



ALBERTA

Jobs, Economy and Trade

*Office of the Minister
MLA, Calgary - South East*

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Tyler Gandam
President
Alberta Municipalities
300, 8616 - 51 Avenue NW
Edmonton, AB T6E 6E6

Dear Tyler Gandam:

Thank you for your October 28, 2024, letter, regarding a request to review and respond to the 2024 resolution titled "Small and Remote Municipalities Need Regional Economic Development Alliances to Thrive". As Minister of Jobs, Economy and Trade (JET), I appreciate the opportunity to respond.

Alberta's government is committed to supporting economic development initiatives across the entire province and values the important work of economic development organizations, including the nine independent regional economic development alliance organizations. These organizations are just some of the many in Alberta that support economic and job growth. Equitable support is needed for all grassroots economic development organizations.

Regarding funding of regional economic development alliance organizations, JET is shifting away from offering these nine organizations operating funding, to a competitive, project based economic development model. Please note that no other economic development organization in Alberta received direct operating funding like the regional economic development alliance (REDA) organizations do.

For each regional economic development alliance organization to become operationally self sufficient, transitional funding is available of up to a maximum of \$125,000 per year over three years through matching membership revenue. By 2026/2027 a minimum of 50 per cent of JET's funding is required to be directed to projects. As you are aware, the nine regional economic development alliance organizations each entered into three-year transitional funding agreements. I will note that six of these organizations qualified for the 2024/2025 maximum amount of \$125,000.

Using a hub-and-spoke approach, Alberta's government has several supports, tools and resource available to support the good work of economic development organizations, including the regional economic development alliance organizations. Through JET's hub and spoke model, organizations have access to tools and resources, maximizing availability of provincial resources and supports. Some of these tools and resources include:

- Regional Economic Development Specialists;
- Workforce Consultants;
- Industry Workforce Partnerships Specialists;
- Workforce Partnership Grants;
- The Alberta Economic Dashboard and the Regional Economic Dashboard;
- The Northern and Regional Economic Development program;
- The Alberta Export Expansion Program;
- The Investment and Growth Fund;
- The Site Selector Tool; and
- The Small Community Opportunity Program.

Together, these tools and resources offer more value to all economic development organizations, including REDA organizations, thus they could be made available to members.

Further to this, all nine regional economic development organizations voluntarily opted to receive the services of Qatalyst Research Group Inc. at no cost to them. Qatalyst was selected as the consultant, following a rigorous procurement process, to provide strategic planning support for each regional economic development alliance organization. As of October 24, 2024, with the recently approved project and engagement plans, Qatalyst has begun work with each alliance organization to assist them in strengthening their respective operational capacity, including achieving financial self-sufficiency and long-term sustainability.

Alberta's government has also invested more than \$12 million in projects that support economic development and diversification throughout the province through the Northern and Regional Economic Development (NRED) program (www.alberta.ca/northern-and-regional-economic-development-program). NRED supports Alberta's municipalities, non-profit organizations and Indigenous communities in establishing projects that help support and retain businesses, increase investment attraction, develop key sectors of the local economy and build capacity for economic growth. The NRED program was recently updated and includes changes that simplify the application process to ensure comparable projects are evaluated in tandem with one another for fairness. The funding range was also expanded to include projects with grant amounts from \$10,000 to \$300,000, which is \$100,000 more than the previous maximum.

On a memorandum of understanding for regional economic development alliance organizations, this type of agreement does not align with the current approach to make resources available to all economic development stakeholders across the province which will ensure regional equity and broad support. The regional economic development alliance organizations are member-driven, non-profit organizations that advance regional economic development and growth for their respective members. While they have benefitted from operational funding in the past from the government, this funding has been discretionary and not part of a government program.

Alberta's government recognizes that communities have unique and diverse opportunities and challenges. Funding projects across economic development organizations supports the prudent use of public funds and enhances collaboration among various stakeholders.

Alberta's government is taking strategic action through the hub and spoke model to support more equitable access to funding, targeted economic growth and continued prosperity across the province.

Thank you again for taking the time to write. I hope this information will be of assistance to you.

Sincerely,



Honourable Matt Jones
Minister of Jobs, Economy and Trade