From: <u>Minister of Treasury Board and Finance</u>

To: <u>Cathy Heron</u>

Subject: Reply from Minister Toews AR55576

Date: Wednesday, February 1, 2023 1:20:44 PM

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Dear Mayor Heron:

Thank you for your recent letter regarding Alberta Municipalities' 2022 resolutions pertaining to my ministry. I appreciate your members' input, and I am pleased to respond.

Concerning the provincial charitable gaming model, charitable organizations play an important role in the health of our communities. This is because of the critical programs and services they offer to youth, seniors, and the most vulnerable Albertans. Our government recognizes the importance of these charitable efforts, and we remain committed to supporting charitable organizations in their missions. I am pleased to share that, during its review of the charitable gaming model, Alberta Gaming, Liquor and Cannabis (AGLC) was able to gather important feedback from over 3,800 charitable organizations. This has helped to guide the development and amendment of a number of policies and procedures that benefit Albertans and their communities.

As you may know, AGLC issued 13,338 charitable gaming licences in 2021-22 – which raised a total of \$306.6 million in funds to help deliver charitable programs and services across the province. Working diligently to incorporate feedback from the Charitable Gaming Review consultation into their 2021-22 red tape reduction review of the Charitable Gaming Policies Handbook, AGLC made a number of changes to simplify charitable program delivery by improving flexibility regarding the use of gaming proceeds and by reducing unnecessary financial reporting requirements. Some specific examples include allowing for more administration expenses to be covered by gaming proceeds, removing the 50 per cent restriction on facility expenses for groups that were previously restricted, accommodating arts groups to use proceeds for travel to events outside Alberta without the requirement for the event to have an adjudicated/judged element, and removing the requirement for a Statutory Declaration form for donations. Ultimately, these changes reduce the time and resources dedicated to administration so that charitable organizations can redirect their often-limited resources to the delivery of the programs and services Albertans benefit from every day.

Two further changes with significant anticipated impacts were to increase the time frame for charities to spend gaming proceeds (from 24 to 36 months) and to increase the amount of gaming proceeds charities can request to retain (from \$75,000 to \$100,000). We recognize allowing charitable organizations to retain more funds for longer periods of time enables them to budget more sustainably and

ensure they can offer their programs and services well into the future.

The Government of Alberta takes pride in offering one of the most generous charitable gaming models in Canada, which we continue to support. To this end, AGLC will continue to monitor their charitable gaming policies to reduce red tape where appropriate, as well as to identify emerging opportunities in support of the long-term competitiveness and sustainability of Alberta's charitable organizations.

In regard to provincial-municipal revenue sharing, the provincial government has continued investing responsibly and sustainably in Alberta communities to support their infrastructure needs. The Honourable Rebecca Schulz, Minister of Municipal Affairs, has been given a mandate to strengthen and maintain a relationship of mutual respect and cooperation with municipal leaders to serve Albertans more cooperatively. As part of this mandate, government continues to consult with municipalities to improve the delivery of stable, predictable, long-tern infrastructure funding through the *Local Government Fiscal Framework Act* (LGFFA). Additionally, the revenue index factor, under the LGFFA, links municipal funding with provincial revenues.

While Alberta's fiscal situation has recently improved, our province is not immune to the continued economic uncertainty prevalent across the globe. In such an environment, we need to ensure the Province's finances are sustainable over the long-term and that overall funding for municipalities is similar to what other Provinces provide.

Thank you for taking the time to write.

Sincerely,

Travis Toews
President of Treasury Board and
Minister of Finance

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