



NEWS RELEASE

December 19, 2023

Provincial government's LGFF program misses the mark

EDMONTON – *The following statement was issued on behalf of the Alberta Municipalities (ABmunis) Board of Directors:*

We welcome the Government of Alberta's December 15 announcement about the Local Government Fiscal Framework (LGFF) allocation formula. It reflects the countless discussions that ABmunis and other key stakeholders have had over the past 20 years with successive provincial governments about the need for stable, predictable, adequate and legislated funding for local infrastructure projects.

While we appreciate that the provincial government's allocation formula reflects many of the principles developed by Alberta Municipalities, we note that LGFF in its current form fails to achieve any of province's three stated objectives – increased economic growth, increased livability, and increased resiliency. In this respect, the Government of Alberta's LGFF program misses the mark.

Lots of excellent work has been done on the LGFF allocation formula by Municipal Affairs staff and Minister Ric Mclver, but none of it matters if the funding pot is too small.

And that is the problem, especially for Alberta's fast-growing mid-sized cities. Their population growth is causing numerous infrastructure challenges. New roads and bridges, underground water and wastewater systems, fire stations and recreation centres are urgently needed. Provincial funding must reflect the urgent need to address Alberta's housing crisis.

The \$722 million in LGFF baseline funding does not begin to address Alberta's \$30 billion (and growing) infrastructure deficit. For the past nine months, ABmunis has been calling on the provincial government to increase this amount by \$1 billion to \$1.75 billion.

Alberta is facing unprecedented growth and yet the provincial government has been cutting funding for community infrastructure for more than a decade. Provincial funding for local infrastructure has dropped from about \$420 per Albertan in 2011 to about \$150 per Albertan today.

Albertans, including those who have newly arrived, expect their infrastructure requirements to be met. A much larger funding pot is needed to meet current and future needs. Provincial and federal housing initiatives will not succeed unless additional funding for local infrastructure is provided by the two senior orders of government.

Alberta Municipalities will continue calling for a better deal for our 260+ member communities in the coming weeks and months. We fully expect the provincial government will announce an increase to the annual LGFF amount in its 2024 provincial budget.

There can be no strong and prosperous Alberta without strong and prosperous communities. Alberta Municipalities: Strength in Members.

Media contact:

Scott Lundy

Communications Manager, Alberta Municipalities

780.668.2436

scott@abmunis.ca

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From the smallest village to the largest city, across every region of the province, Alberta Municipalities (ABmunis) represents the communities where over 85% of Albertans live. ABmunis was founded in 1905 to provide urban and rural-region communities a united voice. Alberta Municipalities now serves and represents more than 270 of Alberta's 334 municipalities.

We work with elected and administrative leaders of Alberta's summer villages, villages, town, cities, and specialized municipalities to advocate for solutions to their common issues, which we categorize as economic, environment, governance, infrastructure, or social.

And we help them build resilient and thriving communities by providing valuable services. We use our members' combined purchasing power to negotiate the best possible value and competitive pricing on employee benefits, insurance, energy, and other services needed to run an effective and efficient municipality.