

Budget 2017: Questions from AUMA

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 | | | |
| | 2016-17 | 2017-18 | Per Cent Change |
| Residential | 1,470 | 1,492 | 1.5 |
| Non-Residential | 944 | 954 | 1.1 |
| Total | 2,414 | 2,446 | 1.3 |
| Calendar Year | | | |
| | 2016 | 2017 | Per Cent Change |
| Residential | 1,444 | 1,493 | 3.4 |
| Non-Residential | 927 | 939 | 1.3 |
| Total | 2,371 | 2,432 | 2.6 |

2. How much funding is allocated to supporting communities in *Budget 2017* compared to *Budget 2016*? As part of the response, please complete the following chart:

| Capital Grants To Municipalities (\$million) | | | | | |
|---|------------------|------------------|------------------|---|--|
| Capital | 2016-17 Estimate | 2016-17 Forecast | 2017-18 Estimate | Explain any Grant Formula Changes | Estimates Page |
| Municipal Sustainability Initiative | 846.0 | 847.7 | 846.0 | None | 215 |
| GreenTRIP*** | 125.0 | 118.1 | 477.4 | Program allocated | 258 |
| Basic Municipal Transportation Grant | 359.5 | 340.7 | 335.0 | None | 215 |
| Public Transit Infrastructure Fund (PTIF) – Phase I – Federal Contribution* | - | 27.5 | 285.0 | None | 258 |
| Gas Tax Fund | 219.1 | 220.2 | 222.0 | None | 215 |
| Clean Water Wastewater Fund (CWWF) – Phase I – Federal Contribution** | - | 5.0 | 165.0 | None | 258 |
| New Building Canada Fund (Edmonton Valley Line LRT) – Provincial Contribution | - | - | 60.0 | None. | 258 |
| Alberta Community Resilience Program | - | - | 57.8 | | 130 (part of element 4.4 Flood Adaptation) |
| Water for Life | 80.0 | 73.7 | 55.0 | None | 258 |
| Municipal Water Wastewater Program | 50.0 | 49.7 | 50.0 | None | 258 |
| Alberta Community Transit Fund (formerly Municipal Transit Initiative) | - | - | 40.0 | New – criteria to be announced | 258 |
| Strategic Transportation Infrastructure Program | - | 13.3 | 35.0 | Community Airport Program (75% provincial/25% municipal); Local Road Bridge | 258 |

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|---|---|---|--|---|---|
| | | | | Program (75% provincial/25% municipal); Resource Road Program (50% provincial/50% municipal, max. \$3M/project) | |
| Building Canada Fund – Small Communities | 74.0 | 74.0 | 31.0 | None. Amounts reflect expected cash needs of municipalities over 5 years. | 215 |
| Flood Recovery/Mitigation Grants | - (Education) 75.8 (Environment and Parks) 14.2 (Municipal Affairs) | 2.0 (Education) 82.3 (Environment and Parks) 14.2 (Municipal Affairs) | 5.0 (Education) 20.1 (Environment and Parks) - (Municipal Affairs) | None | 101 (Education) 130 (part of elements 12.1 & 12.4) (Environment and Parks) 215 (element 12.3 High River – Long Term Recovery - Municipal Affairs) |
| UNDRIP – Access to Regional Drinking Water Systems | - | - | 25.0 | New – Criteria to be announced | 258 |
| Climate Leadership Plan (Transportation)*** | - | - | 7.0 | None | 258/265 (part of element 7.3 GreenTRIP) |
| Municipal and Irrigation District Infrastructure Support | - | 2.0 | 7.0 | Municipal and Irrigation District Infrastructure Support to the City of Lethbridge | 37(part of element 5.1 Rural Economic Development) |
| National Disaster Mitigation Program | - | 4.5 | 3.8 | None | 130 (part of element 4.4 Flood Adaptation) |
| Alberta Municipal Infrastructure Program | - | 0.1 | - | Program complete | 258 |
| Alberta Historical Resources Foundation's Heritage Preservation Partnership Program | - | 0.1 | - | | |
| Total Capital | 1,843.6 | 1,875.1 | 2,727.1 | | |

* Provincial contribution under GreenTRIP

**Provincial contribution under Water for Life

***Portion of GreenTRIP attributable to Climate Leadership Plan

| Operating Grants To Municipalities (\$million) | | | | | |
|--|------------------|------------------|------------------|-----------------------------------|--|
| Operating | 2016-17 Estimate | 2016-17 Forecast | 2017-18 Estimate | Explain any Grant Formula Changes | Estimates Page |
| Family and Community Support Services | 100.0 | 100.0 | 100.0 | None | 60 (part of element 6.2 Family and Community Support Services) |
| Grants in Place of Taxes | 56.5 | 55.5 | 59.3 | None | 214 |
| Police Assistance Grant | 55.8 | 55.8 | 55.8 | None | 189 (part of element 7.7 Policing) |

| | | | | | |
|---|-------------------------|-------------------------|----------------------|------|--|
| | | | | | Assistance to Municipalities) |
| Municipal Sustainability Initiative | 30.0 | 28.3 | 30.0 | None | 214 |
| New Police Officer Program | 30.0 | 30.0 | 30.0 | None | 189 (part of element 7.7 Policing Assistance to Municipalities) |
| Alberta Community Partnership | 20.0 | 18.5 | 18.5 | None | 214 |
| Community Housing – Municipally Owned Debt Subsidy | 2.7 | 2.7 | 2.7 | None | 235 (part of Family Community Housing) |
| Canada Winter Games | 0.8 | 0.8 | 0.8 | None | 81 (part of High Performance Sports) |
| Victims of Crime Fund – Municipalities-Direct Funding | 1.2 | 1.2 | 1.2 | None | 199 (part of Assistance to Victims' Organizations) |
| Urban Aboriginal Initiatives | 0.6 | 0.6 | 0.6 | None | 168 (program 2 – part of First Nations and Métis Relations) |
| Alberta Traffic Safety Fund | 0.4 | 0.4 | 0.4 | None | 258 (Program 3 – part of Traffic Safety Services) |
| Water Management Grants – Growing Forward 2 | 1.5 | 0.5 | 0.3 | None | 36 (elements 3.1-part of Irrigation and Farm Water & 3.2 Environmental Stewardship) |
| Emergency Preparedness Grant | 0.2 | 0.2 | 0.2 | None | 214 (AEMA element 9.6) |
| Family and Community Safety Program | 0.4 | 0.4 | 0.1 | None | 60 (part of element 6.3 Family and Community Safety) |
| Wood Buffalo Wildfire | - | 370.0 | - | None | 215 (part of elements 13.1 Wood Buffalo Wildfire – Response and 13.2 Wood Buffalo Wildfire - Recovery) |
| Flood Recovery/Mitigation Grants | 3.8 (Municipal Affairs) | 3.8 (Municipal Affairs) | -(Municipal Affairs) | None | 215 |
| Total Operating | 303.9 | 668.7 | 299.9 | | |

| Grants To Other Community Entities (\$million) | | | | | |
|---|--|--|---|---|---|
| Operating and Capital | 2016-17 Estimate | 2016-17 Forecast | 2017-18 Estimate | Explain any Grant Formula Changes | Estimates Page |
| Housing Operating | 152.0 | 164.1 | 162.3 | None | 235 (part of most housing programs) |
| Support for Legal Aid | 68.5 | 77.9 | 81.4 | None | 188 |
| Alberta Innovates | 58.4 | 58.4 | 49.6 | None | 92 |
| Housing Capital | 30.0 | 105.0 | 47.9 | None | 235 (part of most housing programs) |
| Community Facility Enhancement Program | 38.0 | 38.0 | 38.0 | None | 69 |
| Library Services Grant (Operating) | 29.4 | 29.4 | 29.8 | Adjustment to use current (2016) population for per capita operating grants to public library boards. | 215 |
| Organized and Serious Crime (ALERT) | 29.1 | 29.1 | 29.1 | None | 189 |
| Jobs, Investment and Diversification | 23.0 | 20.2 | 25.0 | None | 86 (part of Program 5 Jobs, Investment and Diversification) |
| Communities Initiatives Program | 24.5 | 23.5 | 24.5 | None | 68 |
| Irrigation Rehabilitation Program | 19.0 | 19.0 | 19.0 | None | 37 (element 3.3 Irrigation Infrastructure Assistance) |
| Family and Community Safety Program | 15.2 | 15.2 | 15.5 | None | 60 (part of element 6.3 Family and Community Safety) |
| Victims of Crime Fund – Indirect Funding | 13.6 | 13.6 | 15.3 | None | 199 (part of Assistance to Victims' Organizations) |
| Major Fairs | 15.3 | 15.3 | 15.3 | None | 68 |
| Economic Development | 20.3 | 20.3 | 14.1 | None | 86 (part of elements 2.1 Program Delivery Support, 2.2 Industry Development, 2.3 Entrepreneurship and Regional Development, and 2.4 Northern Alberta Development Council) |
| Science and Innovation | 9.6 | 9.6 | 13.4 | None | 86 (part of elements 4.2 Innovation and System Engagement, 4.3 Science and Innovation Policy and Strategy, 4.4 Technology Partnerships and Investment) |
| Library Grants (Capital) | - | - | 12.7 | None | 215 |
| Agriculture Service Boards Grants | 11.4 | 11.3 | 11.3 | None | 36 (part of element 5.4 Agricultural Service Boards) |
| Climate Leadership Plan | - (Economic Development and Trade) - (Indigenous Relations) | - (Economic Development and Trade) 5.8 (Indigenous Relations) | 10.0 (Economic Development and Trade) - (Indigenous Relations) | None | 86 (Economic Development and Trade) 168 (part of element 10 Climate Leadership Plan – Indigenous Relations) |
| Summer Temporary | 10.0 | 10.0 | 10.0 | None | 204 |

| | | | | | |
|---|--|---|---|--|---|
| Employment Program | | | | | |
| Rural Gas and Electric | 3.9 | 3.6 | 3.9 | | 37(part of 5.1 Rural Economic Development) |
| Watershed Resiliency and Restoration | - | - | 3.5 | None | 130 (part of element 4.4 Flood Adaptation) |
| Flood/Disaster Assistance | 17.7 (Environment and Parks) 6.6 (Indigenous Relations) | 7.7 (Environment and Parks) 4.8 (Indigenous Relations) | - (Environment and Parks) 3.1 (Indigenous Relations) | | 130 (part of elements 12.1 Infrastructure Recovery and 12.4 Community Stabilization - Environment and Parks) 168 (part of element 8.2 Administrative and Capacity Support – Indigenous Relations) |
| Environmental Stewardship Program (Growing Forward 2) | 8.0 | 5.9 | 2.9 | Funding allocation based on program priorities along with 25% of the Federal credit recovery budget was moved from 2017-18 into the 2016-17 Budget | 36 (part of element 3.2 Environmental Stewardship) |
| Alberta Historical Resources Foundation – Support for Provincial Heritage Organizations | 2.1 | 2.1 | 2.1 | None | 80 |
| Environmentally Sustainable Agriculture Grants | 1.8 | 2.0 | 2.0 | None | 36 (part of element 3.2 Environmental Stewardship) |
| Other Initiatives Program | 2.1 | 2.0 | 2.0 | None | 68 |
| Public Lands Trail Development | - | - | 1.3 | None | 130 (element 3.2 Public Land Management) |
| Aboriginal Friendship | 1.1 | 1.1 | 1.1 | None | 168 (part of program 2 First Nations and Métis Relations) |
| Ad-hoc Justice | 1.0 | 1.0 | 1.0 | None | 188 and 189 (part of elements 1.5 Human Resources, 7.1 Program Support, 7.4 Law Enforcement Standards and Audits, 7.5 Contract Policing and Policing Oversight, 8.4 Adult Community Correctional Services, various) |
| Human Rights – Support to Community Groups | 1.0 | 1.0 | 1.0 | None | 198 (part of Support to Community Groups) |
| Water Management Grants – Growing Forward 2 | 1.1 | 1.1 | 0.6 | None | 36 (part of element 3.1 Irrigation and Farm Water) |
| Francophone Secretariat Grants | 0.6 | 0.6 | 0.6 | None | |
| Fire Services and Emergency Preparedness | 0.5 | 0.5 | 0.5 | None | 214 (part of element 8.3 Office of the Fire Commissioner) |
| Restorative Justice | 0.4 | 0.4 | 0.4 | None | 199 (part of Assistance to Victims' Organizations) |
| Youth Justice | 0.6 | 0.6 | 0.4 | None | 173 (part of element 8.5 Young Offender Community Correctional |

| | | | | | |
|--------------------------|--------------|--------------|--------------|------|--|
| | | | | | Services) |
| Search and Rescue Grants | 0.2 | 0.2 | 0.2 | None | 214 (part of element 8.3 Office of the Fire Commissioner) |
| Wood Buffalo Wildfire | - | 199.0 | - | None | 215 (part of elements 13.1 2016 Wood Buffalo Wildfire – Response and 13.2 2016 Wood Buffalo Wildfire – Recovery) |
| Air Policy | - | 0.4 | - | None | 130 |
| Total | 616.0 | 899.7 | 650.7 | | |

3. How does *Budget 2017* support the needs of our growing seniors population (e.g., “aging in place”, continuing care, transportation services, seniors housing), affordable housing, and the elimination of homelessness? As part of the response, please complete the following chart:

| (\$million) | 2016-17 Estimate | 2016-17 Forecast | 2017-18 Estimate |
|---|------------------|------------------|------------------|
| Seniors Community Housing - Operational | 74.1 | 72.9 | 73.7 |
| Health Continuing Care Capital Grants | 43.0 | 62.5 | 122.0 |
| Seniors Community Housing Capital Grants | 20.3 | 74.7 | 25.8 |
| Senior Community Housing Capital Investment | 196.5 | 127.0 | 213.1 |
| Family Community Housing Capital Grants | 9.7 | 30.2 | 22.1 |

Budget 2017 continues the momentum of previously approved continuing care beds capital projects to deliver needed care spaces across the province. Many projects have progressed from the planning to construction phases of development. The completion of these spaces provides a unique opportunity to help alleviate pressures on our health system and to allow more Albertans to age-in-place in their own communities.

| (\$million) | 2016-17 Estimate | 2016-17 Forecast | 2017-18 Estimate |
|---------------------------|------------------|------------------|------------------|
| Operating Support | | | |
| Family Housing: | | | |
| Rent Supplement | 66.6 | 66.6 | 66.6 |
| Community Housing | 51.7 | 57.0 | 56.7 |
| Emergency Housing | 1.4 | 1.8 | 1.4 |
| Special Needs Housing | 5.8 | 16.0 | 15.2 |
| Homeless Support: | | | |
| Homeless Shelters | 40.1 | 40.1 | 43.1 |
| Outreach Support Services | 87.4 | 87.4 | 90.3 |
| Women’s Shelters | 48.9 | 48.9 | 49.7 |
| Balance of Program | 4.9 | 4.9 | 4.3 |
| Capital Investment | | | |
| Family Community Housing | 62.5 | 17.3 | 44.8 |

The Ministry of Seniors and Housing consolidated expense is budgeted at \$683 million in 2017-18 (excluding debt servicing costs). This budget includes \$365 million for the Alberta Seniors Benefit, supporting about 150,000 low income seniors. This budget also includes \$262 million for programs delivered by the Alberta Social Housing Corporation, with \$100 million for seniors housing and \$67 million for the rental assistance program.

The Government of Alberta remains committed to helping lower-income families and others find a safe and affordable place to live. *Budget 2017* provides operating support of \$78.7 million in 2017-18 for Family

Community Housing, a 28% increase over 2016-17. In addition, \$44.8 million in capital investment is budgeted for Family Community Housing in 2017-18.

There is \$187 million budgeted in 2017-18 (Estimates page 60) for homeless and outreach support programs. This budget will help house about 2,000 homeless Albertans this year and support nearly 3,300 spaces in 26 homeless shelters, 710 beds in 30 women's emergency shelters, programming in 11 second-stage shelters, and outreach supports to women and children leaving family violence. Since 2009-10, over 14,195 Albertans who were homeless have been provided housing and supports to help them remain housed.

4. What is the financial impact on municipalities of any new or revised fees, charges or other costs under *Budget 2017*? As part of the response, please complete the following chart:

There are no new or revised fees, charges or other costs in *Budget 2017* that impact municipalities.

5. How and when will the province collaborate with municipalities in its review of the expired Municipal Sustainable Initiative funding and how will this link to city charters?

The Government of Alberta (GoA) recognizes the important role municipalities play in the province and is working hard to help sustain critical infrastructure projects during these challenging economic times. The GoA knows how important the Municipal Sustainability Initiative (MSI) funding is to municipalities and is committed to providing municipalities stable and predictable funding.

Municipal Affairs has been gathering feedback on the MSI through a variety of avenues, including meetings with the minister, conference attendance and ongoing advisory support from Municipal Affairs staff. Municipal Affairs will continue to engage in meaningful discussions as part of the review. While the specifics of these discussions have not been determined, the GoA acknowledges that input from municipalities and/or their representative associations will play a critical role in the development of the review of MSI.

The City Charters are being developed in partnership with Calgary and Edmonton to address the cities' unique challenges and opportunities. The charters are expected to ensure the cities have the tools necessary to manage growth; provide necessary services to residents; and attract the trade, investment and jobs that benefit all Albertans. To support these objectives, the province and cities are committed to exploring a potential new fiscal framework as part of the charter development process.

6. Will the province commit to developing a new program that is statutory and indexed to provide funding certainty to municipalities, in order to align with the MGA requirement for municipalities to develop three and five year financial plans? If not, how can municipalities be expected to plan with this kind of required certainty?

The Government of Alberta (GoA) understands that municipalities value predictable funding. That is why we have maintained Municipal Sustainability Initiative (MSI) levels for the past several years, despite the province's fiscal challenges due to lower oil and gas prices and reduced resource revenue. We look forward

to continuing to engage in meaningful discussions with Alberta's municipalities and municipal associations to determine the most effective way to support infrastructure needs moving forward. The GoA will be reviewing funding to municipalities to help them address their priorities, as well as the requirements of the *Modernized Municipal Government Act*.

7. 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)?

The *Modernized Municipal Government Act* expanded the scope of offsite levies, such that municipalities can charge offsite levies for police stations, fire halls, libraries and recreation centres. This will permit municipalities to require developers to contribute towards the cost of needed infrastructure. The Government of Alberta also intends to introduce additional amendments to the MGA for the Legislative Assembly's consideration.

Alberta recognizes the essential role that infrastructure plays in supporting local communities. We are committed to working with our municipal partners to explore all ideas.

8. How will the province ensure that bilateral agreements for federal infrastructure funding are signed in a more timely manner, aligned with each government's share of taxes (i.e., a cost sharing agreement of 50% federal; 40% provincial; and 10% municipal) and reflective of an outcomes based rather than application based approach?

Despite significant fiscal challenges, the Government of Alberta (GoA) has demonstrated a clear commitment to ensuring municipalities have financial support for their infrastructure priorities. We have signed a bilateral agreement with the federal government for Phase One of the federal infrastructure plan, with the first phase totaling more than \$543 million for Alberta including \$345 million for the Public Transit Infrastructure Fund and \$132 million for the Clean Water and Wastewater Fund. As part of this agreement, our government has committed \$185.7 million towards transit projects approved under the Public Transit Infrastructure Fund, and an additional \$106 million to support projects that also received federal funding through the new Government of Canada Clean Water and Wastewater Fund. In addition, we approved \$156.5 million for GreenTRIP projects which did not receive federal funding.

As we now look ahead to Phase Two, we are continuing to work to harmonize the criteria of our funding programs so we can fully leverage federal dollars. This funding will benefit municipalities in Alberta. Phase Two of the federal infrastructure program is \$81.2 billion to be allocated over 11 years. Based on historical allocations, we estimate approximately 10 per cent may be allocated to Alberta which means we can expect approximately \$8 billion for our province. We continue to commit to working with the federal government to maximize funding for the province and for Alberta's municipalities.

Alberta will continue to work closely with our federal colleagues to ensure that future agreements signed with the federal government reflect the requirements and capacity of all partners, while respecting the responsibilities of each jurisdiction as well as the financial capacity of each partner.

Additionally, the federal government is placing an increasing focus on program outcomes, such as the Gas Tax Fund and Small Communities Fund programs. This will include collecting more information on project outcomes, to help communicate the benefits of program funding in communities across Canada. However, applications play an essential role in this process by ensuring that all projects are eligible for funding, and that the federal government is aware of projects that will be using federal funding. Alberta will work with the federal government to ensure that application processes are as streamlined as possible, within the conditions of the program set by the federal government.

9. With the upcoming changes to 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? (e.g., to assist in regional collaboration)

Changes to the MGA will bring about a streamlined and modernized approach to the legislation that will better serve municipalities and their residents. Some of the changes will take place very soon after the municipal elections to ensure that all municipalities have a consistent and coordinated approach, and other changes come into force later so that municipalities have the 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 that municipalities are well supported in adjusting to the changes to the MGA. We will be developing materials that will assist all stakeholders including municipalities, business and industry, and the public in navigating the new legislative framework.

This work is expected to continue over the next several months and new information and tools will be made available as they are completed. It is expected that change management supports 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 with the effective roll-out of the centralized assessment of designated industrial properties, ensuring that 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 to support municipalities as they implement the *Modernized Municipal Government Act* (MMGA). 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 operating expenses related to compliance with the new provisions in the MMGA. Finally, municipalities continue to be 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.

10. How is the province supporting the viability of small urban municipalities through *Budget 2017* compared to Budget 2016 (e.g., base grants, economic development, tourism, capacity building, etc.)?

Budget 2017 includes nearly \$2 billion in transit, transportation and water infrastructure grant funding initiatives to support communities throughout Alberta, including small urban municipalities. In addition, more than \$511 million is available in federal grant funding for water and transit projects throughout the province—more than \$190 million through the federal Clean Water and Wastewater Fund and \$320 million through the Public Transit Infrastructure Fund.

This includes \$1.4 billion for urban, rural and regional transit to connect communities and help Albertans access affordable transportation options. \$305 million will be available over four years to support transit initiatives with funding beginning in 2017-18, to support both regional and green transit infrastructure projects in Alberta. \$855 million will be available through the Green Transit Incentives Program (GreenTRIP), and \$120 million to match federal funding provided through the New Building Canada Fund for the Edmonton Valley Line LRT project (an additional \$30 million was included for this in 2015-16). It also includes \$100 million 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 .

As well, *Budget 2017* includes \$474 million in Water for Life and Alberta Municipal Water and Wastewater Partnership grant programs over four years to support smaller communities and regional projects in rural Alberta.

The Government of Alberta will also work with federal and municipal partners to help provide Indigenous communities with reliable access to clean and safe drinking water to help reduce or eliminate boil water advisories. *Budget 2017* includes \$100 million over four years for water projects that provide Indigenous communities with access to regional drinking water systems. This funding is part of the Government of Alberta's support for the United Nations Declaration on the Rights of Indigenous Peoples. This support will allow First Nations to connect to new and existing regional water systems, helping to improve the quality of life in these communities.

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.

Alberta Culture and Tourism will continue to work with over 120 community and regional visitor information centres to provide seasonal training and other supports that help them to contribute to Alberta's visitor economy. Small urban municipalities can access and benefit from tourism development and marketing supports such as:

- Supports for small urban municipalities to explore and develop recreation and tourism opportunities in diverse communities across the province;

- Grant programs, from the Community Initiatives Program to the Community Facilities Enhancement Program that provide funding for many worthwhile community events and facilities that are the foundation for vibrant communities and economic growth;
- The Tourism division's research and product development efforts. The ministry creates partnerships with local organizations to build and enhance tourism experiences that attract targeted traveler types;
- The Tourism Entrepreneurship program which helps small urban municipalities by engaging local citizens interested in either establishing a business or adapting their current business;
- By promoting Alberta's tourism investment opportunities nationally and internationally, Culture and Tourism connects local business with new sources of capital for business expansion; and
- Travel Alberta's Cooperative Marketing Investment Program which supports the growth of Alberta's tourism industry by investing in Alberta industry-led marketing initiatives to increase their marketing capacity, resulting in increased tourism revenues.

11. Has the province reinstated the Grants in Lieu of Taxes (GILT) funding for social housing to honour its share of the financial responsibility associated with services to these facilities? If not, why and how will the province incent communities to build new social housing if appropriate taxes are not available to compensate for services provided?

Budget 2017 maintains the funding decision made in Budget 2015 to discontinue the Alberta Social Housing Corporation's Grants in Place of Taxes (GIPOT) program. These grants were discontinued rather than reduce funding in other important areas such as tenant supports and property maintenance. We realize this decision affects municipalities, but we need to be fiscally prudent and maintain programs and services for the most vulnerable Albertans so they can remain in their communities. Alberta Seniors and Housing will continue to work with community housing partners to deliver services, meet growing waiting list demands, and find innovative solutions to spend money more wisely without compromising work to assist those in need.

The province is committed to ensuring that all Albertans have access to housing. As such, we have brought forward new provisions in the MMGA that make affordable housing projects easier through inclusionary housing. These new provisions will allow municipalities to require from a developer the dedication of land for affordable housing, or cash in lieu for the purpose of providing units. The MGA inclusionary housing provisions are not related to taxes, but empower municipalities to requisition contributions to affordable housing from a developer. This will support municipalities in developing housing solutions that meet their own unique requirements. The Inclusionary Housing draft regulation is expected to be released in the coming weeks and will be posted for 60 days to allow for public input.

12. What does *Budget 2017* provide for transportation infrastructure funding (e.g. transit infrastructure, highway rehabilitation, bridge construction, highway road networks, intermunicipal/rural bussing, etc.) compared to Budget 2016?

Budget 2017 includes more than \$5.1 billion in capital investment for transportation infrastructure over the next four years to build and expand Alberta's provincial highway network. This represents a decrease of \$547.6 million compared to *Budget 2016* (2017-21) and is primarily related to the Southwest Calgary Ring Road contract coming in lower than expected, offset by increased funding for various provincial highway construction projects across the province.

- Of the \$5.1 billion, funding will be provided for transportation infrastructure across the province as follows:
 - ✓ \$1.7 billion for Edmonton and Calgary Ring Roads;
 - ✓ \$109 million for Northeast Alberta Strategic projects;
 - ✓ \$1.1 billion for Provincial Highway Construction projects;
 - ✓ \$1.75 billion in highway and P3 rehabilitation, including slide repairs; and
 - ✓ \$377 million in bridge construction.

In 2017-18, nearly \$1.35 billion in capital investment will be provided for highway infrastructure benefitting communities. Examples include:

- \$382.5 million for Edmonton and Calgary Ring Roads;
- \$43.3 million for Northeast Alberta Strategic projects;
- \$456.4 million for Provincial Highway Construction projects throughout the province, including interchanges, intersections and twinning, widening and expansion projects;
- \$388 million in highway rehabilitation, including P3 rehabilitation and slide repairs; and
- \$68.2 million in bridge construction.

Between 2017-21, \$1.4 billion in financial support will be provided to Alberta municipalities for transit and transportation infrastructure. Over this period, \$855 million is for the Green Transit Incentives Program (GreenTRIP) and includes \$7 million for green infrastructure as part of the Government of Alberta's Climate Leadership Plan, \$305 million for the Alberta Community Transit Fund, \$100 million for the Strategic Transportation Infrastructure Program and \$120 million to match federal funding provided through the New Building Canada Fund for the Edmonton Valley Line LRT project (an additional \$30 million was provided for this in 2015-16). This four-year total represents an increase of nearly \$82 million compared to *Budget 2016* (2017-21).

The \$1.4 billion noted above excludes \$320 million in federal grant transfers under the Public Transit Infrastructure Fund.

Alberta Transportation has been working on a new province-wide public transportation strategy to help meet the needs of Albertans living in communities across the province. Public engagement for this strategy is also helping Transportation to develop future funding plans, including rural bus service initiatives. Details on the strategy and funding components are expected to be released later this year.

Alberta Transportation is also working with the Alberta Climate Change Office to determine how to best allocate revenues collected from carbon pricing. A portion of collected revenues will be invested directly into measures to reduce pollution, including clean energy research and technology, and green infrastructure, such as public transit. These programs will help support the Government of Alberta's goal of reducing greenhouse gas emissions as part of the Climate Leadership Plan.

13. How does *Budget 2017* allocate revenue from the carbon levy to provide municipalities a rebate and support communities, whose economies are dependent on high carbon industries, in transitioning to low carbon economic activities?

Since it was announced in November 2015, action on the Climate Leadership Plan has been swift, meaningful and focused on creating jobs, lowering emissions and diversifying the economy.

Budget 2017 provides the financial capacity for Alberta to continue to take action on climate change and protect our environment, protect Albertans' health and protect our economy.

Budget 2017 allocates funding to a number of program areas that will directly support municipalities in the transition to a low carbon economy. Examples include:

- Energy efficiency programming to help Albertans and communities save money and reduce energy consumption;
- Capital investment and green infrastructure funding to reduce emissions from Alberta buildings, and for investment in public transportation; and
- Targeted programs to address unique challenges for some municipalities including a grant program for Lloydminster fuel retailers to offset the difference between the total carbon levy and fuel tax and the fuel tax in Saskatchewan.

14. How is the government updating the Remediation Certificate Program to bring it in line with successful programs in other provinces? When and how will AUMA and municipalities be re-engaged in this important initiative to redevelop brownfields?

The Government of Alberta is reviewing the regulation and operation of the Remediation Certificate Program based on learnings from other jurisdictions and recommendations from the 2012 Brownfield Working Group report. Municipalities and the Alberta Urban Municipalities Association (AUMA) were important contributors to the working group report.

Since the 2012 recommendations, the following has been accomplished:

- Release of the Contaminated Site Policy Framework (2014);
- Release of the updated Tier 1 and Tier 2 Alberta soil and water guidelines (2016);
- Hiring a Brownfield Coordinator (2016);
- Creating a cross-ministry Contaminated Sites Steering Committee to ensure coordinated leadership in this policy area (2016);
- Updates to the *Municipal Government Act* concerning taxation powers to support brownfield redevelopment, and negotiations on the Big City Charters; and

- Draft Risk Management Plan guidance (due to be finalized summer 2017).

The Remediation Certificate Regulation is being reviewed and focuses on closure mechanisms, reporting requirements, risk management and remediation guidelines as well as lessons from other jurisdictions. These are intended to assist in brownfield redevelopment by clarifying remediation and reporting requirements for contaminated sites in the province.

Our department continues to work closely with municipalities and the AUMA in this review to provide clear direction and recommendations on some of the necessary changes that could be implemented to address brownfield situations in Alberta. Engagement plans are not yet finalized but Environment and Parks commits to engaging municipalities and the AUMA in ensuring any regulation change addresses the key impediments to brownfield redevelopment and is practically implementable.

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

For municipalities and individuals impacted by the phasing-out of coal, the Climate Leadership Plan will phase-out coal emissions in a fair and balanced way that will help communities and Albertans through the transition. To do this, the government formed the Advisory Panel on Coal Communities (APCC) to ensure workers and community members are consulted and heard, and to understand their challenges and ideas for the long-term economic sustainability of their communities.

The panel members are experts in the areas of jobs and training, economic development, industry, local governance and indigenous relations.

They will meet with stakeholders and First Nations to:

- examine the potential effect of the retirements of coal-fired generation plants and associated mining operations on communities; and
- identify strategies to support worker transition.

These meetings will help the panel fully understand the challenges and opportunities communities are facing so that next steps are responsive to concerns and align with community priorities.

The panel will submit a report with comprehensive advice and options to the government on an approach to support affected workers and communities. The report will include:

- what the panel heard from community members;
- an assessment of relevant regulations, policies and programs that support workers and communities;
- an assessment of local knowledge, interests and perspectives related to economic impact and retraining opportunities;
- recommendations for connecting impacted communities to Government of Alberta resources; and
- recommendations and guidance to support community economic transition, as well as specific actions that government can take to support workers and communities during the transition.

The panel is expected to report back to government in early 2017. We will work with local elected officials to get information to communities as soon as it's available.

The panel will hold facilitated discussions with stakeholders and First Nations in communities most affected by the retirements of coal-fired generation facilities and associated mining operations.

The panel will meet with:

- municipal leaders;
- First Nations;
- community economic development organizations;
- small businesses; and
- affected workers in impacted communities.

There is also an online survey that all Albertans may fill out and submit to ensure their voice is heard as we transition away from pollution from coal fired electricity generation.

16. How will the province address the increased risk of abandoned energy infrastructure and orphaned wells so that they are remediated and do not become a burden on municipalities?

The Government of Alberta is committed to ensuring the liabilities associated with the full life cycle of energy development are managed appropriately and that Albertans and the environment are protected.

The Government of Alberta is currently reviewing the management of historic, current and future liabilities associated with oil and gas wells and facilities. Alberta Energy, Alberta Environment and Parks and the Alberta Energy Regulator are actively looking for ways to make sure Alberta is addressing full-lifecycle management of energy development and to reduce the volume of inactive wells and facilities. The primary goal is to ensure that Albertans are protected from the financial, environmental, health and safety risks associated with energy development while also keeping Alberta as a competitive place to invest.

The Government of Alberta adheres to the polluter-pays principle. It is the expectation of Albertans and of government that industry should continue covering the costs related to cleaning up and decommissioning oil wells and associated infrastructure.

17. How will the province's actions on the UN Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Report impact municipalities and what supports will be available? Further, how will the province fund municipalities to assist in undertaking the proposed provisions for the spring MGA bill concerning Indigenous collaboration?

The Government of Alberta (GoA) has committed to implementing the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration). Municipal governments are encouraged to become aware of the UN Declaration as a way to renew and enhance relationships with Indigenous communities and Indigenous residents. Municipal governments are also encouraged to develop protocol agreements with Indigenous communities as one method to enhance relationships, such as the recently signed Enoch – Edmonton Memorandum of Agreement.

As a provider of local services, municipal governments have an important role to play in delivering services to Indigenous peoples and communities. For example, utility services, such as water and wastewater systems, are key areas where municipalities and neighboring First Nations can work together. The Government of Alberta has dedicated \$100 million in capital funding over the next four years to increase First Nations' participation in regional and municipal water systems. While not a solution to all First Nations' water concerns and issues, these tie-ins are a tangible and attainable step toward some First Nation reserves in Alberta obtaining more reliable access to clean and safe drinking water.

The GoA does not have a specific fund for municipalities to support their involvement in implementing the principles of the UN Declaration or the Truth and Reconciliation Report. That said, there are many things all governments, including municipal governments, can do to improve relationships and foster partnerships with Indigenous peoples that don't require additional or special funding. Changing the way we talk to, listen to, and collaborate with Indigenous peoples is a fundamental principle of the UN Declaration.

One option available to support municipalities is the Alberta Community Partnership Mediation and Cooperative Processes grant. This grant supports municipalities and Indigenous communities in working together by helping build cooperation protocols and/or specific servicing or cost sharing agreements. The grant helps support the hiring of a consultant to help facilitate negotiations and build protocols and/or agreements. The grant is up to \$50,000 per application.

18. Given the recent increase in Alberta's crime, how does *Budget 2017* ensure that the Municipal Police Assistance Grant and the Alberta Law Enforcement Response Team (ALERT) are increased to reflect the costs of providing policing with urban municipalities (that are currently paying for police costs) and is fair for all types of municipalities? How will police funding move towards an outcome of crime prevention and safe communities?

The government is committed to safe and resilient communities. *Budget 2017* will maintain the current level of funding for both Policing Assistance to Municipalities and the Organized and Serious Crime (ALERT) grants. The objectives of the Municipal Policing Assistance Grant (MPAG) are to help communities better meet the costs of policing services and support government's commitment to address the financial impact of policing on municipalities. Municipalities are expected to use the funds to ensure they have adequate and effective policing and policing oversight, assist in implementation of provincial policing initiatives, and/or enhance policing services to its residents. As such, police services can use the MPAG to fund policing initiatives related to crime prevention and safe communities, if that is the priority and objective

identified through the police service’s annual planning process. It is the prerogative of the police service’s oversight body and chief of police to determine how best to use the MPAG to ensure the municipality’s policing needs are met.

19. How does *Budget 2017* contribute to the resourcing issues for Crown Prosecutors arising from the Supreme Court’s R. vs. Jordan decision to ensure that charges for serious and violent crimes are not stayed?

It is critical that Albertans have confidence in the justice system. That takes resources, which is why the Government of Alberta is investing in the system. On March 9, 2017, government announced plans to address the court backlog by funding 35 Crown prosecutor positions, in addition to the 15 positions to which the Alberta Crown Prosecutor Service (ACPS) is currently recruiting. This funding will allow the ACPS to return to full complement to help ease the current workload pressures facing Crown Prosecutors’ offices. In light of the recent Supreme Court of Canada decision in R v Jordan, this new investment is more important than ever, and will help prevent court cases from being lost due to delay. ACPS is also taking a ‘triage approach’ to ensure Crown and court resources are used proportionately with the seriousness of the case. This ensures that the most serious and violent offences are prioritized. However, the work of individual Crown prosecutors remains independent, and they will continue to exercise their discretion in determining how best to proceed based on a case-by-case review.

20. 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 2017* compared to *Budget 2016*?

| (\$million) Alberta Health | 2016-17 Budget | 2017-18 Estimate | Increase % |
|--|-------------------|---------------------|---------------|
| Addiction and Mental Health – operating grants | 45.7 | 76.8 | 68% |

The Addiction and Mental Health program received an increase of \$31 million or 68 per cent in 2017-18. The Government of Alberta is allocating \$15 million of this increase to implement the recommendations in the Valuing Mental Health Report. More details on related projects and funding implications will be released.

In the year since the Valuing Mental Health report was released (February 2016), the government has taken action on six immediate actions with an initial \$10 million investment. This included opening more detox beds for adults and children, developing a website to help Alberta youth identify early signs and symptoms of addiction and mental health issues and get the help they need, started working with Indigenous groups to develop an opioid addiction plan of action, developing a performance monitoring framework to measure progress and collaborating with government and community partners to respond to the report.