for Public Transit, \$1,001,082,871 for Green Infrastructure, \$140,575,109 for Community, Culture and Recreation, and \$159, 650,831 for Rural and Northern Communities to Alberta over the next 12 years; does the province match the federal government's forty per-cent commitment? If not, what percentage does Budget 2018 commit to and do any potential cuts to MSI or other municipal funding potentially harm municipalities ability to cover their share of infrastructure funding under the proposed funding model?

RESPONSE:

Alberta and the federal government are working to finalize details on a bilateral agreement that will outline Alberta's obligations under the Investing in Canada Infrastructure Plan over the next 10 years.

The agreement will require Alberta to contribute to infrastructure projects. Some streams may require Alberta to contribute up to 33 per cent toward each project. Others may require Alberta to contribute a certain amount towards the overall stream.

Alberta will work with municipalities to ensure they are able to access federal funding available over the next 10 years under the Investing in Canada Infrastructure Plan.

The Alberta government expects the bilateral agreement will be signed in the coming weeks. Final details on provincial funding requirements under the Investing in Canada Infrastructure Plan will be made available once the agreement is signed.

In this budget, we are pleased to show the full \$11.3 billion MSI commitment will be met in 2021-22. This is an important milestone, and presents an opportunity for the province and municipalities to work together to define the future of municipal capital funding. We look forward to continuing to engage with Alberta's municipalities and municipal associations to discuss future funding over the long-term.

The Alberta Government also recognizes the culture and tourism sectors play a vital role in the cultural, social and economic well-being of communities across the province. The province remains committed to supporting the efforts of community and industry partners to realize the potential of both sectors. Budget 2018 provides \$84 million to support the Culture and Tourism Ministry's Community Grants programs, including \$38 million for the Community Facility Enhancement Program and \$25 million for the Community Initiatives Program. Significant investment in culture and tourism infrastructure is also provided through the Capital Plan.



Even as we work to bring our budget into balance and dial back on capital spending to reduce our debt burden, Alberta's transfers to municipalities remain well above the national average.

8. With the upcoming changes arising from the Municipal Government Act (MGA) review, how will the province ensure that municipalities are appropriately supported through change management in order to comply with the new provisions under the MGA?

RESPONSE:

Changes to the *Municipal Government Act* streamlined and modernized the legislation to better serve municipalities and their residents. Some changes took place soon after municipal elections to ensure all municipalities have a consistent and coordinated approach, and others came into force later, or are yet to come, so municipalities have time to effectively adapt to the new rules.

Municipal Affairs has been working in partnership with Alberta's municipal organizations to develop tools and approaches that will ensure municipalities are well supported in adjusting to the changes. Materials have been developed to assist all stakeholders including municipalities, business and industry, and the public in navigating the new legislative framework. New information and tools will be made available as they are completed.

Supports available to municipalities will include items ranging from information bulletins on technical items such as assessment and taxation changes, to guidelines and sample bylaws and policies in areas such as Municipal Development Plans and Codes of Conduct, to the delivery of workshops and regional training sessions on specific topics such as annexations and inter-municipal development plans. Further, Municipal Affairs has established a technical committee to assist in the effective roll-out of centralized assessment of designated industrial properties. This will ensure those who will be most impacted have direct input into the process.

Municipal Affairs provides a significant amount of advisory support to municipalities, which will continue to be available as amendments to the *MGA* are implemented.

Funding is available under the Alberta Community Partnership to assist municipalities in working together to address regional approaches to service delivery. Additionally, Municipal Sustainability Initiative operating funding may be used to fund expenses related to compliance with the new provisions in the *MGA*. Municipalities are encouraged to work together on a regional basis to make the most effective use of the significant infrastructure funding they receive from both the province and the federal government.

9. How is the province supporting the viability of small urban municipalities through Budget 2018 compared to Budget 2017 (e.g., base grants, economic development, tourism, capacity building, etc.)?

RESPONSE:

The Alberta Government provides a variety of supports to help the province's smaller communities.



Budget 2018 includes nearly \$2.4 billion over five years in transit, transportation and water infrastructure grant funding initiatives to communities throughout Alberta, including small urban municipalities.

This includes \$1.5 billion for urban, rural and regional transit to connect communities and help Albertans access affordable transportation options. This total consists of:

- \$215 million for the Alberta Community Transit Fund to support both regional and green transit infrastructure projects in Alberta;
- \$445 million in Green Transit Incentives Program (GreenTRIP); and
- \$855 million in carbon revenue through the Climate Leadership Plan to support Calgary and Edmonton LRT projects.

As well, the grant funding includes \$483 million to help provide smaller and rural communities with reliable access to clean drinking water and efficient wastewater systems. This total consists of:

- \$272 million through the Water for Life program;
- \$128 million through the Alberta Municipal Water and Wastewater Partnership; and
- \$83 million through the First Nations Water Tie-In Program, which allows First Nations to connect to new or existing regional drinking water systems in Alberta.

As part of this program, we continue to partner with First Nations to help provide reliable access to clean and safe drinking water by working with the federal government and municipal water commissions. Budget 2018 continues investment in water projects that give more First Nations communities access to regional drinking water systems. The funding is part of our government's support for the United Nations Declaration on the Rights of Indigenous Peoples, and will help improve quality of life in these communities.

The provincial grant funding also includes nearly \$75 million dedicated to the Strategic Transportation Infrastructure Program, which supports rural and smaller urban municipal transportation infrastructure, including local road bridges, resource roads and community owned, public use airports.

Nearly \$291 million is available in federal grants for water and transit projects throughout the province—nearly \$79 million through the federal Clean Water and Wastewater Fund and nearly \$212 million through the Public Transit Infrastructure Fund.

Investments in water, transit and local municipal infrastructure help to create short-, medium-, and long-term jobs as workers are needed to build infrastructure and operate and maintain systems. Investing in transit infrastructure can also help stimulate long-term economic growth and stability by promoting transit-oriented development, such as housing and major shopping and recreation facilities. As well, transit investments promote economic diversification by creating the environment for innovation, such as smart fare card and electric vehicle technology.

The MSI program is maintaining the same level of base funding for all municipalities as has been used in the past (\$60,000 for summer villages, \$120,000 for all other municipalities). This helps to protect smaller municipalities and ensures they have access to meaningful funding to address their infrastructure needs. For many small municipalities, the base amount provides the bulk of their MSI funding regardless of the overall MSI budget. The MSI program is also maintaining the same level of Sustainable Investment funding,



which is provided to smaller municipalities (fewer than 10,000 people) with weaker assessment bases. The government has also maintained the same level of MSI operating funding, which provides smaller municipalities with more flexibility in budgeting and supports viability in the near term.

Through the Alberta Community Partnership grant program, the province continues grants to small urban municipalities and partnerships of municipalities across Alberta to help fund the intermunicipal land use and service planning projects. Examples include establishing intermunicipal collaboration frameworks or intermunicipal development plans with their regional neighbors, or creating local municipal development plans for the first time. These grants help ensure small urban municipalities are enabled to plan for future growth and resiliency, identify and participate in more efficient regional service delivery arrangements, and benefit from the improved longer term planning and collaboration standards which advance community sustainability under the new *Municipal Government Act*.

The \$30 million Community and Regional Economic Support (CARES) program is available to municipalities, non-profit organizations, Métis settlements and First Nations. The program funds projects that create a measurable impact and align with one or more of the following program outcomes:

- improving local business environment and/or regional economic collaboration,
- increasing support for entrepreneurs and small and medium-sized enterprises to grow and succeed,
- enhancing support for businesses and industries that provide diversification to a community or a region, and
- increasing investment that drives high-value job creation.

Over the three program intakes, community response was significant, with more than 245 applications for a broad range of collaborative initiatives.

Our government understands tourism can make a valuable contribution to small communities. The budget commitment for tourism marketing and industry development remains among the top four in the country. More than \$44 million has been allocated to Travel Alberta for tourism marketing with an additional \$11 million for industry development programs and services. Additional investments are being made in tourism and culture infrastructure through the Capital Plan. We are also continuing to introduce innovative industry development programs like the new Tourism Growth Innovation Fund.

10. The legalization of cannabis for recreational use will have significant fiscal impacts on municipalities. Our members expect to see increased costs due to increased demands on policing, bylaw enforcement, and fire units; amendments to municipal bylaws, policies, and administrative processes; and social impacts (see enclosure for details). As with any significant policy shift, there are also likely to be unintended consequences that result in unexpected costs. Using data from jurisdictions that have legalized cannabis for recreational use, as well as cost projections developed by the City of Calgary and the Federation of Canadian Municipalities, we estimate that Alberta municipalities will incur from \$26 to \$42 million in costs due to legalization. Has the province committed to provide 70 per cent of the cannabis excise taxes it receives from the federal government, to Alberta municipalities to offset their costs associated with cannabis legalization? This does not include revenue the province will generate as the sole distributor and online retailer in Alberta.



RESPONSE:

In response to the federal government’s decision to legalize cannabis, and following extensive engagement with Albertans, the Government of Alberta has established legislation and regulations that reflect the primary policy objectives of keeping cannabis out of the hands of children and youth, maintaining safety on our roads, in workplaces and in our public spaces, protecting public health, and limiting the illegal market for cannabis.

Input from the AUMA and its members has contributed extensively to the development of the Alberta Cannabis Framework, legislation, and associated regulations. Throughout the process of legalization, we have worked with municipalities across the province, and will continue to work with them to ensure they have the knowledge and tools to develop bylaws and policies that best suit local needs.

We understand legalization may mean fewer resources are required in some areas of municipal responsibility, while there may be increased demands in other areas. We are committed to continuing to work with the AUMA, as well as the Rural Municipalities Association, to clarify the likely impacts on municipalities and identify available information, support, and resources.

11. How does Budget 2018 allocate revenue from the carbon levy to expand the tools and resources available to municipalities to mitigate and adapt to climate change, neutralize the impact of the carbon levy on municipal budgets, increase savings through reduced energy costs?

RESPONSE:

Alberta’s Climate Leadership Plan is working. Funded programs demonstrate leadership in action towards climate change, while creating good jobs and supporting a diversified economy. Revenues derived from the carbon levy and the climate change emissions management funds (collectively known as carbon revenues) enable government to both maintain and make incremental investments to act on climate change mitigation and adaptation.

Since it was announced in November 2015, action on the Climate Leadership Plan has been swift, meaningful and focused on lowering emissions, diversifying the economy and supporting Albertans and businesses transition to a lower carbon economy. Budget 2018 includes over \$1.56 billion in rebates and tax reductions (over three years) for Albertans, small businesses and clean technology innovation.

In 2017-18, government announced significant incremental investments in light rail transit, commitments that were enabled through carbon revenues. The province recently announced a new \$54-million grant to the Municipal Climate Change Action Centre to deliver a multi-year program for electric buses, small-scale community generation, energy efficiency upgrades for buildings, and solar energy for schools.

Budget 2018 allocates funding (over three years) to a number of programs that will directly and indirectly support municipalities’ transition to a low carbon economy, including:

- \$662 million for energy efficiency initiatives that support citizens and businesses across the province save money, reduce energy use and enhance competitiveness.
- \$1.3 billion in carbon revenues to support existing and emerging transit and infrastructure priorities, including GreenTRIP, and Alberta Community Transit funding.



- \$690 million to support electricity transition which will provide stability and predictability and increase options to access renewable energy and emerging programs to support micro and community energy generation.

Budget 2018 includes targeted funding to address unique challenges including a grant for Lloydminster fuel retailers to offset the difference between the total carbon levy and fuel tax compared to the fuel tax in Saskatchewan.

12. How is the government updating the Remediation Certificate Regulations (brownfields) to bring it in line with successful programs in other provinces?

RESPONSE:

Government conducted a robust jurisdictional review focused on how Alberta compares to other Canadian jurisdictions. The scan focused on reviewing brownfield redevelopment in British Columbia, Ontario and Nova Scotia, as these jurisdictions were identified as leaders in contaminated sites and brownfield policy in Canada.

Based on the review, we are looking at approaches and lessons from those jurisdictions that align most closely with Alberta's legal system to help provide recommendations.

The review focused on responding to stakeholder's interest in increasing regulatory certainty for developers, further describe remediation requirements, and transform brownfields, closing liability for provincial and local governments as well as site owners.

A cross-governmental steering committee is working to ensure any proposed amendments to the Remediation Certificate Regulation would align with City Charters and recent changes to the *Municipal Government Act*.

13. How is the government making regulatory changes needed to ensure the viability of existing recycling programs, and enable the creation of new extended producer responsibility programs for materials such as packaging and agricultural plastics. Has the province committed to consultation with municipal and corporate stakeholders on the development of these new regulations?

RESPONSE:

The province is investigating options to ensure the long-term sustainability of our current recycling programs, including program expansion and the establishment of a new fee-setting mechanism. The province is also investigating options to establish new recycling programs for additional materials, including agricultural plastics and packaging and printed-paper. No decisions on these policy items have been made yet.

Alberta's approach to recycling is to select the most appropriate tool from a range of options to achieve the desired outcomes. The best program option for a particular product often depends on such factors as material type, toxicity or quantity, industry's level of engagement, municipal involvement and available recycling options.



Under an extended producer responsibility program (EPR), government would advise industry as to which products require end-of-life management and industry would then collect and recycle the products and provide the financial means to operate the program. While there are no plans to transfer current recycling programs to EPR, the province would consider EPR as a potential recycling model for new materials.

Implementing EPR would align Alberta with other Canadian jurisdictions who have adopted a similar management approach and would demonstrate our commitment the Canadian Council of Ministers of the Environment's Canada-wide Action Plan for Extended Producer Responsibility.

While there has not been any engagement on these proposed changes yet, government is currently participating in a stakeholder-led working group that is looking at agricultural plastic recycling. The Agricultural Plastics Working Group includes representation from the Recycling Council of Alberta, Alberta Plastics Recycling Association, Alberta Association of Municipal Districts and Counties, CleanFARMS, municipalities, Agriculture and Forestry and others.

This work reflects government's commitment to address concerns about the province's recycling practices and will increase opportunity for Albertans to reduce the number of items going to landfills.

14. How will the province ensure that municipalities impacted by the phasing out of coal-fired electricity are supported so they remain viable and sustainable?

RESPONSE:

Government established an Advisory Panel on Coal Communities to ensure workers and community members in coal-affected areas were consulted and heard, and to understand their challenges and ideas for the long-term economic sustainability of their communities as a result of the transition away from coal-fired electricity generation.

The panel submitted a report to government that includes options, advice and recommendations for supporting communities and workers throughout this transition, focusing on support for workers, communities and First Nations with the bulk of the recommendations emphasizing support for workers.

On March 15, 2018, our government announced recipients of the Coal Community Transition Fund which was established to assist Alberta communities impacted by the phase-out of coal-fired electricity generation. The fund will provide approximately \$5 million to support 12 projects in 17 communities across the province.

15. How does Budget 2018 support municipalities and community organizations build relationships with Indigenous communities and advance the targeted outcomes of the UN Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's calls to action?

RESPONSE:

Budget 2018 is supporting the work of the UN Declaration on the Rights of Indigenous Peoples in many ways. As this work relates to municipalities, Budget 2018 includes \$25 million to support the First Nations



Regional Drinking Water Tie-In initiative. This funding rests with Transportation, which has the lead on project construction, and Indigenous Relations will work to develop partnerships with First Nations and municipalities to support the projects. Budget 2018 is also supporting community organizations who are helping to deliver on our commitment to implement the principles of the UN Declaration. For example, Indigenous Relations is providing \$1.2 million to community organizations like the Alberta Native Friendship Centres Association, Bent Arrow Traditional Healing Society and Urban Society for Aboriginal Youth through the Urban Initiatives Program to support initiatives assisting Indigenous peoples in the transition from First Nation reserves, Métis Settlements and other rural areas to urban areas.

16. Alberta continues to experience higher than average crimes rates, and RCMP “K” Division has advised that policing costs are projected to rise over the next few years. How does Budget 2018 ensure that the Municipal Police Assistance Grant and the Alberta Law Enforcement Response Team (ALERT) funding keep pace with the costs of providing policing to urban municipalities (that are currently paying for police costs), and is fair for all municipalities?

RESPONSE:

Including fine revenue, provincial support for police includes more than half a billion dollars for municipal and provincial policing services throughout Alberta. The current police funding model assists with the expenditure urban municipalities incur in paying their own police costs by providing financial assistance from several sources, including the Municipal Policing Assistance Grant and the Police Officer Grant. The Government of Alberta also returns fine revenues from Traffic Safety Act convictions to municipalities that pay for their own policing, minus a processing fee. A seven-point action plan on rural crime will increase coordination and intelligence efforts, as well as invest in new RCMP officers, civilian staff and additional Crown prosecutors in rural communities.

17. How does Budget 2018 allocate funding to improve access to healthcare for Albertans living outside care outside of metropolitan areas, such as through strengthening the integration of Nurse Practitioners within the healthcare system?

RESPONSE:

We know Albertans in rural communities need timely access to high quality care close to home. The Alberta government is enhancing home and community care to improve the accessibility of services throughout the province.

- Budget 2018 commits \$1.2 billion towards community care— \$90 million more than what was committed in Budget 2017.
- Budget 2018 is also committing an additional \$112 million to the home care budget.

Other actions underway to improve access to healthcare outside urban areas are:

- In 2017, a new governance structure for Primary Care Networks was created which will align and integrate primary care and community health planning, and the delivery of shared services across PCNs, Alberta Health Services and community partners.
- We also implemented a rural health facility design template, which will help streamline the planning process so shovels can be in the ground sooner for rural infrastructure projects.



18. How is the province supporting the implementation of the recommendations from the *Valuing Mental Health Report*? How much funding is allocated to mental health in *Budget 2018* compared to *Budget 2017*?

RESPONSE:

Fully addressing the Valuing Mental Health report will take time and will involve working closely with our partners, including other ministries, AHS, and community organizations. There are more than 100 activities underway connected to specific actions identified within Valuing Mental Health: Next Steps.

- An additional \$15 million was available in the 2017-18 budget to meet the recommendations of the review. That funding is going towards several community grants that help improve coordination and connection of addiction and mental health services and address the recommendations.
- In Budget 2018, \$83.4 million is committed to Addiction and Mental Health compared to \$69.4 million allocated from Budget 2017.
 - \$38.9 million for opioid response
 - \$41.6 million for implementing the *Valuing Mental Health Report* recommendations
 - \$2.9 million for a Mental Health Review Panel

19. With summer around the corner and with the possibility of summer bringing new flooding or wildfire challenges, does Budget 2018 provide any new resources for disaster risk mitigation or any additional supports to facilitate improvements in emergency response in municipalities?

RESPONSE:

The Alberta Government is committed to ensuring the necessary resources are in place to protect Albertans and our communities from the threat of wildfire, floods and other disasters.

Municipal Affairs, through the Alberta Emergency Management Agency (AEMA), is in the process of strengthening the *Emergency Management Act* to improve the governance of emergency management within Alberta. Revisions to the Act are scheduled to be tabled in Spring Session for first reading, but not debated or passed until Fall Session. AEMA will conduct engagement on proposed changes over the spring/summer. Changes to supporting regulations, including the creation of a new Local Authority Emergency Management Regulation, which is intended to strengthen municipal emergency management capabilities, will also be consulted on during the summer.

Municipal Affairs is reviewing funding to regional teams with the goal of strengthening Alberta's emergency management capabilities. The additional incident management capability will strengthen the training already provided by AEMA Field Officers who work with municipalities to review their response plans and deliver training. AEMA provides an online Community Emergency Management Program toolkit to municipalities at no cost. In addition, AEMA provides Incident Command System, Director of Emergency Management, Municipal Elected Officials and Basic Emergency Management courses at no cost to municipalities.

This year, Agriculture and Forestry Ministry's base operating budget for wildfire management is \$130 million.

- These dollars cover the preparation work for wildfire season including training, opening tanker bases and towers, prevention and detection activities, and hiring seasonal staff.



This year, we have maintained funding available for the FireSmart program, which was significantly increased in last year's budget.

- A total of \$15 million has been allocated to FireSmart, which helps communities reduce the risk of wildfire through enhanced public education, training, emergency planning and the removal of hazardous vegetation.

The actual cost of fighting fires (manpower, aircraft, heavy equipment and supplies) during the fire season is covered under emergency funding, which is allocated later in the year.

- This funding varies from year to year, depending on the severity of the wildfire season.

We closely monitor fire conditions throughout the season, and allocate additional resources when required.

In addition, Budget 2018 invests more than \$553 million for flood mitigation and water management infrastructure projects to help improve Alberta's flood resiliency, protect Albertans from natural disasters and support industry.

Of this:

- \$405 million is dedicated to the Springbank Off-stream Reservoir; and
- \$148 million is allocated to other water management projects.

Budget 2018 also includes an \$8.9-million grant for flood recovery in Redwood Meadows.

20. As part of its agreement with the Federal Government on the Gas Tax Fund, the province outlined an approach to growing asset management capacity for municipalities. As 2018 marks the kick-off of phase two of the approach, does Budget 2018 include any new funding or supports to assist municipalities to implement asset management?

RESPONSE:

Budget 2018 continues to support municipalities in implementing asset management strategies through several grant programs. The Municipal Sustainability Initiative provides operating funding for activities that support infrastructure planning and management, including those related to asset management. The federal Gas Tax Fund supports projects related to asset management, and eligible costs include expenditures related to strengthening the ability of municipalities to improve local and regional planning, including asset management plans. This may include acquisition of software, training directly related to asset management planning, and long-term infrastructure plans. The Alberta Community Partnership also provides funding for asset management planning for municipalities that are undergoing restructuring.

As set out in the approach to asset management referenced in the question (www.municipalaffairs.alberta.ca/documents/ms/Asset_Management_Approach.pdf), the province will continue to assist municipalities with implementation of the Municipal Corporate Planning regulation, which requires municipalities to create five-year capital plans. Municipal Affairs will continue to providing training on the new regulation during Regional Training Sessions. Alberta will also continue to survey municipalities annually with respect to their current asset management practices, and will work



with the Municipal Sustainability Strategy Advisory Committee to determine the need for additional tools and/or measurement criteria.