



NEWS RELEASE

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ABmunis' reaction to Government of Alberta's Budget 2025 – *Some wins, more work to do*

EDMONTON – Alberta Municipalities' initial reaction to Budget 2025 is that it is something of a mixed bag.

We appreciate the increased funding for Grants in Place of Taxes (GIPOT) in this year's budget and the provincial government's commitment to make municipalities whole next year. Alberta Municipalities (ABmunis) and our members advocated for this and we acknowledge the Government of Alberta listened and responded.

We are also pleased to see the provincial government has retained funding for low-income transit riders. Our member communities care deeply about Albertans who are barely making ends meet. This funding will allow low-income Albertans to affordably get to their places of work, schools, access health and social services, and enjoy time with family and friends.

Alberta Municipalities appreciates that Local Government Fiscal Framework (LGFF) Capital funding increased by \$96 million in accordance with the agreed-upon formula. Unfortunately, that increase was offset by unexpected decreases in other infrastructure programs for municipalities. We will continue to advocate that the overall funding envelope needs to be increased. Alberta's multibillion dollar infrastructure gap is growing, thanks to rapid population growth and increased wear and tear on municipal infrastructure like roads, bridges, and wastewater treatment plants.

We are concerned about the implications of stagnant funding for Family and Community Social Services (FCSS) at \$105 million for fiscal year 2025-26. Considering the rapid population growth Alberta has experienced over the last few years, flat funding is equivalent to a reduction since more people are accessing the same services. A broader conversation about investments in prevention efforts is needed, and local decision-making needs to be considered. Alberta Municipalities is keen to collaborate with the provincial government on this topic.

Finally, we are surprised to see that while most Albertans will receive a personal income tax reduction, homeowners and businesses will see a substantial increase in their provincial education

property taxes later this year. This shift in taxation will increase the burden placed on property owners. We need to take a closer look at the consequences this shift will have.

Our association will have more to say tomorrow, once our policy analysts have concluded a detailed review of Budget 2025.

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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. Founded in 1905, ABmunis now serves more than 260 of Alberta's 334 municipalities, making it the province's largest municipal group.

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. 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.

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