



NEWS RELEASE

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Municipalities need more funding, not recycled budget announcements

EDMONTON – The Government of Alberta re-announced \$2 billion in funding over three years for municipalities yesterday. This funding was originally announced on February 28 as part of the provincial government’s Budget 2023.

Alberta Municipalities is disappointed with the starting amount of \$722 million set for the new Local Government Fiscal Framework (LGFF) baseline capital funding for 2024-25. The Government of Alberta had an opportunity to allocate far more than the \$2 billion it did over three years and really tackle the province’s \$30 billion infrastructure deficit. We believe it falls about \$3 billion short of what is needed, and the provincial government’s commitment is well below the historical average.

Yesterday’s funding announcement does nothing to address the cost-of-living increases that Albertans have been experiencing over the last year. It also fails to ensure Albertans will have the infrastructure they need for themselves and the thousands of newcomers our provincial government is trying to attract to stimulate economic development and create long-term prosperity.

At the same time, Alberta Municipalities is encouraged by the provincial government’s willingness to update LGFF to remove the 50 per cent cap on the revenue index factor, which will help ensure that the funding grows with Alberta’s economy. We are also pleased to see the Municipal Sustainability Initiative (MSI) operating funding has been doubled, from \$30 million to \$60 million.

These improvements are small but significant steps on the path leading to municipal governments being treated like full partners by the Government of Alberta.

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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 with 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.