

MEMBER REQUEST FOR DECISION SPRING MUNICIPAL LEADERS' CAUCUS

DATE:

10 February 2024

TOPIC:

Regional Economic Development Alliance (REDA) funding

RECOMMENDATION:

That Alberta Municipalities advocate to the Government of Alberta to abandon their plans to transition away from providing operational funding to REDAs and instead provide an adequate, predictable, long-term funding agreement for Alberta's REDAs.

BACKGROUND:

Regional Economic Development Alliances (REDAs) are a partnership between the Government of Alberta (GoA) and member municipalities that began in the early 2000s aimed at realizing provincial economic development priorities. Based on the notion that the GoA would get "more bang for their buck" if they partnered with collections of municipalities within a geographic area where communities had common interests.

The GoA realized that opportunities within the province's rural and remote communities were best understood and pursued by the people living in those regions. The GoA's role has been to enable the partnership, set the overall strategic direction, and provide support so the regions can execute projects and programs specific to that region.

Most Alberta municipalities are part of one of these alliances wherein they routinely collaborate to deliver projects that unlock new opportunities. The collaborations themselves have been catalysts for increased cooperation among municipalities and between various levels of government. The projects have tended to have very high leveraging ratios and have included funding from municipalities, business and the federal government. This funding is then applied to provincial priorities and outcomes.

Up until 2011, REDAs were staffed and managed by GoA employees from regional offices. Each REDA had multiple employees and budgets that ranged from \$400 - \$500K. Since then, REDA funding has fluctuated between some and none.

In 2020/21, the REDAs all signed a three-year funding agreement with the then Ministry of Jobs, Economy and Innovation. That agreement saw operational funding reduced from \$100,000 per year to just \$50,000 per year. In 2022/23, the Minister of Jobs, Economy & Northern Development and the Minister of Agriculture collaborated and provided \$125,000 in operational funding to each REDA for the 2023/24 fiscal year.

In January 2024, the Minister of Jobs, Economy and Innovation announced that the province intends to move away from providing operational funding for REDAs with the aim of making them operationally self-



sufficient. A conditional operating funding model is being put in place for three years as the province transitions out of providing operational funding altogether starting in 2027.

Many Alberta Municipalities members are also members of a REDA. The GoA's plan to exit the two-decade long partnership will have significant impacts on those communities. REDAs are especially critical in rural and remote communities, many of which do not have the capacity to fund economic development activities. REDAs are one of the ways those communities can stay connected to the economic development landscape and participate in regional initiatives that bring much-needed growth to Alberta.

While the smaller REDAs will feel the impact of this change to a greater degree, all rely on this operational funding to offset administrative costs. In the absence of this provincial support, REDAs will be forced to forego projects in favor of "keeping the lights on"

Section 3 of the Municipal Government Act states that "the purposes of a municipality are (3)(a) to provide good government services, (3)(a.2) foster the economic development of the municipality, (3)(b) to provide services, facilities or other things that [...] are necessary or desirable for all or part of a municipality; and (3)(c) to develop and maintain safe and viable communities".

Further, the Economic Development in Rural Alberta Plan (EDRAP) Strategic Direction 5, Rural economic development capacity building, specifically notes regional collaboration as an integral part of the plan and the mandate letter from the Premier to the Minister of Jobs, Economy and Trade specifically mentioned "collaborating with partner organizations, including Regional Economic Development Alliances,...".

ENCLOSURES:

None