

AUMA Questions Regarding Budget 2010

1. Does *Budget 2010* move towards a new system of annual transfers from the Government of Alberta to Alberta municipalities that is based on municipal sustainability planning and achieving local, provincial and joint outcomes?

On February 18, 2009, in Premier Stelmach's letter to AUMA, he advised that the province has responded to the need for sustainable and predicable funding for municipalities through the Municipal Sustainability Initiative (MSI). The government believes that MSI meets the goals of long-term sustainable planning and provides local governments with the flexibility to target funding towards high-priority projects in their communities.

Through Municipal Affairs' lead role in developing an accountability framework and the related grants re-engineering initiative, the municipal grant funding system will be streamlined.

2. What is the budgeted break down of the education property tax requisition for 2010-11?

	Fiscal Year		
	<u>2009-10</u>	<u>2010-11</u>	<u>% change</u>
Residential	1,074	1,117	4.0
Non-residential	648	674	4.0
Total	1,722	1,791	4.0

	Calendar Year		
	<u>2009</u>	<u>2010</u>	<u>% change</u>
Residential	1,058	1,106	4.5
Non-residential	643	668	3.9
Total	1,701	1,774	4.3

In fiscal year 2010-11, the revenue requirement for education property taxes is \$1.791 billion, an increase of \$69 million, or approximately 4.0 per cent, from 2009-10. The 2010-11 revenue requirement includes \$199 million that will be collected directly by municipalities for opted-out separate school boards.

In 2010, the provincial education property tax rates will fall by about 13.5 per cent. The residential/farm property rate will fall from \$3.39 to \$2.93 per \$1,000 of equalized assessment. The non-residential rate will fall from \$4.98 to \$4.31 per \$1,000 of equalized assessment. This marks the 17th consecutive year in which the provincial government has either reduced or frozen its education property tax rates, for total reductions of about 57 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. What amount is allocated in *Budget 2010* 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?

	2009-10 <u>Forecast</u>	<u>2010-11</u>	<u>% change</u>
Municipal Policing Assistance	48,007	49,295	2.7
Assistance for New Hires	<u>20,000</u>	<u>30,000</u>	50.0
Total	68,007	79,295	16.6

Figures exclude program administration costs

Municipal Policing Assistance Grants are provided to urban municipalities with populations over 5,000 responsible for their own policing and are calculated according to the following formula:

- Towns and cities with populations between 5,001 and 20,000 receive \$200,000 base payment plus an additional \$8.00 per capita.
- Cities with populations between 20,001 and 50,000 receive \$100,000 base payment plus \$14.00 per capita.
- Cities with populations over 50,000 receive grants of \$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. Another 100 front-line police officers will be added in 2010-11, fulfilling the commitment made in 2008-09 to add 300 new officers over three years.

In addition to the grant funding, *Budget 2010* provides the following:

- \$184.3 million for the Provincial Policing Agreement – RCMP,
- \$27 million to address Organized and Serious Crime, and
- \$9.7 million for First Nations Policing.

Based on the current forecast, \$120 million in provincial fine revenue will be returned to municipalities in 2009-10. \$105 million was returned to municipalities in 2008-09.

4. What has been budgeted in 2010-11 to meet the Government of Alberta's commitment to seniors' housing, affordable housing and homelessness?

The Government of Alberta has allocated more than \$530 million in 2010-11 to support seniors' housing, affordable housing and homelessness. This is a decrease of 16 per cent from the 2009-10 forecast.

(\$000)	2009-10 Forecast	2010-11	% change
Operating Support:			
Seniors Lodge Assistance	32,120	35,420	10.3
Family and Special Purpose Housing:			
Community Housing Providers	39,450	39,450	-
Other Housing Providers	296	296	-
Special Needs Housing	5,100	5,100	-
Other Grants	410	410	-
Rent Supplements/Homeless and Eviction Prevention Fund*	87,812	75,100	(14.5)
Emergency/Transitional Shelter Support	40,500	40,500	-
Outreach Support Services	32,000	42,100	31.6
Support to Providers of Seniors Housing	8,087	8,087	-
Capital Grants:			
Affordable Housing Program	190,310	88,310	(53.6)
Homeless Prevention Initiative	100,000	100,000	-
Housing Providers - Alberta Social Housing Corporation – Maintenance	45,380	45,380	-
Affordable Supportive Living Initiative	50,055	50,000	(0.1)
Total	631,250	530,153	(16.1)

* The Homeless and Eviction Prevention Fund was eliminated in 2009-10 and the Fund's clients were transitioned to the Rent Supplement Program. For purposes of this presentation, the budgets for the two programs are combined.

5. Have funds been allocated in 2010-11 to support the “aging in place” of Alberta seniors and a continuum of care for those requiring care?

In *Budget 2010*, \$50 million has been provided in each of 2010-11 and 2011-12 for the Affordable Supportive Living Initiative (ASLI) program. This is in addition to the \$50 million that was provided in 2009-10 to help build 618 new affordable supportive living and lodge spaces across the province and upgrade another 86 spaces.

In addition, there is \$41 million budgeted in 2010-11 in Alberta Health and Wellness for Continuing Care Initiatives.

As well, Alberta Seniors and Community Supports provides several programs to help seniors stay in their own homes; including the School Property Tax Assistance Program, Alberta Aids to Daily Living program and the Special Needs Assistance Program.

6. Where in the 2010-13 Business Plan is there a commitment to a province-wide transportation/transit strategy and the funds to implement such a strategy?

The 2010-13 Alberta Transportation Business Plan does not include a specific province-wide transit strategy. However, the Business Plan does clearly state that the ministry is developing new approaches to ensure the long term sustainability of the province's transportation system. This includes administering federal and provincial grant programs that assist municipalities in developing their priority infrastructure, transit and transportation systems. Alberta Transportation will continue to work with municipalities to implement the Green Transit Incentives Program to improve and expand local, regional and inter-city transit systems.

7. What does *Budget 2010* allocate to Family and Community Support Services (FCSS) and how has this changed from *Budget 2009*?

For each of the next three years, \$75.7 million is budgeted for Family and Community Support Services. This is consistent with the 2009-10 forecast.

8. Is there a *Budget 2010* allocation for the development of a municipal climate change resource centre that will provide municipalities with access to expertise to help design, implement and monitor high impact emissions reductions projects (such as green building and district energy projects)?

Alberta Environment provided a \$2 million grant to AUMA in 2009-10 for the three year operation of a municipal climate change resource centre located in AUMA's Edmonton office. No additional funds are allocated in *Budget 2010*.

9. What is being budgeted in 2010-11 for municipal transportation infrastructure funding (e.g. roads and streets) as well as for non-transportation infrastructure (e.g. water and sewer)? How do these amounts compare to last year's forecast for each of these budget line items? Has the formula for calculation changed?

The comparative allocations for each of Alberta Transportation's grants are shown in the table below. The formulas for calculating the amounts payable under the various programs have not changed from 2009-10. Federal funding for cost-shared programs was reprofiled between 2009-10 and 2010-11.

The Alberta Municipal Infrastructure Program (AMIP) will be substantially complete in 2009-10.

Grant	Formula	2009-10 Forecast	2010-11	% change
Municipal Sustainability Initiative Capital Grants	Base amount, population, assessment and road length.	353,998	826,000	133.3
City Transportation Fund	\$0.05/litre	239,360	100,185	(58.1)
Basic Capital Grant	\$60/capita and other related grant commitments	87,400	51,500	(41.1)
Provincial Highway Maintenance Grant	\$1,959/lane KM	1,500	1,300	(13.3)
Streets Improvement Program	\$60/capita	40,000	37,500	(6.3)
Rural Transportation Partnership	Road length & other factors	60,000	60,000	-
Community Airport Program	Project-specific	2,000	2,000	-
Resource Road Program	Project-specific	28,000	36,000	28.6
Municipal Water Wastewater Program / Water for Life	Project-specific	264,160	113,000	(57.2)
Alberta Municipal Infrastructure Program	Population	498,500	30,200	(93.9)
Canada-Alberta Municipal Rural Infrastructure Fund	Project-specific	35,000	35,475	1.4
Infrastructure Canada-Alberta Program	Project-specific	500	-	(100.0)
Building Canada - Gas Tax Fund	Population	190,800	199,503	4.6
Federal Public Transit Trust	Base + ridership	21,540	-	(100.0)
Green Transit Incentives Program	Project-specific	-	70,000	n/a
Building Canada Fund - Communities Component	Project-specific	10,000	52,000	420.0
Building Canada Fund - Communities Component Top-up	Project-specific	20,000	84,200	321.0
Infrastructure Stimulus Fund	Project-specific	24,800	157,200	533.9
Building Canada - Major Infrastructure	Project-specific	-	30,000	n/a
Total		1,877,558	1,886,063	0.5

10. Where in *Budget 2010* 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?

The total budget for the Assured Income for the Severely Handicapped (AISH) program in 2010-11 is over \$733 million. There is no change to maximum monthly income benefit, which was increased by \$100 (or more than nine per cent) to \$1,188 on April 1, 2009.

Income Support benefit rates are reviewed annually, and were last increased in November 2008. *Budget 2010* will not offer a rate increase. The government will focus on providing pro-active employment and training services to unemployed clients, to either return them to the labour force quickly or to provide them with marketable training.

The economic downturn in 2009 resulted in significantly increased Income Support caseloads and, in the upcoming fiscal year, Alberta Employment and Immigration will undertake measures to control costs related to the Income Support program by re-directing potential Expected to Work clients to employment services, training or connecting them directly to work opportunities.

Ensuring Albertans in entry-level positions keep working, and that our province's small businesses remain viable and competitive through global economic recovery, Alberta's minimum wage of \$8.80 per hour will remain as is through 2010. In addition to freezing the minimum wage, an all party committee will review our current policy, ensuring that our approach is what's best for Albertans. Details of the minimum wage policy review will be determined over the coming weeks with consultation particulars to be announced at a later date.

11. What has been included in *Budget 2010* for library funding and arts and cultural programs impacting communities?

	2009-10 Forecast	2010-11	% change
Library Grants	30,219	30,119	(0.3)
Lottery-Funded Agencies	46,366	38,925	(16.0)
Community Initiatives Program	27,248	25,500	(6.4)
Community Facility Enhancement Program	38,000	38,000	-
Community Spirit Donation Grant Program	19,810	16,000	(19.2)
Major Fairs and Exhibitions	23,360	22,000	(5.8)
Total	185,003	170,544	(7.8)

Budget 2010 reflects the economic realities facing our Province. Government is continuing to invest in initiatives that Albertans have defined as priorities, including the Community Spirit Donation Grant Program, the Community Initiatives Program, and the Community Facility Enhancement Program.

Government is working to streamline program administration and improve coordination between community investment grant programs to better serve our clients.

Budget 2010 provides \$38.9 million in lottery funding to support various programs related to arts, culture, human rights and multiculturalism, volunteerism and historical resources.

Communities benefit from the Community Initiatives Program, which supports project-based initiatives in areas such as community services, libraries, arts and culture, sports, education, health and recreation. Also, funding is provided to communities through the Community Facility Enhancement Program, which provides matching grants up to \$125,000 for renovation, upgrades or construction of community use facilities.

12. Does *Budget 2010* 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 fund for inflation and population increases?

Funding for the Alberta Foundation for the Arts is \$29.2 million in 2010-11, a reduction of \$5.6 million or 16 per cent. This investment is an important part of government's ongoing implementation of Alberta's cultural policy – *The Spirit of Alberta*.