

## AUMA Questions Regarding *Budget 2009*

1. Does *Budget 2009* show a movement towards the development of a formal Provincial-Municipal Sustainability Partnership Agreement that includes a new system of objective-based, annual transfers from the Government of Alberta to Alberta municipalities?

The province is not considering objective-based annual transfers to Alberta municipalities at this time.

The Municipal Sustainability Initiative (MSI) is Alberta's commitment to provide significant long-term funding to enhance municipal sustainability and to enable municipalities to meet the demands of growth. These objectives are being met by providing conditional grants to municipalities for the 10-year period from 2007-08 until 2016-17. This funding provides municipalities with an unprecedented level of support and a sustainable revenue source that enables long-term planning.

2. What is the budgeted breakdown of the education property tax requisition for 2009-10?

	Fiscal Year			Calendar Year		
	<u>2008-09</u> (\$million)	<u>2009-10</u> (\$million)	<u>% Change</u>	<u>2008</u> (\$million)	<u>2009</u> (\$million)	<u>% Change</u>
Residential	1,000	1,077	7.7	988	1,058	7.1
Non-Residential	637	645	1.3	629	643	2.2
Total	1,637	1,722	5.2	1,617	1,701	5.2

In fiscal year 2009-10, the revenue requirement for education property taxes is \$1.722 billion, an increase of \$85 million, or approximately 5.2 per cent, from 2008-09. The 2009-10 revenue requirement includes \$190 million that will be collected directly by municipalities for opted-out school boards.

In 2009, the provincial education property tax rates will fall by about 16.1 per cent. The residential/farm property rate will fall from \$4.04 to \$3.39 per \$1,000 of equalized assessment. The non-residential rate will fall from \$5.94 to \$4.98 per \$1,000 of equalized assessment. This marks the 16<sup>th</sup> consecutive year in which the provincial government has either reduced or frozen its property tax rates, for total reductions of about 56 per cent.

The property tax revenue requirement ensures continued stability and sufficient funding for Alberta's kindergarten to grade 12 education system. The increased revenue will also help to ensure that Alberta's basic education system continues to be among the best in the world.

3. In *Budget 2009*, how much money is allocated to the transition on Emergency Medical Services (EMS) from municipalities to the Government of Alberta? Is there a commitment that the amount allocated will cover 100 per cent of all municipal costs associated with the transition?

*Budget 2009* includes \$133 million in 2009-10 for Alberta Health Services to support the provision of EMS which were transferred from municipalities on April 1, 2009. As all operational costs will be carried by the health system, this move will free up current costs for municipalities, in excess of \$40 million province-wide. Any municipal costs incurred as a result of the transition will be more than offset by the savings from no longer being responsible for EMS.

4. What amount is allocated in *Budget 2009* to increase the provincial contribution to communities for the Government of Alberta's share of policing costs? How is the funding distributed by types of municipalities?

Program	2008-09 (\$000)	2009-10 (\$000)	% Change
Municipal Policing Assistance Grants	47,949	49,134	2.5
Organized Crime	17,781	28,313	59.2
Assistance for New Hires	7,000	20,000	185.7
Total	72,730	97,447	34.0

The Municipal Policing Assistance Grants and the Assistance for New Hires grants are available to all municipalities who pay for their own policing. Funding provided for initiatives to address organized crime benefit all municipalities.

Municipal Policing Assistance grants are calculated according to the following formula:

- Towns and cities with a population between 5,001 and 20,000 receive a \$200,000 base payment plus \$8.00 per capita.
- Cities with populations between 20,001 and 50,000 receive a \$100,000 base payment plus \$14.00 per capita.
- Cities with populations over 50,000 receive \$16.00 per capita.

The Alberta Official Population List published by Alberta Municipal Affairs is the basis for population numbers used in the calculation.

Funding of \$100,000 per officer is provided for new hires.

Under the Provincial Policing Service Agreement, \$177.3 million is included in 2009-10 for the Provincial Policing provided by the RCMP as well as nearly \$10 million for First Nation Policing.

**5. What has been budgeted in 2009 to meet the Government of Alberta's commitment to seniors housing, affordable housing and homelessness?**

Program	2008-09 (\$000)	2009-10 (\$000)	% change
<b>Operating Support:</b>			
Seniors Lodge Assistance	32,120	34,420	7.2
Family and Special Purpose Housing	47,786	47,786	-
Rent Supplements	72,817	56,000	(23.1)
Emergency/Transitional Shelter Support	38,000	40,500	6.6
Outreach Support Services	13,300	32,000	140.6
Homeless and Eviction Prevention Fund	77,500	34,000	(56.1)
Support to Providers of Seniors Housing	2,087	2,087	-
<b>Capital Grants:</b>			
Affordable Housing Program	276,600	177,600	(35.8)
Homeless Prevention Initiative	-	100,000	na
<b>Seniors Housing Capital Grants:</b>			
Affordable Supportive Living Initiative	77,997	50,000	(35.9)
Rural Affordable Supportive Living Initiative	2,000	-	(100.0)
<b>Total</b>	<b>640,207</b>	<b>574,393</b>	<b>(10.3)</b>

In addition to the funding outlined in the table above, important one-time funding was provided in 2008-09. \$9.3 million was provided for capital maintenance and renewal for affordable housing and seniors housing. \$2.3 million was provided through the Capital for Emergent Projects program for renovations and additions to seniors housing. Several multi-year programs also ended as scheduled in 2008-09, including the Seniors Lodge Renovations and Repairs program. Also, two federally funded programs concluded: the Off-Reserve Aboriginal Housing Program and the Affordable Housing Program.

**6. Have funds been allocated in 2009 to support the "aging in place" of Alberta seniors?**

In *Budget 2009*, \$50 million has been provided in each of the next three years for the Affordable Supportive Living (ASLI) program. This is in addition to \$80 million provided in 2008-09 to support the development of affordable supportive living spaces and \$15.6 million provided for lodge renovation and repairs. As well, Seniors and Community Supports has several programs to help seniors stay in their own homes including the School Property Tax Assistance Program, the Alberta Aids to Daily Living program and the Special Needs Assistance Program.

In addition to the funding provided through Seniors and Community Supports, Health and Wellness has budgeted \$40.7 million in 2009-10 for initiatives supporting implementation of the *Continuing Care Strategy – Aging in the Right Place*.

- 7. Does *Budget 2009* establish a program that i) helps defray the costs of cleaning up brownfield sites for developers of affordable housing, ii) provides immunity for those who invest in and develop these sites from any future liability regarding the site, and iii) includes a streamlined environmental approvals process for the redevelopment of such sites, as well as tax abatement and tax credits for so doing?**

The Government continues to honour its commitment to develop 11,000 new affordable housing units in Alberta. The province will take the lead in implementing Alberta's 10-year plan to end homelessness and continue to assist low-income Albertans, including seniors and persons with special needs, to stay in their homes by providing subsidized housing options.

Funding has not been allocated to assist developers with the cost of cleaning up the brownfield sites, nor does this budget make provision for potential future liabilities regarding redeveloped sites.

There are no new tax credits related to site redevelopment in *Budget 2009*.

- 8. Where in the 2009-12 Business Plan is there a commitment to a province-wide transit strategy and the funds to implement such a strategy?**

There is no commitment in the 2009-12 Business Plan for a province-wide transit strategy. However, \$520 million is provided over three years for the Green Transit Incentives Program (GreenTRIP), which will support projects to improve and expand local, regional, and inter-city public transit systems.

- 9. Does the 2009-12 Business Plan announce a partnership with the Government of Canada and the cities of Edmonton and Calgary to develop a long-term trilateral funding strategy for the maintenance and expansion of LRT in the province of Alberta?**

The 2009-12 Business Plan does not include a partnership with the Government of Canada, and the cities of Edmonton and Calgary to develop a long-term trilateral funding strategy for the maintenance and expansion of light rail transit in Alberta. As noted under Question #8, the province will provide \$520 million over three years through GreenTrip to improve and expand public transit systems, potentially including LRT systems.

- 10. What does *Budget 2009* allocate to Family and Community Support Services (FCSS), and how has this changed from *Budget 2008*?**

Approximately \$75.7 million has been budgeted in 2009-10 for FCSS, an increase of \$1 million from 2008-09.

**11. Does *Budget 2009* create a trust fund for energy management projects with long-term payback periods and greenhouse gas (ghg) emissions reduction impacts?**

The federal government provided Alberta with \$155.9 million as part of its \$1.5 billion ecoTrust for the Clean Air and Climate Change initiative (March 2007). Alberta Environment currently holds these funds in trust for Alberta. Due to project delays in 2008-09, provincial spending of the ecoTrust funds will begin in 2009-10. The projects that receive funds are intended to help reduce greenhouse gas emissions. The key areas of focus for ecoTrust funding are:

- Clean air and energy efficiency;
- Renewable energy;
- Clean carbon, and
- Carbon capture and storage.

As well, \$95 million in payments from industry to the Climate Change and Emissions Management Fund are expected in 2009-10, to be used to support projects with a focus on testing and implementing new clean energy technologies. *Budget 2009* also includes \$100 million in 2009-10 and \$800 million over three years for carbon capture and storage projects. With the potential to reduce emissions at facilities such as coal-fired electricity plants and oil sands extraction sites and upgraders, the projects are expected to reduce greenhouse gas emissions by up to five million tonnes annually by 2015.

**12. Is there a *Budget 2009* allocation for the development of a municipal climate change resource centre that will provide municipalities access to expertise to help design, implement and monitor high impact emissions reduction projects (such as green building and district energy projects)?**

Alberta Environment and Alberta Municipal Affairs are working with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties to develop a Municipal Climate Change Action Plan. The recommendations in the action plan will be presented to government and the association boards for approval. If approved, consideration will be given to resourcing implementation of the action plan.

**13. What is being budgeted in 2009 for municipal transportation infrastructure funding (e.g. roads + streets) as well as for non-transportation infrastructure (e.g. water + sewer)? How do these amounts compare to *Budget 2008* for each of these budget line items? Has the formula for calculation changed?**

Program	Formula	2008-09 (\$000)	2009-10 (\$000)	% change
Municipal Sustainability Initiative	Base amount, population, assessment and road length.	454,713	350,000	(23.0)
City Transportation Fund	5 cents per litre	190,000	198,000	4.2
Basic Capital Grant	\$60 per capita and other related grant commitments	58,000	42,825	(26.2)
Provincial Highway Maintenance Grant	\$1,959 per lane kilometer	1,200	1,300	8.3
Street Improvement Program	\$60 per capita	31,700	31,700	-
Rural Transportation Grant	Road length & other factors	60,000	60,000	-
Resource Road Program	Project-specific	16,000	16,000	-
Community Airport Program	Project-specific	2,000	2,000	-
Alberta Municipal Water/Wastewater Program	Project-specific	290,000	188,300	(35.1)
Alberta Municipal Infrastructure Program	Population	609,302	485,773	(20.3)
Canada/Alberta Municipal Infrastructure Fund	Project-specific	42,223	22,752	(46.1)
Infrastructure Canada/Alberta Program	Project-specific	3,000	500	(83.3)
Federal Gas Tax Fund	Population	95,400	190,800	100.0
Federal Public Transit Trust	Base + ridership	46,500	6,400	(86.2)
Green Transit Incentives Program	Project-specific	-	10,000	na
Building Canada Fund	New program	-	66,000	na
<b>Total</b>		<b>1,900,038</b>	<b>1,672,350</b>	<b>(12.0)</b>

The formula for calculation for these programs has not changed from 2008-09.

**14. Does the 2009-12 Business Plan work towards reducing monthly access fees for the SuperNet?**

Aligning with its 2009-12 Business Plan, Service Alberta continues to revitalize three-year development plans for the Alberta SuperNet which extend value and new services to all its stakeholders. Along with investigative strategies to expand the final mile of SuperNet to residents and business, those plans also include continuing to work with municipalities and governing bodies to review new shared applications and technology approaches to better address municipal cost concerns and value propositions. This would include looking at new services specifically targeting markets requiring lower-cost services than are currently available.

**15. Where in *Budget 2009* is there a commitment to increased, adequate benefit levels to Albertans, annually adjusted for inflation, in the areas of Alberta Works, AISH and the minimum wage?**

Monthly benefits provided under the Alberta Works income support program were increased November 1, 2008, enhancing benefits to over 46,000 households. Maximum qualifying income levels for various health benefits were increased in August 2008, allowing families to earn more and remain eligible for the benefits. For 2009-10, \$361 million is budgeted for income supports and \$112 million is budgeted for health benefits. Rates for income support are reviewed every year to determine whether they should be changed, but they are not indexed to inflation.

Alberta's minimum wage increased from \$8.40 per hour to \$8.80 per hour on April 1, 2009. The new minimum wage rate reflects the nearly five per cent increase in Alberta's average weekly earnings for 2008 as reported by Statistics Canada at the time the rate was set.

Effective April 1, the maximum monthly income benefit to AISH recipients increases by \$100 to \$1,188. This is in addition to the average monthly health benefit of \$350. In 2009-10, over \$709 million is budgeted for the AISH program, an increase of \$65 million, or 10.2 per cent, providing for the rate increase and projected caseload growth. Since 2005-06, AISH funding has increased by over \$220 million or 45 per cent as benefits have been enhanced and caseloads increased.

**16. What has been included in *Budget 2009* for library funding and arts and cultural programs impacting communities?**

Program	2008-09 (\$000)	2009-10 (\$000)	% change
Library Funding	21,419	30,219	41.1
Lottery-Funded Agencies	54,632	46,366	(15.1)
Community Initiatives Program	29,171	28,000	(4.0)
Community Facilities Enhancement Program	38,500	38,000	(1.3)
Community Spirit Donation Program	20,000	20,000	-
Major Fairs and Exhibitions	23,360	23,360	-
<b>Total</b>	<b>187,082</b>	<b>185,945</b>	<b>(0.6)</b>

*Budget 2009* is focused on a practical and sustainable approach to building strong communities.

Libraries will benefit from an \$8.8 million grant increase in 2009-10. This funding increase will allow libraries to continue to encourage education and lifelong learning.

The lottery-funded agencies and community grant programs are being streamlined to ensure they continue to be sustainable. Work is also being done to improve coordination between community grant programs to better serve clients.

*Budget 2009* includes a net decrease of \$8.3 million for lottery-funded agencies in 2009-10, to \$46.4 million. This funding supports various programs related to arts, culture, human rights and multiculturalism, volunteerism and historical resources. This year, grant application processes will be streamlined to reduce the administrative burden on non-profit and voluntary groups. As grant funding provided by the Wild Rose Foundation, Community Initiatives and Community Facility Enhancement Programs used similar criteria, the application process will be combined to serve many of the same program needs.

Investments in initiatives that Albertans have defined as priorities continue, including an estimated \$100 million through the Community Spirit Program (\$20 million through the Community Spirit Donation Grant Program which encourages Albertans to increase their donations to eligible non-profit organizations and registered charities, and an estimated \$80 million through the enhanced charitable tax credit).

The Major Community Facilities Program (MCFP) was a two-year program which ended as scheduled on March 31, 2009. It provided \$292.6 million for major repairs to existing community public-use facilities or construction of new community public-use facilities for sport, recreation, culture and wellness. Examples of projects funded under the MCFP include \$3.7 million to expand and renovate the G.H. Dawe Community Centre in Red Deer, \$3.3 million towards the construction of a new community arena and fitness facility in Brooks, \$3.6 million to expand the ENMAX Centre in Lethbridge, and \$1 million to assist with rebuilding the Viking Carena. In addition, the Province provided a one-time capital grant of \$40 million for the Telus World of Science in 2008-09.

**17. Does *Budget 2009* commit to restoring financial support of the arts to a level equitable to the original funding of the Alberta Foundation for the Arts by adjusting the funding for inflation and population increases?**

In 2009-10, funding to the Foundation will be approximately \$34.8 million. Since 2002-03, provincial funding to the Foundation has increased by \$18.6 million or 114 per cent. This increase has had a significant impact on the support provided to the arts and cultural industries.

This investment is an important part of government's ongoing implementation of *The Spirit of Alberta* – Alberta's cultural policy.

**18. Does *Budget 2009* provide for tax credits or other incentives that will make power generated from renewable sources of energy competitive with power generated from traditional energy sources?**

There is no Alberta tax credit incentive for alternative and renewable power generation. Alberta does have a Bioenergy Program to encourage development of energy production from agricultural and forestry biomass.

Initiatives under the Bioenergy Program include the Bioenergy Producer Credit Program, which provides funding for biofuel and electricity produced from biomass. The credit on qualifying electricity generation is two cents/kilowatt hour for production from capacity of three megawatts or more and six cents/kilowatt hour for production from capacity of less than three megawatts. Credits are issued based on actual production. This program only applies to electricity generated from biomass, not wind, solar or other forms of energy. The program is also applicable to production of biofuel as it replaced and expanded upon the previous fuel tax rebate program for ethanol.

Two other grant programs, the Biorefining Commercialization and Market Development Program and the Bioenergy Infrastructure Development Program, are offered under the Bioenergy Program to support development of bioenergy.

The Bioenergy Program currently runs to 2011. The government will be looking at policy options to facilitate alternative and renewable energy utilization in the upcoming year.

For more information on the bioenergy programs visit:  
<http://www.energy.alberta.ca/BioEnergy/1400.asp>

Federal funding may be available under the EcoENERGY program. Information on this program can be found at  
<http://www.ecoaction.gc.ca/ECOENERGY-ECOENERGIE/index-eng.cfm>.