

Alberta 2017-18 Provincial Budget Highlights

For municipalities

Overview

On March 16, 2017, the Alberta Finance Minister tabled the 2017-20 fiscal plan. This plan projects a deficit of \$10.3 billion in the 2017-18 fiscal year. This budget is focused on “creating good jobs, making life more affordable for Albertans and protecting the programs and services families count on.”¹

The fiscal plan forecasts growth in 2017-18 at 2.6%; a number that is slightly lower than the Conference Board of Canada’s prediction of 2.8%.²

There is a strong emphasis on infrastructure spending with plans to upgrade and build new schools, hospitals, court houses, roads, and bridges.³

Municipal Infrastructure Support

Provincial infrastructure support remains consistent with the prior year. Notable exceptions are a decrease in the Building Canada Small Community fund, an increase in Green Trip, and the addition of new grants.

Figure 1⁴

Municipal Infrastructure Support	2016-17 Budget	2017-18 Budget	Increase (Decrease)
In Millions (\$)			
Community Facility Enhancement Program	\$ 38	\$ 38	\$ -
Federal Gas Tax Fund	\$ 219	\$ 222	\$ 3
Green Trip	\$ 125	\$ 477	\$ 352
Municipal Sustainability Initiative Capital	\$ 846	\$ 846	\$ -
Basic Municipal Transportation Grant	\$ 360	\$ 335	\$ (25)
Alberta Community Transit Fund	\$ -	\$ 40	\$ 40
Building Canada Small Communities Fund	\$ 74	\$ 31	\$ (43)
Public Transit Infrastructure Fund	\$ -	\$ 285	\$ 285
Strategic Transportation Infrastructure Program	\$ -	\$ 35	\$ 35

Municipal Library Support	2016-17 Budget	2017-18 Budget	Increase (Decrease)
Library Funding	\$ 37	\$ 50	\$ 13

¹ <https://www.alberta.ca/release.cfm?xID=46478777E0E3B-DED9-14AA-2B281C09EC858025>

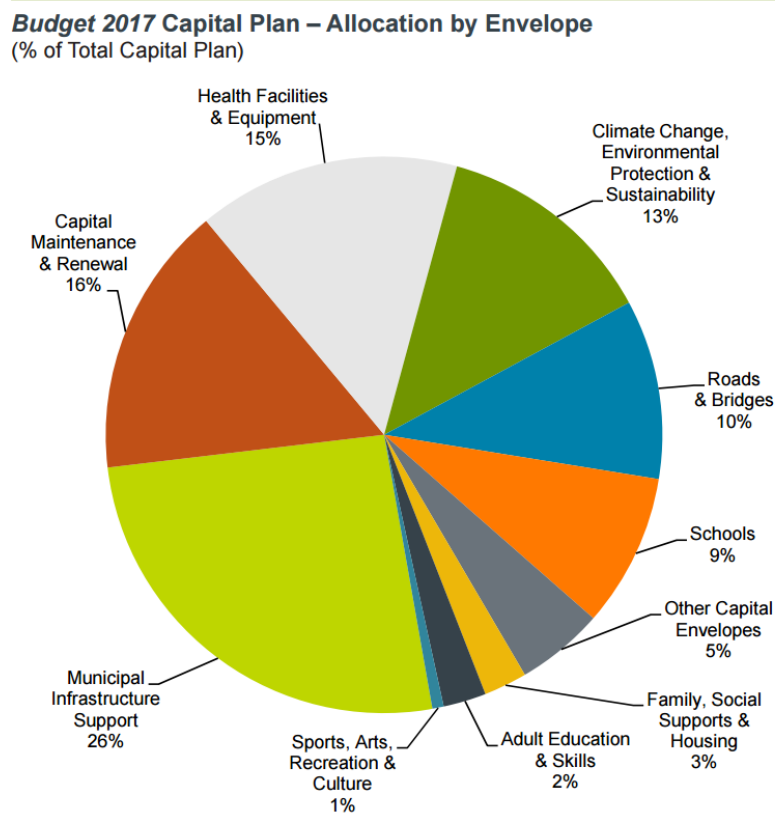
² <https://www.alberta.ca/release.cfm?xID=46478777E0E3B-DED9-14AA-2B281C09EC858025>

³ <https://www.alberta.ca/release.cfm?xID=46478777E0E3B-DED9-14AA-2B281C09EC858025>

⁴ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>, Parkland County Financial Services Department

Figure 2 illustrates how the Provincial budget allocated its capital funds. The chart shows 26% support for municipal infrastructure. This number is consistent with the allocation received in the previous year.

Figure 2⁵



Unfunded Capital Projects

Unfunded capital projects are included in the Capital Plan and are defined as projects that meet the priority criteria used by the government to prioritize projects but not included as capital projects in the 2017 fiscal year. Included in this list is “Highway 60, Capital Improvements, Over CNR (new railway overpass) N of Hwy 16A to S of Hwy 16 (Acheson).”⁶ This indicates that the province is looking at this project seriously but that it will not be part of the 2017 Capital Plan.

Energy Efficiency Program

The 2017 provincial budget includes \$566 million to support small scale renewable energy projects undertaken by farms, schools, municipalities and Indigenous communities. This program may benefit both Parkland County as a municipality and the residents of the county directly.

⁵ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>

⁶ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>

Coal Pollution Phase Out

The 2017 Fiscal Plan includes \$1 billion over a period of 3 years for other climate leadership initiatives. There are a number of groups eligible for this funding one of which is identified as “adjustment funding for coal communities.” The Plan further states that “The government is also committed to working with communities and workers to support the transition towards the phase-out of coal power emissions.”⁷

2017 Budget Outcome for Municipalities

It is clear that there have been no significant funding shifts for municipalities within the 2017 provincial budget. The NDP have remained consistent in their approach to municipal funding. Appendix A includes other information relevant to the County and to the rate payers of Parkland County.

⁷ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>

Appendix A - Other information

Business Incentives

The Alberta 2017-2020 Fiscal Plan includes a tax break for existing small businesses and incentives for new businesses. These include:

- The Alberta tax rate for small businesses fell 33% from 3% to 2%⁸
- The 2 year Capital Investment Tax Credit program – provides eligible corporations with a 10% non-refundable tax credit of up to \$5M for eligible corporate expenditures on manufacturing, processing, and tourism infrastructure⁹.
- The Alberta Investor Tax Credit – provides a 30% tax credit for investors who make equity investments in Alberta research and development corporations, or corporations specializing in the commercialization of new technology, new products, new processes etc¹⁰.

Other

- Family and Community Support Services remains consistent at \$101 million
- The Provincial Government has accepted the recommendation of the Auditor General calling for improvements in the Disaster Recovery Program

⁸ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>

⁹ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>

¹⁰ <http://finance.alberta.ca/publications/budget/budget2017/fiscal-plan-complete.pdf>