

Preliminary Analysis of Alberta's 2026 Budget



 **Alberta
Municipalities**
Strength
In Members

February 27, 2026

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Budget 2026: Holding the Line but Falling Behind

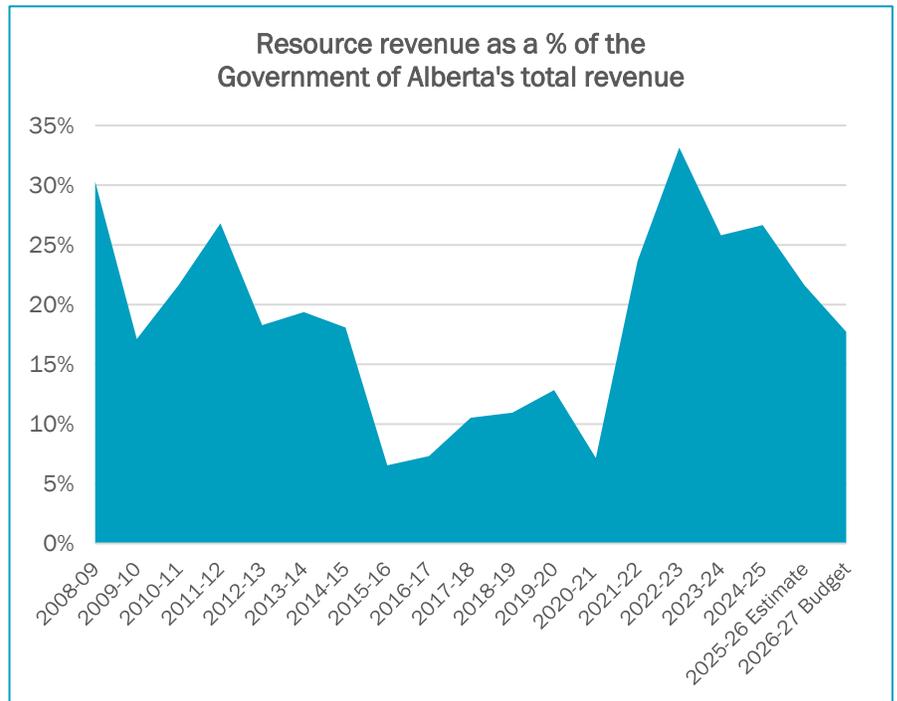
Key Messages

- While the province hasn't increased personal, corporate, or sales taxes, they have increased provincial property taxes by \$1 billion over three years.
- Lack of investment in municipalities puts the squeeze on property taxpayers now and for years to come.
- We are disappointed to see no increase to social infrastructure funding such as preventative Family and Community Support Services (FCSS) and continued inadequate funding to physical infrastructure such as roads, pipes, and other keys assets.
- Without this funding, Albertans will continue to feel the financial pressures well into the future.
- As part of Alberta Municipalities Property Taxes Reimagined, and as acknowledged in the government's fiscal plan, we need to have a conversation about sustainable fiscal planning in Alberta and municipal leaders need to be part of finding the solution.

Budget 2026 puts the squeeze on property taxpayers

After five years of historically high revenue from oil and gas resources, the Alberta government is forecasting a \$9.3 billion deficit in 2026-27 and the need for restraint in spending. This is not new. In fact, Albertans have seen this scenario play out many times when royalty revenues from oil and gas are lower than what is needed to balance Alberta's budget. The province has no plans to increase income taxes so the question that Albertans should be asking is how will Budget 2026 impact their property taxes or rent this year and beyond?

Collectively, Albertans and Alberta businesses pay at least \$16.9 billion less in taxes than if Alberta had the same tax system as any other province.¹ For example, Alberta has lower income taxes on people and businesses, low fuel tax, and no sales tax.



Source: Alberta's 2026-29 Fiscal Plan, Schedule 25, Historical Fiscal Summary, page 163.

¹ Government of Alberta 2026-27 Fiscal Plan, page 121.

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Our low tax system has been made possible by Alberta's unique access to royalty revenue from its oil and gas resources. But Alberta doesn't control the world price of oil so that means our resource revenue is just as volatile. In the last 15 years, the revenue collected from oil and gas royalties has ranged from as low as \$2.8 billion (2015) to as high as \$25.2 billion (2022). Budget 2026 estimates that Alberta will collect \$13.2 billion in resource revenues this year, representing 18 per cent of Alberta's total budgeted revenue.

For decades, every Alberta government has made the same choice:

1. keep taxes low,
2. cut spending when oil and gas revenues are down, and
3. wait for a time when oil prices rise again to try to balance the budget.

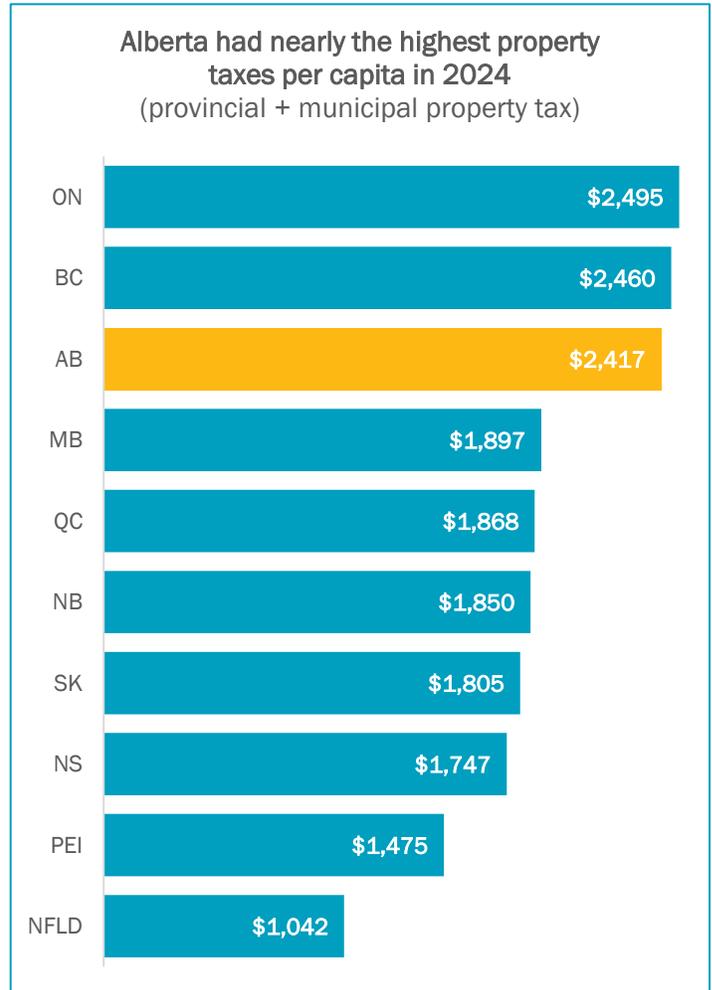
While Alberta has low income taxes and no sales tax, Alberta doesn't have low property taxes compared to other provinces.

One of the reasons is successive Alberta governments have lowered the province's costs by shifting the tax burden onto Alberta's municipal governments and property taxes.

In 2009, municipalities received about \$623 per person in funding from the Alberta government to pay for infrastructure and local services. By 2024, that dropped to \$318 per person, after inflation. Examples include:

- Lower infrastructure funding per capita,
- Funding for preventative social services has only increased once since 2015 despite Alberta adding nearing a million more people
- Grants for policing have not been adjusted for inflation so municipal governments have to cover the extra costs.

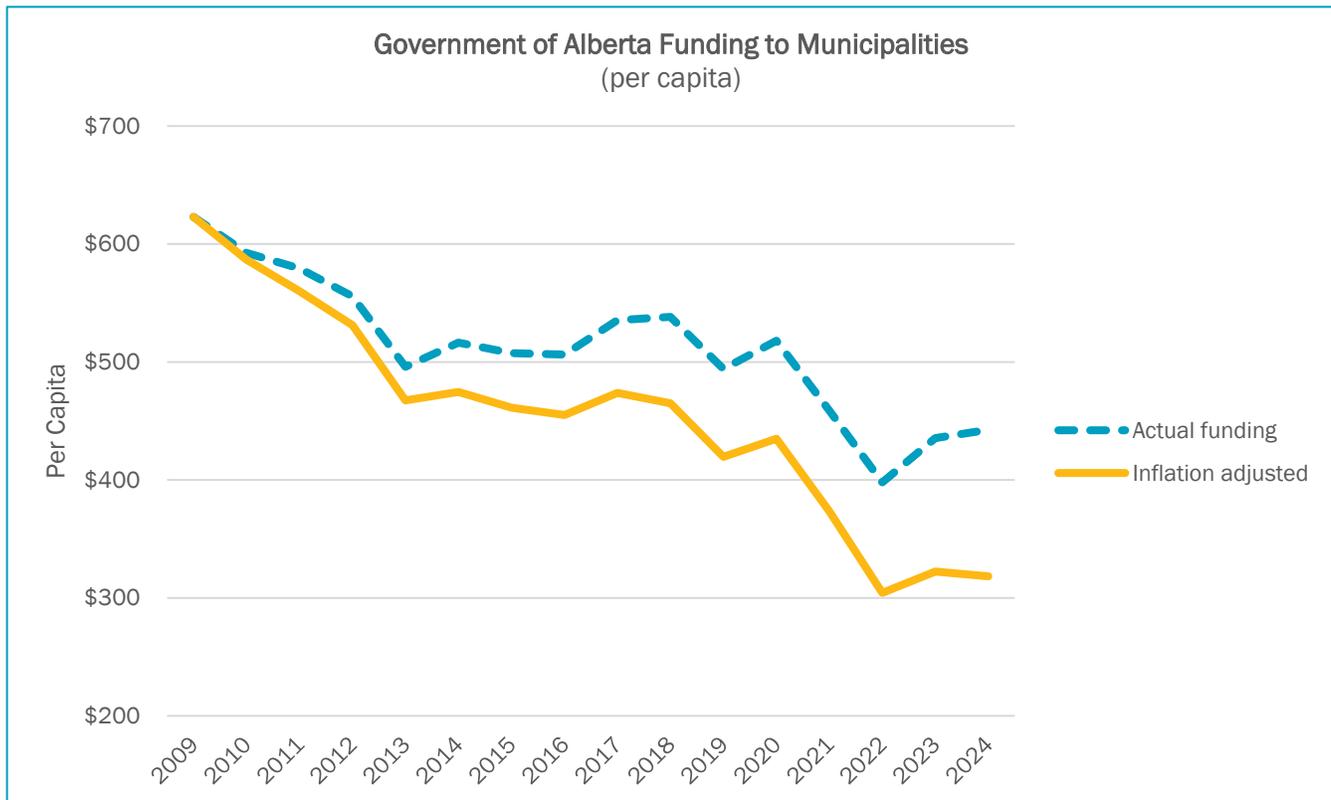
This means municipal governments now get about half as much money from the province to help run services in Alberta's communities.



Source: ABmunis' calculations using Statistics Canada Table 10-10-0147-01, Canadian government finance statistics, statement of operations and balance sheet for consolidated governments (2024) and Statistics Canada Table 17-10-0005-01, population estimates on July 1 (2024).

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Unfortunately, Budget 2026 is not changing that trend. While it's common for the Government of Alberta to adopt a deficit budget, municipal governments are required to balance their budget. This means that municipal governments must match any increases in their expenses or loss of funding from the province by a corresponding increase in revenues. This usually means a cut in local services or an increase in water fees, sewer fees, or increasing a municipality's primary revenue source: property taxes.



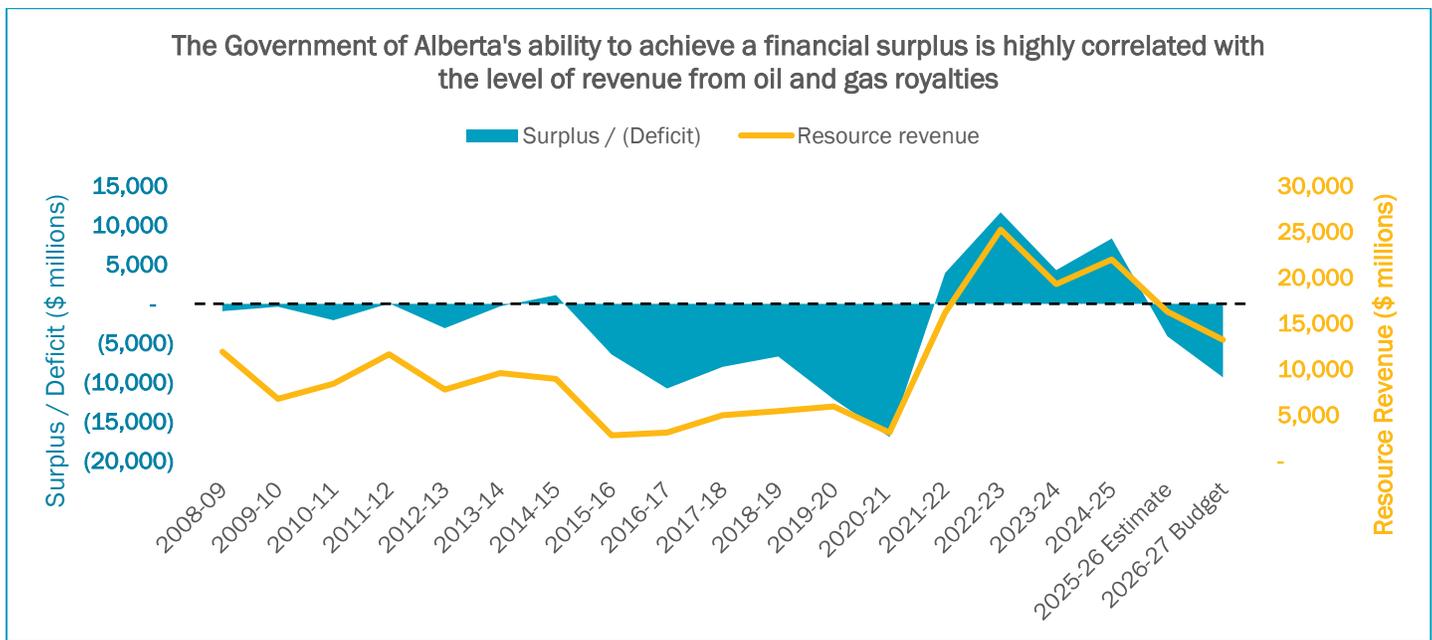
Source: Includes capital and operating funding. Calculated using Alberta Municipal Affairs, Financial Information Returns, Schedule D, provincial transfers reported in columns 01910, 01920, 01912, 01922. Inflation adjusted figures are based on 2009 constant dollars using Alberta's Consumer Price Index, Statistics Canada Table 18-10-0005-01 and Statistics Canada Table 17-10-0005-01, Population Estimates on July 1.

Alberta's financial stability still hinges on oil and gas royalties

The graph below shows the trend of non-renewable resource revenues in comparison to the Government of Alberta's year-end surplus or deficit over the last 20 years. It shows the direct correlation between the provincial government's financial position and the amount of non-renewable resource revenue collected each year. This is the system that has led successive Alberta governments to run deficits in 10 of the last 15 years.

The Alberta government was successful in posting surpluses from 2021-22 to 2024-25 but that also came at a time when oil and gas royalties were at an all-time high for Alberta. For context, if this year's non-renewable resource revenue was the same as 2022-23, Alberta would have \$2.7 billion surplus in 2026, instead of the proposed \$9.4 billion deficit.

Resource revenues are expected to decline to \$13.2 billion in 2026-27, which highlights a need for a meaningful conversation in Alberta for how to fund the public services that Albertans expect from the province and municipal governments.



Source: Government of Alberta's 2026-29 Fiscal Plan, Schedule 25: Historical Fiscal Summary, page 163.

Alberta has options

While Budget 2026 may appear to be doom and gloom, the fact is Alberta has significant financial flexibility to make decisions in how to deliver the services Albertans expect.

- Alberta could raise taxes by billions and still be the lowest taxed province in Canada.
- Alberta could increase borrowing and still have the lowest debt-to-GDP of all provinces.²
- Alberta is leading the nation in new housing starts and ATB Financial forecasts that Alberta's economy will grow by 2.1 per cent this year compared to the national economy at 1.6 per cent.³

Therefore, it is positive that Budget 2026 announces that the Alberta government will undertake a review of its fiscal framework to assess what measures are appropriate to support sustainable fiscal planning in Alberta. This isn't about a single budget cycle. **We need a long-term solution and municipal leaders want to be part of the conversation in determining how local public services should be funded into the future.**

² [Canada: Gearing Up for Provincial Budget Season](#), TD Economics, February 17, 2026

³ [2026 Economic Outlook: From Tariff Turmoil to Execution](#), ATB Financial, December 8, 2025

How Budget 2026 Meets Our Top Priorities

Leading up to the Government of Alberta's 2026-27 budget year, Alberta Municipalities communicated the top three priorities that municipal governments expect of provincial leaders.



(1 out of 3)

Increase investment in municipal infrastructure

The Alberta government is promoting that it will invest \$7 billion in municipal infrastructure over the next three years. In reality, Budget 2026 delivers a small increase of about \$150 million in provincial funding to help municipal governments invest in construction and replacement of local infrastructure like roads, sidewalks, transit, and water systems. One-third of the province's investment in municipal infrastructure in 2026 is funding from the Government of Canada. Overall, provincial funding is still hundreds of millions of dollars lower than historical levels, particularly at a time when Alberta has grown by a million people over the last decade and inflation is increasing costs of workers, asphalt, and pipes.

The increase in funding in 2026 primarily consists of:

- The ongoing cost-share with the Government of Canada to invest in expanding the light rail transit systems in Calgary and Edmonton.
- A combined \$66 million increase in the Water for Life and Municipal Water and Wastewater Partnership programs. This is positive for 2026, but this funding is forecasted to be cut by 81 per cent by 2028.

We continue to be concerned that we are seeing one-off commitments without longer-term strategies. Alberta's municipal water and wastewater infrastructure is far more fragile than most of us realize. For over 15 years, the Government of Alberta's annual investment in municipal infrastructure has trended downwards. This is creating a shift in how Albertans are taxed. Instead of income taxes being used to pay for community infrastructure, the Alberta government is pushing that cost onto municipal property taxes. This will have real impacts on Albertans whose income has not increased but will now face a bigger tax bill. Albertans should not be surprised to see more critical failures in water and sewer systems in their community. Learn more on page 13.



(1 out of 3)

Increase investment in local preventative social services

ABmunis is very disappointed to not see an increase to Family and Community Support Services (FCSS) funding in the 2026 Provincial Budget. Since 2015, Alberta's population has grown by nearly 1 million (21 per cent) and inflation has averaged 2.25 per cent annually, but FCSS funding has only increased by 5 per cent in the last eleven years. By not investing in locally driven prevention programming, the province is missing a critical opportunity to reduce costs on already stretched systems such as healthcare, emergency services, and policing. This downloads costs onto municipalities, leaving them to respond to residents' needs without adequate support from the provincial government at a time when many Albertans are struggling. Senior provincial officials have indicated a willingness to consider incremental increases to FCSS funding going forward and pursuing this investment will remain a top priority for ABmunis in the coming year.



(0 out of 3)

Cumulative impact of increases in provincial property taxes

In the last decade, provincial leaders have been critical of municipal councils for increasing municipal property taxes to fund local services. Recently, the Premier gave a mandate to the Minister of Municipal Affairs to explore "ways to limit excessive municipal property tax increases for businesses and residents". At the same time, the Alberta government has increased its own property tax on Albertans by \$1 billion over the last three years. In 2026, the province will increase its revenue from provincial property taxes by 15 per cent, or \$468 million. Unfortunately, it will be municipal councils and employees who will face extreme scrutiny for this tax increase because they are the people required to collect the tax through the municipal government's property tax bill. Learn more on the next page.

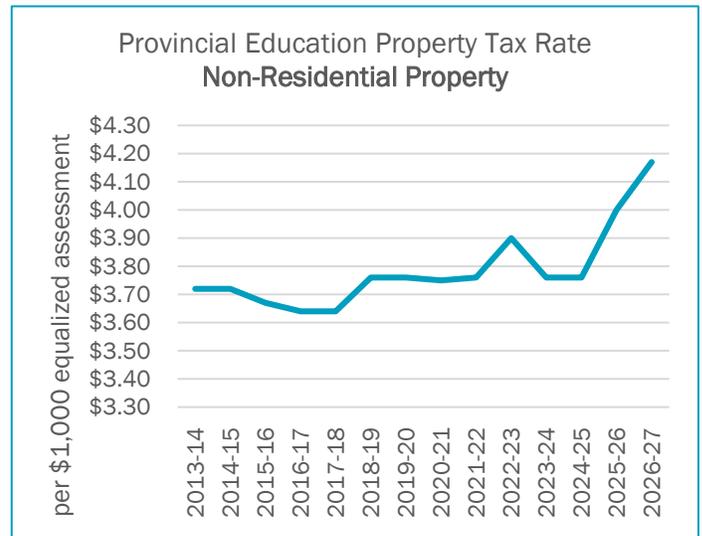
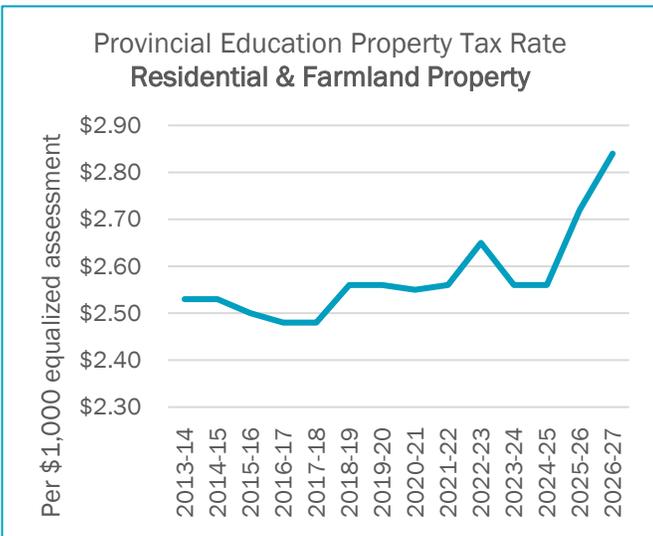
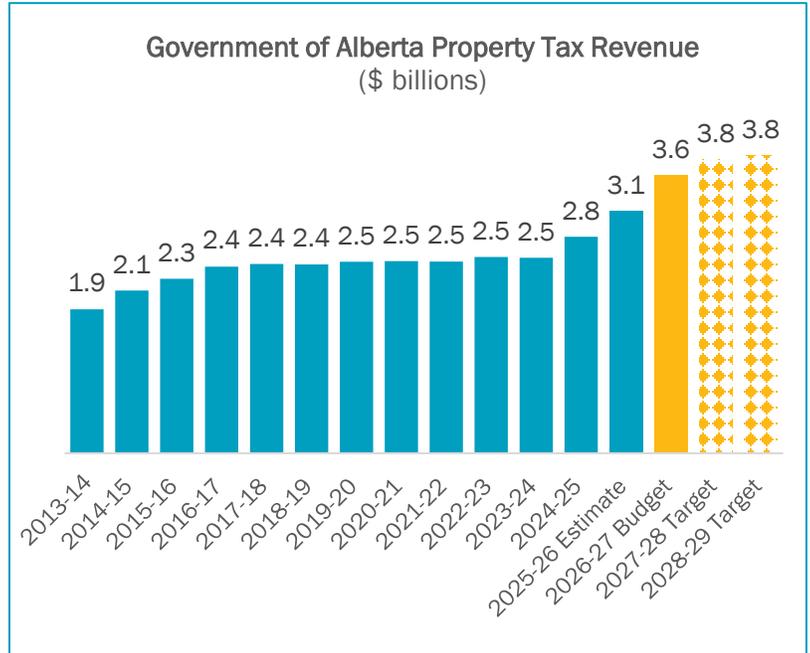
Other Priorities for Municipal Governments

The Province is raising its property tax by 15% this year

In 2025, the Alberta government budgeted to increase its tax on property by 14.3 per cent. The province is taking that another step further and will increase its property tax by another 15 per cent in 2026. This translates to a \$468 million increase in provincial tax on homeowners and business property owners compared to 2025-26.

The tax increase is part of the province's new strategy to have one-third of K-12 school operating costs funded by education property taxes. This strategy has resulted in provincial property taxes increasing by \$1 billion or 42 per cent since 2023.

To meet its goal of raising almost half a billion dollars more in revenue in 2026, the Government of Alberta will increase the provincial tax rate on residential and farmland properties by 4.4 per cent and increase the rate on non-residential property by 4.3 per cent.⁴



	2023-24 Actual	2024-25 Actual	2025-26 Estimate	2026-27 Budget	2027-28 Forecast	2028-29 Forecast
Provincial property tax (\$ millions)	2,526	2,797	3,124	3,592	3,792	3,848
Year-over-year change (%)		10.7%	11.7%	15.0%	5.6%	1.5%

⁴ Note that these tax rates are not applied to each property for the purposes of the current year property tax bill. The Alberta government uses these rates to determine how much provincial property tax to requisition from each municipal government in Alberta. Each municipal government is then required to collect the province's tax from each local property based on the current year assessed value of each property.

Provincial Property Tax: The Misunderstood Tax

Problem with the province's property tax include:

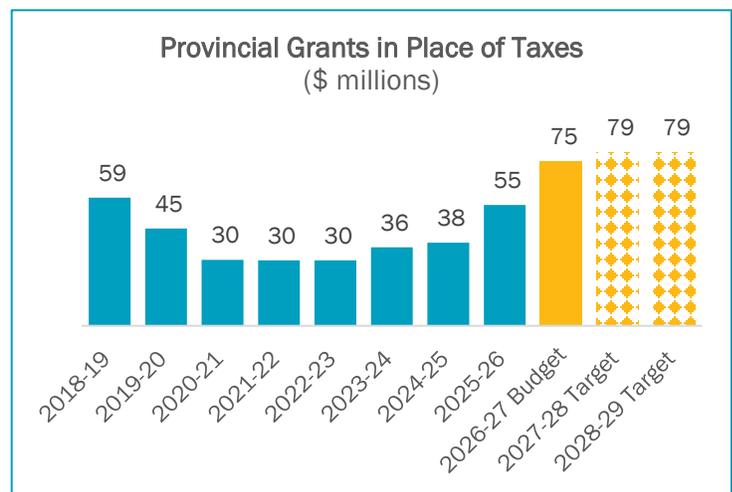
1. Municipal governments collect this tax for the province, meaning municipal councils and employees will be mistakenly blamed for the tax increase.
2. When councils see an increase in the provincial tax, they may decide that they need to lower any planned increase to municipal property tax to help with affordability for residents. This creates long-term risks for the community such as failures in roads and water pipes if the municipality is not adequately investing in maintenance of infrastructure.
3. Shifting more of the tax burden on property taxes instead of income taxes or consumption taxes will have real impacts on society. Seniors and other individuals with fixed incomes and workers who don't get a pay increase will have less money available to cover their property tax bill.

The Government of Alberta has other revenue tools available that are more transparent and beneficial to the economy. Moreover, the Premier's [2025 mandate letter](#) to the Minister of Municipal Affairs directed him to explore ways to "limit excessive municipal property tax increases" but since then, has increased provincial property taxes on Albertans by 28 per cent.

As such, we continue to call on the province to work with municipal leaders to [reimagine](#) how schools, local infrastructure, and local services are funded as the combined increases on property taxes by the province and municipal governments is not sustainable and will have significant effects on regional economies and society.

Grants in Place of Taxes (GIPOT)

We applaud the Government of Alberta for following through on its commitment to fully fund GIPOT in 2026-27 to 100 per cent of the eligible tax amount on eligible land and buildings owned by the province. This follows six years of advocacy by ABmunis and municipalities calling for the province to reverse its decision in 2019 to cut this program. The fully funded GIPOT helps lessen the property tax burden on property owners in municipalities where provincial buildings are located. ABmunis recently created this [information sheet](#) to help explain what tax amounts are covered by GIPOT. The next task for ABmunis is to examine if GIPOT adequately covers the right properties.



No Relief for Rising Municipal Policing Costs

Policing is often the single largest expenditure for municipalities. Budget 2026 does not offer any relief to cash-strapped local governments when it comes to public safety. Per capita and per officer funding amounts distributed through the Policing Support Grant (available to municipalities with populations over 5,000 that are responsible for providing or contracting their own police service) remain fixed at 2008-2009 levels. For municipalities with populations under 5,000, a new police funding model introduced late last year will further download provincial policing costs: municipalities have received estimated costs under the new model that represent anywhere from 120 to 320 per cent increases over five years.

Notably, the province is allocating an additional \$22 million to the new Alberta Sheriffs Police Service, bringing the total operating budget for this agency to \$200.9 million. The Minister of Public Safety and Emergency Services recently tabled legislation to facilitate plans to train about 600 Alberta sheriffs as police officers. However, it is not yet known where these sheriffs will be deployed, how they will work with existing police services and local authorities, or how their performance will be evaluated.

A Small Nod to Emergency Management

The Alberta Emergency Management Agency (AEMA) receives a modest budget increase in 2026-27 (5.8 per cent) compared to 2025-26. Budget 2026 also allocates \$103 million for flood mitigation projects and \$38 million for wildfire management projects. While the province has procured five waterbomber aircraft, the aircraft will not be delivered until early 2031 so the associated funding is not reflected in the current budget.

Drought & Flood Response

Flood and drought mitigation funding declines significantly in this Budget 2026 and in coming years. While the 2025-26 spending stays elevated due to project-specific investments, funding drops to \$53 million in 2026-27 due to the anticipated completion of the Bearsaw Reservoir project. Overall, this represents a 45 per cent reduction in funding. Budget 2026 shows no new flood mitigation projects beyond 2026-27, with \$25 million allocated annually for flood response through 2027-28 and 2028-29.

Lack of predictable long-term funding puts water infrastructure at risk

Overall grant programs for water and wastewater infrastructure increases sharply in 2026-27, rising to \$198 million from \$121 million last year and \$443 million allocated over three years. However, this funding is front-loaded and followed by steep reductions by 2028-29, creating significant planning uncertainty for municipalities.

Because funding is delivered through competitive, application-based grants, short-term spikes and year-to-year volatility do not provide the predictability municipalities need to plan, design, and deliver long-term water and wastewater infrastructure.

Municipal Water and Wastewater Partnership (MWWP) funding rises by 42 per cent to \$64 million in 2026-27, with a further increase projected in 2027-28, before dropping sharply to \$16 million in 2028-29. Water for Life Program funding follows a similar pattern, nearly doubling to \$98 million in 2026-27 from \$51 million, but declining in subsequent years to just \$15 million by 2028-29. This funding profile reinforces that short-term increases, particularly when delivered through competitive grants, do not support effective infrastructure planning. Municipalities require stable, reliable, multi-year funding to manage growth, meet regulatory requirements, and deliver essential water and wastewater projects efficiently.

Water for Life funding is limited to new or expanded regional water and wastewater infrastructure for communities with populations under 45,000 and does not support rehabilitation or maintenance of existing local systems. As a result, many municipalities facing aging infrastructure and increasing regulatory pressures remain ineligible, underscoring the need for flexible, multi-year funding that supports both growth and asset renewal.

School Sites

In the education sector, Budget 2026 allocates \$3.3 billion towards building and modernizing 161 schools, including 40 new school projects. Of this, \$1.4 billion is earmarked for construction in 2026-27, with \$200 million dedicated to the Schools Now initiative (formerly known as the School Construction Accelerator Program).

Municipalities recognize that schools are essential components of thriving communities. However, greater coordination is needed between the province, school boards, and municipalities when planning and developing school sites. There is also a need for increased funding to ensure schools are built when and where they are needed most, an issue reflected in ABmunis' adopted resolution on [infrastructure servicing and construction costs for school sites](#), which calls for provincial funding to better account for the full costs associated with school development.

ABmunis is currently working with Alberta Infrastructure and Alberta Education to develop resources for municipalities on changes to the Real Property Governance Act and will continue collaborating with these ministries throughout the year to support members.

Broadband

Technology and Innovation has allocated \$183 million to continue the implementation of Alberta's broadband strategy, developed, in part, as a response to ABmunis advocacy efforts regarding our [2021 resolution](#).

Community Facility Enhancement Program

Community Facility Enhancement Program (CFEP) funding has been reduced by 50 per cent, declining from \$50 million to \$25 million, and remaining flat over the next three years. The absence of new investment limits the program's ability to support community facility upgrades. CFEP provides funding to Alberta non-profit organizations to upgrade, expand, or build public-use community facilities, including parks and playgrounds, and supports renovations, repairs, and equipment purchases that enhance community life.

Combined with flat funding for Family and Community Support Services, this lack of investment in community facilities puts further strain on social infrastructure needed to reduce longer term costs associated healthcare, justice, and policing.

Bridging the Electricity Affordable Gap

The commitment to "address regional disparities in utility rates by conducting a comprehensive review of distribution rates to ensure more equitable electricity distribution costs across the province" is a step in the right direction and reflects growing recognition of the challenges faced by rural and smaller communities. However, a review alone does not resolve the persistent disparities that many Albertans continue to experience in their electricity bills.

Without clear timelines, defined outcomes, and implementation measures, this approach risks delaying meaningful relief for residents and businesses already facing disproportionately high electricity costs. Albertans need actions that deliver measurable progress toward rate fairness, ensuring that affordability and investment are supported through tangible policy changes rather than continued study. ABmunis will monitor the review and next steps and determine future advocacy in line with our 2025 active resolution on [Electricity Distribution Costs](#).

PLANNING FOR YOUR COMMUNITY'S FINANCIAL FUTURE

MUNICIPAL FUNDING IN DETAIL

Municipal Funding in Detail

Core Capital Funding for Municipal Governments

\$ millions	2025-26 Budget	2025-26 Estimate	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	Budget '26 v '25
Provincial Capital Funding						
Programs Available to Most Municipalities						
Local Government Fiscal Framework - Capital	820	820	800	895	895	(20)
Water for Life	51	55	98	83	15	47
Municipal Water/Wastewater Partnership	45	53	64	69	16	19
Strategic Transportation Infrastructure Program	33	35	29	50	25	(4)
Traffic Safety Fund	1	1	2	10	-	1
Green Transit Incentives Program (GreenTRIP)	3	3	-	-	-	(3)
First Nations Water Tie-In Program	8	9	15	27	-	7
	961	976	1,008	1,134	951	47
Project Specific Funding Provided Separate from a Formal Funding Program ⁵						
Edmonton and Calgary LRT (provincial portion)	372	298	499	360 ⁶	271 ⁶	127
Edmonton major roads ⁷	130	75	89	87	23	(41)
Edmonton Downtown & Coliseum Site Improv.	6	6	30	70	53	24
Calgary Rivers District, Events Centre, Rink	97	40	79	94	29	(18)
YYC Rail Connection	6	1	1	1	1	(5)
Red Deer Regional Airport Expansion	4	8	3	-	-	(1)
O'Chiese Road Improvements	5	-	3	5	-	(2)
Beaumont Innovation Park	-	-	16	21	1	16
Cooking Lake Airport	-	-	4	-	-	4
County of Warner Border Road	-	8	-	-	-	-
McKinley Bridge Replacement	-	1	5	-	-	5
Smith Bridge Replacement	-	-	-	30	36	-
Sundre Wastewater Treatment Plant	8	-	8	-	-	-
Airdrie Wastewater Treatment Plant	-	1	14	15	20	14
Capital Region Wastewater Treatment	10	-	-	-	-	(10)
Designated Industrial Zone Pilot Project	18	18	10	10	10	(8)
	656	456	761	693	444	105
Total Provincial Funding	1,617	1,432	1,769	1,827	1,395	152
Year-over-year change in budget			9%	3%	(24%)	
Federal Capital Funding						
This funding is distributed by the province on behalf of the Government of Canada						
Edmonton and Calgary LRT (federal portion)	400	409	537	390 ⁶	293 ⁶	137
Canada Community-Building Fund	276	281	276	287	287	-
Investing in Canada Infrastructure Program	48	56	27	3	-	(21)
Small Communities Fund	-	-	-	1	-	-
	724	746	840	681	580	116
Total Provincial + Federal Capital Funding	2,341	2,178	2,609	2,508	1,975	268

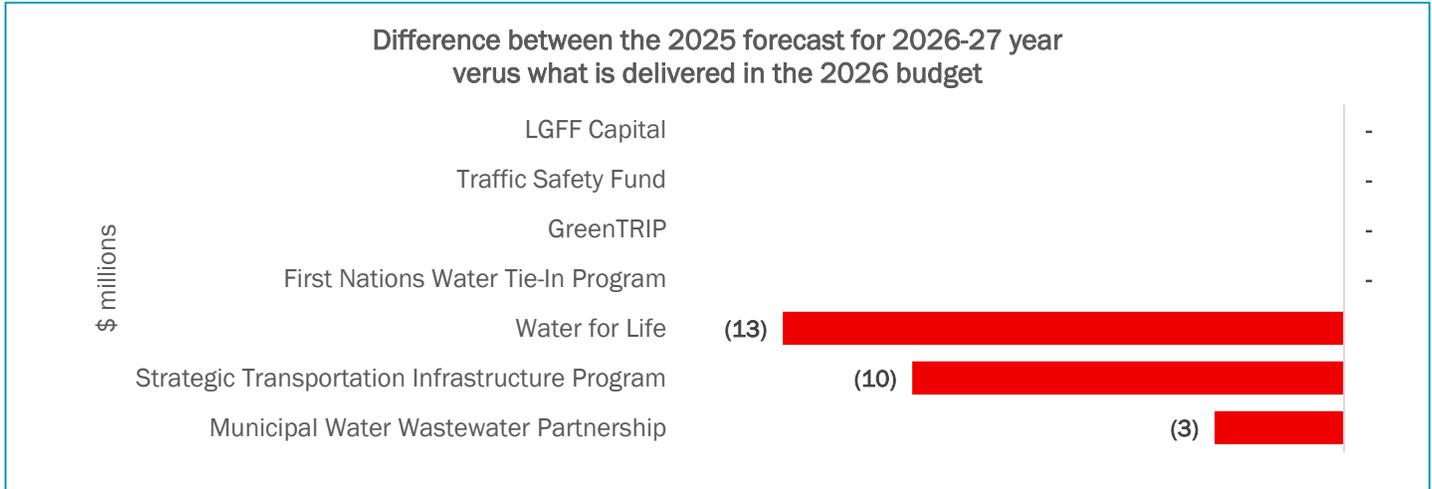
⁵ This category summarizes funding distributed directly to a municipality outside of formal funding programs that municipalities can apply for.

⁶ ABmunis has made an assumption that the province is responsible for 48% of funding the Government of Canada is responsible for 52%.

⁷ 'Edmonton major roads' includes projects for Yellowhead Trail, Ray Gibbon Drive, and Terwilligar Drive.

Program funding increased, but was \$26 million short of what was forecasted for 2026

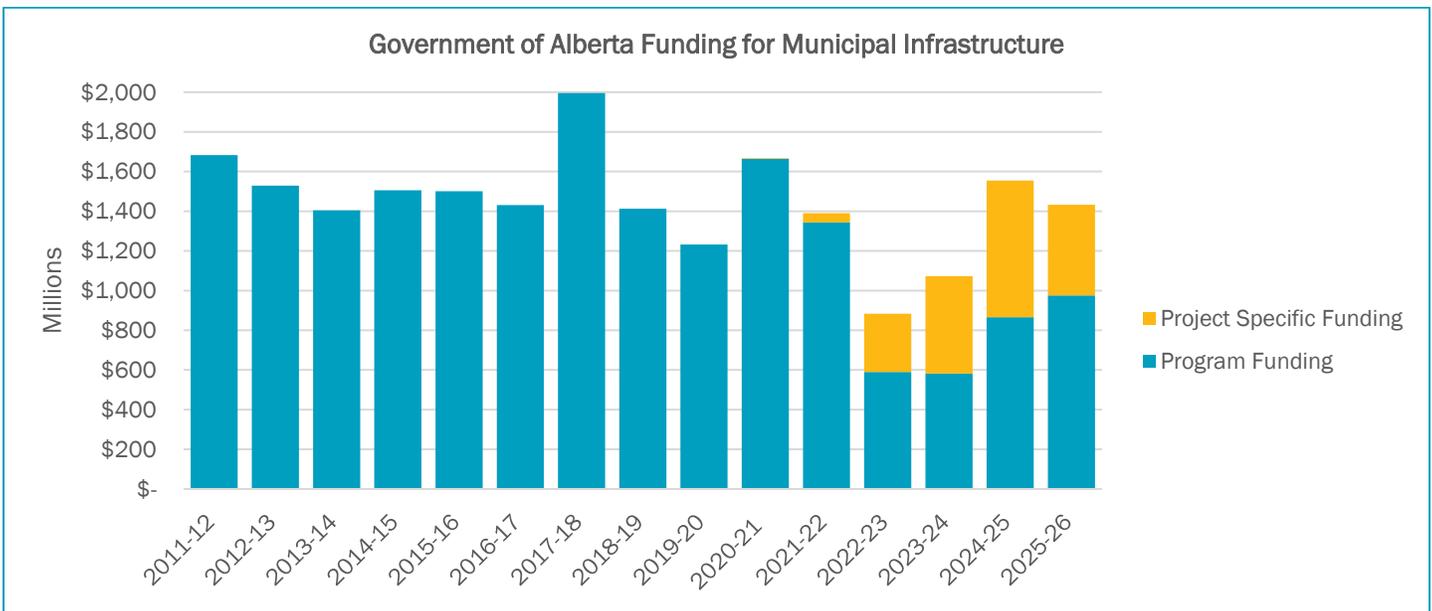
Infrastructure funding programs that are available to most municipalities increased to \$1.008 billion, but the 2025 budget forecasted that this funding would be \$1.034 billion in 2026-27, meaning a \$26 million shortfall from what was expected. Funding for water and wastewater infrastructure projects are a combined \$16 million (-9 per cent) lower than what was projected for this year.



Source: Government of Alberta 2026-29 Fiscal Plan, Capital Plan, page 115.

The Alberta government is increasingly delivering infrastructure funding to municipalities outside of formal funding programs

Historically, provincial infrastructure funding has been delivered to municipalities through programs where municipalities could compete for funding through an application process or receive funding through a formula. In recent years, the Alberta government has opted to deliver more of its infrastructure funding through targeted investments outside of formal funding programs. In 2025, about one-third of funding was delivered through one-time targeted investments in specific communities.



Source: Actuals and year-end estimates as reported in the Government of Alberta's Government Estimates reports. Excludes federal funding that flows through the province.

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Breakdown of Provincial Capital Funding Programs

Local Government Fiscal Framework (LGFF) Capital (\$ millions)

This program is allocated to every municipal government and Metis settlement in Alberta through a formula that enables local governments to plan for their financial future. It helps pay for most local infrastructure, like roads, sidewalks, water pipes, recreation facilities, or other local needs.

2025 Budget	Budget 2025 Forecast for 2026	2026 Budget	Difference from the Forecast for 2026
\$820	\$800	\$800	-

- Per the *Local Government Fiscal Framework Act*, the funding amount for LGFF Capital will increase or decrease annually based on changes in the Government of Alberta's actual revenues from three years prior. Therefore, the \$20 million decrease in the budget for 2026-27 was expected as it reflects the decrease in the province's revenue from 2022-23 to the 2023-24 fiscal year.
- In 2027, the funding will increase to \$895 million because the province's revenue increased between the 2023-24 and 2024-25 fiscal years.
- The 2028 funding won't be confirmed until the province finalizes its books for the 2025-26 fiscal year.

Alberta Municipal Water/Wastewater Partnership (AMWWP) (\$ millions)

This [competitive application program](#) is available to municipalities up to 45,000 population.

2025 Budget	Budget 2025 Forecast for 2026	2026 Budget	Difference from the Forecast for 2026
\$45	\$67	\$64	(\$3)

- The 2026 budget of \$64 million is \$19 million higher than last year but \$3 million lower than the 2025 budget forecasted for this year.
- The funding increase will help fix and replace water and wastewater systems in the short-term.
- We are highly concerned AMWWP funding is forecasted to be cut to only \$16 million in 2028-29.

Water for Life (WFL) (\$ millions)

This competitive application program is available for [new regional water systems or extensions](#) to existing systems for municipalities up to 45,000 population.

2025 Budget	Budget 2025 Forecast for 2026	2026 Budget	Difference from the Forecast for 2026
\$51	\$111	\$98	(\$13)

- The 2026 budget of \$98 million represents a \$47 million increase over the 2025 budget, but it's \$13 million lower than last year's forecast for 2026.
- The increase in 2026 is positive news for regions that are looking to add or expand a water system.
- We are highly concerned that WFL funding is forecasted to drop to only \$15 million in 2028-29.

Strategic Transportation Infrastructure Program (STIP) (\$ millions)

This competitive application program provides funding streams for local airports, bridges, resources roads, and other initiatives. The [eligibility for funding](#) depends on the funding stream.

2025 Budget	Budget 2025 Forecast for 2026	2026 Budget	Difference from the Forecast for 2026
\$33	\$39	\$29	(\$10)

- The 2026 budget amount is \$29 million, which is \$10 million lower than what was forecasted in the 2025 budget for this year.
- STIP funding is primarily allocated to municipal districts, counties, and Metis Settlements. Between 2021 to 2023, an average of 16 per cent of the funding was provided to cities, towns, villages, and summer villages.

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Explanation of Federal Capital Funding that is Distributed by the Government of Alberta

Canada Community-Building Fund (CCBF)

- CCBF is distributed on a per-capita basis based on census data.
- In 2026, \$276 million is available under the CCBF, no change from 2025.
- CCBF is indexed at two per cent annually, however increases are only delivered in \$100 million increments, meaning the funding typically increases every two years and was last increased in 2025.

Investing in Canada Infrastructure Fund (ICIP)

- All ICIP funds have been allocated to projects. Any reference to ICIP funds are for re-profiled amounts or carry-overs from prior years projects as they are allocated for construction.
- In total, Alberta received \$3.66 billion through ICIP.

Edmonton and Calgary Light Rail Transit (LRT)

- \$2.35 billion in funding has been allocated over three years (2026-2028) for LRT expansion in Edmonton and Calgary.
- ABmunis estimates that about \$537 million is being provided by the federal government for these projects in 2026-27.⁸

While Budget 2026 is silent on the federal government's shift to the Building Communities Strong Fund (BCSF), ABmunis remains concerned with the BCSF model linking access to funding with reductions in development charges. While this approach may align with systems in other provinces, it does not translate well to Alberta, where off-site levies are already low and essential to infrastructure delivery. Reducing off-site levies does not eliminate infrastructure costs - it simply shifts them onto existing residents through higher property taxes, reduced service levels, or deferred infrastructure.

It is also important to note that BCSF introduces zero net new funding. Existing federal dollars have been reallocated and must now be shared among municipalities, hospitals, and post-secondary institutions nationwide. For fast-growing Alberta communities facing significant water, wastewater, and other enabling infrastructure deficits, this does not address the scale of need.

Advocacy for improvements to the BCSF will remain a priority for ABmunis in the coming year.

Core Operating Funding for Municipal Governments

\$ millions	2024-25 Budget	2025-26 Budget	2026-27 Budget	% Change	Note
Alberta Community Partnership	15.4	13.4	10.6	(21%)	1
Family and Community Support Services	105.0	105.0	105.0	-	2
Fire Services Training Program	0.5	0.5	0.5	-	
Grants in Place of Taxes	38.1	55.3	75.3	36%	3
Local Government Fiscal Framework Operating	60.0	60.0	60.0	-	4
Policing Support Grant (formerly MPAG and POG)	108.8	119.0	115.9	(3%)	5
	327.8	353.2	367.3	4%	

Notes

1. The 2026 budget for the Alberta Community Partnership was reduced by \$2.8 million. ABmunis understands the reduction is due to the reduction of the Intermunicipal Collaboration Component from \$5.6 million to \$2.8 million for 2026-27.

⁸ The Government of Alberta's 2026 Fiscal Plan reports the total expense on Edmonton and Calgary LRT as a combined total of federal and provincial portions. ABmunis relied on details in the Government of Alberta's 2025 Government Estimates report to estimate that \$537 million of the total \$1.036 billion expense is federal funding.

Preliminary Analysis on Alberta's 2026 Budget

- Since 2023, the province has included funding for Food Banks in the budget line item of Family and Community Support Services (FCSS). The figures reported by ABmunis exclude that amount for transparency to show what portion municipalities receive for FCSS.
- Based on advocacy by ABmunis and our members, in Budget 2025, the province announced a plan to fully fund [Grants in Place of Taxes](#) through a two-year phase in. In 2025-26, GIPOT was funded at 75 per cent of the eligible tax amount and is now funded at 100 per cent for the 2026-27 year.
- The funding allocations under the Local Government Fiscal Framework Operating program have been fixed since 2023. Alberta Municipal Affairs has announced that it plans to implement a new allocation formula for 2027.
- The Policing Support Grant is for any municipality with a population over 5,000 that provides their own police service and was eligible for the former Municipal Policing Assistance Grant and Police Officer Grant. ABmunis understands that the per capita and per officer rates are unchanged for 2026 so municipalities will receive similar funding. The 3 per cent reduction in budget will impact other program spending.

Notable Funding for Community Entities

\$ millions	2024-25 Budget	2025-26 Budget	2026-27 Budget	% Change	Note
Active Communities Initiative	10.0	10.0	9.0	(10%)	6
Agricultural Service Boards	11.9	11.9	12.0	1%	
Agricultural Societies and Exhibition Grants	11.5	11.5	11.5	-	
Agricultural Societies Infrastructure Revitalization	2.5	2.5	2.5	-	7
Community Facility Enhancement Program	50.0	50.0	25.0	(50%)	6
Community Initiatives Program	16.0	14.0	13.6	(3%)	6
Library Services – Operating	39.9	39.9	40.1	1%	
Legal Aid	110.0	88.1	104.5	19%	
Regional Economic Development Alliances	1.1	1.1	1.1	-	
	<u>252.9</u>	<u>229.0</u>	<u>219.3</u>	(4%)	

- ABmunis is concerned that the 10 per cent reduction in Active Communities Initiative, 50 per cent reduction in the Community Facility Enhancement Program, and 3 per cent reduction in the Community Initiatives Program will result in further pressures on municipal property taxes as non-profit organizations will turn to their local council for more funding in the absence of provincial support.
- The 2026-27 budget of \$2.5 million is an assumption based on Alberta Agriculture and Irrigation's 2026 Business Plan that states that \$14 million is budgeted in operating (\$11.5 million in Agricultural Societies and Exhibition Grants) and capital funding.

GOOD TO KNOW

AN OVERVIEW OF ALBERTA'S 2026 FISCAL PLAN

An Overview of the 2026 Fiscal Plan

The Government of Alberta is projecting a \$9.4 billion deficit in 2026-27, along with deficits of \$7.6 billion in 2027-28 and \$6.9 billion in 2028-29. The primary drivers for the projected deficit in 2026-27 are significantly lower bitumen royalties (-24%), higher debt servicing costs (+17%), and increased operating expenses (+5%).

"This reliance on oil and gas revenues to fund spending puts public programs and services and the province's fiscal structure at risk."

[*Putting Alberta's Financial Future in Focus: A Commentary by the Auditor General, 2018*](#)

This budget signals 'difficult times ahead' as growth in expenses has and will continue to outpace revenues for the foreseeable future. Since the 2024-25 budget surplus, the Government of Alberta has been on a very costly financial trajectory whereby expenses have increased by 13 per cent and revenues have declined by 10 per cent. To put this another way, the projected 2026-27 deficit is an inverse of the 2024-25 surplus.

Albertans should expect they will be 'carrying the financial load' over the next three years. Not only is personal income tax projected to continue being the largest source of provincial revenue, but they will also likely bear increases to their property taxes to maintain requisite infrastructure and services. While the Government of Alberta continues to market the Heritage Fund and promote Alberta as a 'business friendly' environment, continued deficit positions mean there is less money to go around, no contributions to the Heritage Fund nor principal payments on maturing debt (as stated in last year's *Sustainable Fiscal Planning and Reporting Act*), and more financial slack that Albertans will have to pick up.

Investment in Alberta is expected to Rebound

The current US tariffs, along with ongoing uncertainty and threats, should drive recovery pertinent to investments. Outside of the oil and gas sector, investment is forecasted to grow by 6 per cent to over \$44 billion in 2026. Engineering construction investment will be supported by major projects already underway (Valhalla North, Berland River NGTL expansion) along with new projects expected to break ground (e.g., Enbridge's \$2.0 billion Phase 1 Mainline Expansion and ATCO's \$2.8 billion Yellowhead Mainline natural gas pipeline).

Taxpayer supported debt will continue to significantly increase into 2028-29

Each successive deficit position requires the Government of Alberta to incur more debt which is passed onto Albertans. By 2028-29, total taxpayer supported debt is projected to increase by \$45 billion to a total of \$138 billion. The debt servicing costs on taxpayer supported debt are projected to increase year-over-year by 21% in 2026-27, 26 per cent in 2027-28, and 16 per cent in 2028-29.

Municipal Governments Need Predictable & Sustainable Streams of Provincial Revenue

Funding provided to municipalities via the Local Government Fiscal Framework (LGFF) is directly tied to the provincial government's revenues. With 2026-27 projected revenues being less than what was forecasted in 2025-26, municipalities stand to receive less financial support while needing to provide more to their communities.

ABmunis advocates for the Government of Alberta to engage municipalities in frank discussions about how it allocates funds, including future cash surpluses, to ensure the sustainability of municipal tax rates, infrastructure, and service delivery.

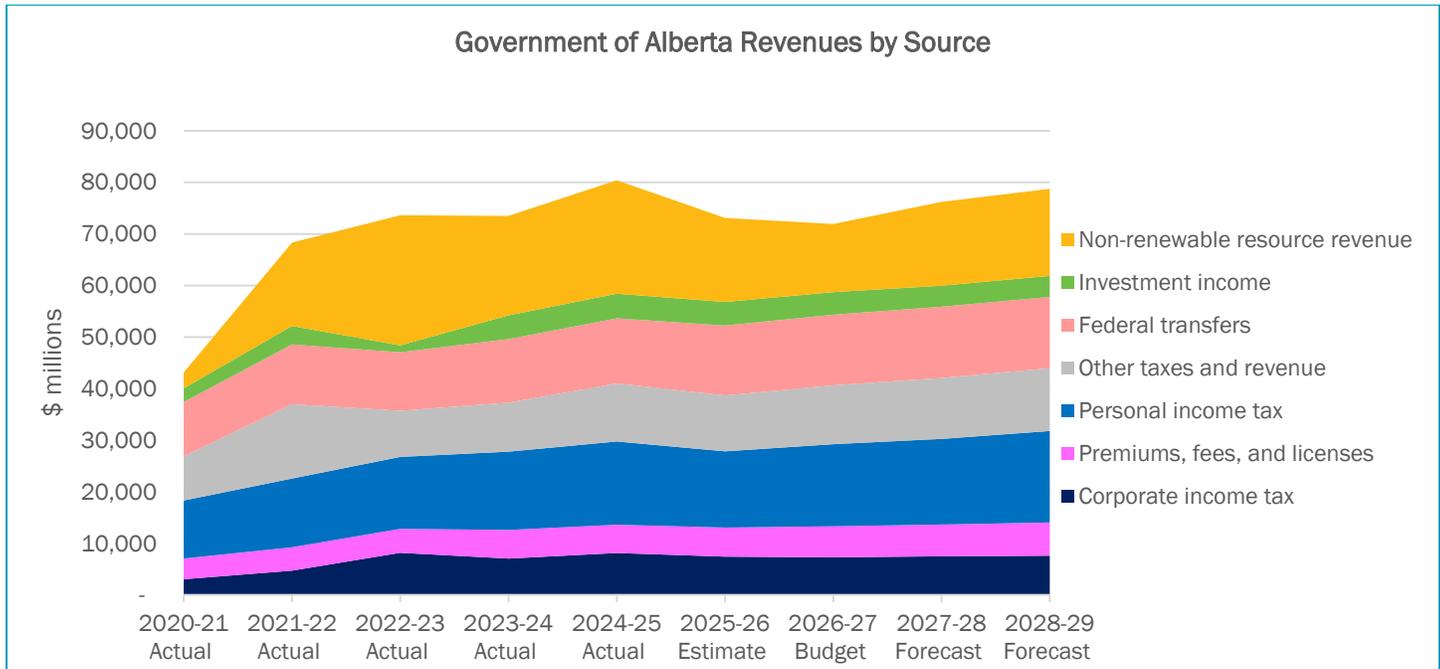
Statement of Operations

\$ millions	2024-25 Actual	2025-26 Estimate	2026-27 Budget	2027-28 Forecast	2028-29 Forecast
Revenue					
Personal income tax	16,120	14,771	15,933	16,612	17,741
Corporate income tax	8,125	7,420	7,300	7,472	7,615
Other tax revenue	6,111	6,603	7,237	7,562	7,821
Resource revenue	21,986	16,285	13,213	16,234	16,892
Investment income	4,803	4,568	4,358	4,071	4,052
Premiums, fees, and licenses	5,504	5,640	6,000	6,170	6,424
Other own-source revenues	7,202	6,439	6,794	6,967	7,135
Federal transfers	12,618	13,566	13,715	13,826	13,839
Total revenue	82,469	75,292	74,550	78,914	81,518
Expenses					
Health	29,560	32,794	34,699	36,534	38,104
Basic/Advanced education	17,197	18,478	19,388	20,188	20,513
Social services	8,462	8,999	9,418	8,701	8,522
Other program expenses	16,118	16,429	17,418	17,264	16,842
Total program expense	71,337	76,700	80,923	82,688	83,982
Debt servicing costs	3,215	2,922	3,407	4,222	4,863
Pension provisions	(403)	(196)	(408)	(415)	(423)
Total expense	74,149	79,426	83,922	86,495	88,422
Surplus / (Deficit)	8,320	(4,134)	(9,373)	(7,581)	(6,904)

Source: Alberta's 2026-29 Fiscal Plan, Schedule 25: Historical Fiscal Summary, page 163.

Revenues

Total revenues are forecasted to be \$74.6 billion in 2026-27, a decrease of 1 per cent from the 2025-26 budget. In 2026-27, 18 per cent of total government revenue is estimated to come from non-renewable resource revenues, with another 41 per cent coming from personal income tax. After 2026-27, revenue sources are predicted to remain stable or increase nominally, apart from personal income tax revenue, which will increase by 4 to 5 per cent year over year.



Expenditures

Total expenditures for 2026-27 are projected to increase by \$4.5 billion compared to the 2025-26 budget, which is a 5 per cent increase. Specifically, the Government of Alberta is projecting to spend more on:

- Hospital and Surgical Health Services (14 per cent),
- Assisted Living and Social Services (8 per cent),
- Justice (9 per cent),
- Education and Childcare (9 per cent),
- Mental Health and Addiction (14 per cent),
- Primary and Preventative Health Services (13 per cent), and
- Debt servicing costs (15 per cent).

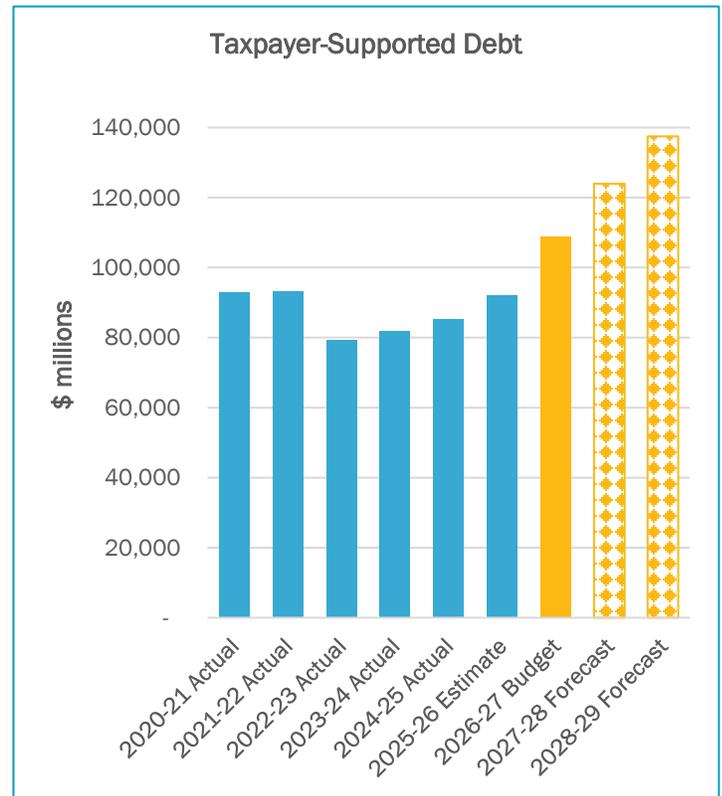
Taxpayer-Supported Debt and Debt Servicing Costs

Debt servicing costs are forecasted to increase by \$500 million in 2026-27 to \$3.4 billion. The Government of Alberta attributes this to higher than projected borrowing levels and rising interest rates.

Taxpayer-supported debt is estimated to be \$92.1 billion at the end of 2025-26 and \$108.9 billion at the end of 2026-27. Due to projected deficit positions over the next three years, the total taxpayer supported debt is forecasted to reach \$138 billion by 2028-29.

Contingency for Disasters

A total expense contingency provision of \$2 billion has been included for 2026-27, which is a reduction from the \$4 billion budgeted for 2025-26. The primary reasons for this change are better awareness and understanding of the impacts of US tariffs and the settlement of major compensation and collective bargaining agreements (e.g., Health Sciences Association of Alberta, the union of health-care professionals). Future contingency levels are set at \$2 billion.



Key Energy and Economic Assumptions

\$ millions	2025-26 Estimate	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Crude Oil Prices				
WTI (US\$/bbl)	61.50	60.50	67.00	67.50
Light-Heavy Differential (US\$/bbl)	11.20	13.00	14.10	14.30
WCS @ Hardisty (Cdn\$/bbl)	69.80	65.30	71.60	70.60
Natural Gas Price				
Alberta Reference Price (Cdn\$/GJ)	1.70	3.00	3.10	3.20
Production				
Conventional Crude Oil (000s barrels/day)	549	544	541	538
Raw Bitumen (000s barrels/day)	3,569	3,691	3,798	3,844
Interest Rates				
10-year Canada Bonds (%)	3.30	3.20	3.30	3.40
Exchange Rate (US¢/Cdn\$)				
	72.0	73.0	74.2	75.4

Source: Alberta's 2026-29 Fiscal Plan, Energy and Economic Assumptions, page 21.

Ministry Highlights

All expense figures presented in the following tables are sourced from the Government of Alberta's 2026-27 Fiscal Plan, Schedule 3: Statement of Operations, page 150.

Advanced Education

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	7,204	7,411	7,674	7,738	7,928	8,088

- Total expense in 2026-27 is \$7.7 billion, an increase of \$63 million or 0.8 per cent from the 2025-26 third quarter forecast.
- The budget contains \$83 million over three years to support doubling of enrolment at the University of Calgary Veterinary Medicine program, continuing to fulfill the intent of ABmunis' [2022 resolution](#).

Affordability and Utilities

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	133	168	148	153	153	153

- Affordability and Utilities aims to address utility rate disparities by conducting a comprehensive review of the distribution rate.

Agriculture and Irrigation

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,988	984	1,704	963	906	916

- The decline in expense in 2026 is primarily driven by the absence of \$705 million in one-time disaster and emergency expenses from 2025-26, including \$619 million in crop insurance indemnities related to 2024 drought conditions.
- While disaster spending is inherently variable, agriculture disaster and emergency assistance has averaged \$978 million annually over the past decade, underscoring ongoing climate-related risk exposure for rural and agricultural communities.
- Funding remains flat for agricultural societies with \$14 million being provided to support operations, maintenance, capital investment.

Arts, Culture and Status of Women

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	238	226	223	199	218	237

- Budget 2026 shows an 11.9 per cent reduction, decreasing from \$226 million in 2025-26 to \$199 million in 2026-27.
- Non-profit organizations will have access to \$61.4 million through community grants programs, an overall decrease of 27.4 per cent from 2025-26. The decrease is primarily due to the 50 per cent reduction of funding for the Community Facility Enhancement Program.
- The Ministry will allocate \$15.7 million to the Alberta College of Social Workers and partner ministries to implement Alberta's 10-year Strategy to End Gender-based Violence.

Assisted Living and Social Services

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	10,282	11,298	11,540	12,233	12,685	12,787

- The Assisted Living and Social Services budget increases by \$1.63 billion in 2026–27, a 15 per cent increase over the 2025-26 estimate. This includes the health initiative costs that have been transferred to the Ministry.
- The largest increase is to Assisted Living Alberta, whose budget rises by \$1.369 billion, or 36 per cent, compared to 2025-26.
- Smaller increases are provided to Continuing Care (\$15 million; 6 per cent), the Alberta Social Housing Corporation (\$16 million; 5 per cent), the Public Guardian and Trustee (\$4 million; 14 per cent), and Housing (\$2 million; 15 per cent).
- While the overall ministry budget has increased, funding for Family and Community Support Services remains flat at \$105 million. By not increasing funding for this community-based prevention program, the province is further shifting costs to municipalities and missing an opportunity to reduce pressure on the health care, policing, and emergency response systems.
- Several income support programs see reductions. Employment Income Support funding is \$43 million lower than in 2025-26, a 3 per cent decrease. This reduction appears linked to the introduction of a legislated six-month maximum benefit duration for “Income Support Expected to Work” clients, although the government notes this represents a 3 per cent increase over the third-quarter forecast.
- Disability Income Assistance increases by only 3 per cent, while the Seniors Benefit grows by just 2 per cent. These programs play a critical role in preventing Albertans from falling into crisis.

Children and Family Services

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,515	1,595	1,621	1,685	1,695	1,695

- \$2.1 billion for continued support for affordable child care; this aligns with our 2021 resolution ([link](#)).
- The Ministry’s total expenses will increase by \$90 million in 2026-27, a 6 per cent increase over the 2025-26 estimate.
- Approximately one quarter of Children and Family Services is allocated to Alberta Child and Family Benefits, totaling \$405 million.
- The largest increase is to child intervention services which grows by \$47 million in 2026-27, a 5 per cent increase over the 2025-26 estimate.
- Funding for the Prevention of Family and Sexual Violence program increases by 6 per cent, or \$5 million, in 2026–27. Most of this increase appears to be directed to community-based organizations, with funding rising to \$29 million from \$25 million in 2025-26.
- Indigenous partnerships funding increases by 9 per cent, or \$1 million, in 2026-27 compared to 2025-26.
- However, funding for Family Resource Networks stays flat at \$67 million. These programs help families to prevent problems from escalating. By not increasing this funding to reflect rising costs and population growth, the province is likely pushing more families into the more expensive child intervention system.

Education and Childcare

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	11,417	12,357	12,471	13,436	13,369	13,543

- Budget 2026 includes \$3.3 billion in infrastructure funding for building and modernizing 161 schools, including 40 new school projects.
- In alignment with the ABmunis' [2021 resolution](#), there is \$2.1 billion for continued support for affordable child care.

Energy and Minerals

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,400	1,122	1,028	894	968	1,031

- The Ministry faces a \$228 million reduction, representing a 20 per cent decrease from the 2025-26 budget and a total decline of \$506 million in spending compared to 2024-25.
- Despite the overall reduction, targeted funding remains for legacy liability management.
- \$155 million is allocated to the Orphan Well Association to support the continued remediation of orphaned and inactive oil and gas sites, a \$10 million increase from last year. This investment continues progress on reducing environmental liabilities and mitigating long term risks to communities and municipal infrastructure.

Environment and Protected Areas

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	440	565	545	484	481	493

- Funding declines by 14 per cent to \$484 million, which is \$81 million below 2025-26 levels, driven largely by reduced TIER revenue and lower operating spending.
- \$27 million is allocated to Caribou Recovery and Habitat Restoration, a 48 per cent reduction from last year's \$40 million. ABmunis continues to support region-specific recovery planning that considers municipal land use and infrastructure impacts.
- Funding for Aquatic Invasive Species Management remains steady at \$5.8 million.
- Land Stewardship Fund and Conservation Grants: \$10 million is maintained for ecosystem services and private land conservation. These funds help municipalities protect sensitive areas and support agriculture, tourism, and watershed health.
- \$17.9 million is allocated for emergency response, with \$54.4 million in industry-funded monitoring. As ministry capacity declines, municipalities may face greater responsibility during local environmental incidents.
- \$30.3 million is allocated to improve water measurement, policy, data management, and storage under the Water Storage Assessment Program, supporting municipal drought and flood resilience.

Executive Council

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	84	96	100	104	106	106

- This Ministry's budget will increase 8 per cent in 2026-27 as it continues to lead the coordination and advancement of Alberta's priorities relating to other governments across Canada and internationally.

Preliminary Analysis on Alberta's 2026 Budget

- Communications and Public Engagement moved under Executive Council in 2025 and remains there for Budget 2026.
- Notable initiatives include:
 - Building and maintaining strong relationships with priority international partners, particularly with national- and state-level officials in the United States, and key markets in Latin America, the Indo-Pacific region, the Middle East, and Europe.

Forestry and Parks

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,089	409	1,182	421	416	411

- Overall spending in Budget 2026-27 appears to decline significantly compared to the past two years. The change reflects the wind-down of one-time emergency and disaster expenses that significantly inflated spending in 2024-25 and 2025-26.
- Outside of these temporary costs, base program funding remains relatively flat, with a marginal 2 per cent increase to \$421 million from 2025-26 budgeted spending.
- Spending falls by roughly 64 per cent, as major one-time disaster and emergency costs in 2024-25 and 2025-26 do not carry forward into 2026-27. This includes drought, wildfire, and flood-related response funding.
- \$35.8 million strengthens wildfire mitigation, response capacity, and technology upgrades.
- \$87.1 million in capital and \$102.9 million for operations to support Alberta Parks, support the expansion and maintenance of trails, facilities, and recreation assets that drive tourism, increase visitation, and could place servicing and maintenance burdens on nearby municipalities.

Hospital and Surgical Health Services

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	11,491	12,157	13,002	13,832	14,601	15,098

- With the updated 2025-26 estimate following the ministry's creation in May 2025, the Hospital and Surgical Health Services budget increases by \$1.7 billion, or 14 per cent, in 2026-27.
- The largest increase is to Acute Care Alberta, which grows by \$1.4 billion, a 31 per cent increase over 2025-26. Additional increases include Diagnostic, Therapeutic and Other Patient Services (\$209 million; 12 per cent), Emergency Health Services (\$41 million; 5 per cent), and Population and Public Health (\$20 million; 27 per cent).
- Ministry Support Services increase by \$12 million, a 63 per cent increase, while Home Care funding rises by \$4 million, a 200 per cent increase.
- Physician Compensation and Development decreases by \$6 million to \$1 billion within this ministry; however, when combined with Primary and Preventative Health Services, total physician compensation funding reaches \$7.9 billion in 2026-27.
- The budget includes several capital investments, including \$7.2 million to plan for 700 new acute care beds in Edmonton, \$76 million for eight new urgent care centres (locations yet to be announced), and planning for a standalone Stollery Children's Hospital in Edmonton.
- An additional \$152 million is allocated for site specific hospital triage and patient flow initiatives, with the Royal Alexandra Hospital the only site identified to date.
- As outlined in the Acute Care Action Plan, \$525 million remains planned to deliver 50,000 additional surgical procedures between 2025 and 2028.
- One performance indicator of interest to municipalities is ground ambulance response times. The response time target for communities with populations under 3,000 appears to increase to 40 minutes, compared to current average response times of approximately 33 minutes.

Indigenous Relations

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	235	238	256	268	268	273

- The budget increases 12 percent to \$268 million. Funding then remains flat through 2027-28.
- Alberta Indigenous Opportunities Corporation funding is unchanged at \$22 million.
- \$7 million is allocated to support Indigenous participation in land and natural resource consultations and encourage regional planning and development through the Indigenous Consultation Capacity Program.
- \$2 million is allocated to support policing services on Métis Settlements.

Infrastructure

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	690	921	907	961	932	918

- \$1.4 billion will be allocated in 2026-27 for the construction of school facilities, including \$200 million for Schools Now (formerly the School Construction Accelerator Program).
- Infrastructure is also contributing to revitalizations of major urban centres including \$15 million for Edmonton Downtown and Coliseum site improvements.

Jobs, Economy, Trade and Immigration

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	364	416	460	422	412	399

- The budget for 2026-27 is an 8 percent decrease from 2025-26, this is primarily due to a \$35 million reduction to the Film and Television Tax Credit.
- \$94 million to Skills and Training Support to help individuals get back to work and build a skilled workforce, including initiatives under the *Alberta Jobs Strategy*.
- \$16 million for economic immigration programs and services to support the province's labour market needs and economic growth.
- \$15 million for grants to support workforce integration initiatives to assist newcomers with integrating into the province's workforce.
- \$2.5 million for grants to ethnocultural communities and organizations to provide supports and services to help address racism and build inclusive multicultural communities
- \$149 million to support investment attraction, foster regional economic development and enhance internal and international trade.
- \$81 million to ensure safe, fair and healthy workplaces through supporting labour relations, occupational health and safety and employment standards.

Justice

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	690	707	751	773	758	758

- Justice's operating expense has increased by \$22 million from 2025-26 estimates, primarily due to increases in public sector compensation.
- The Ministry's 2026-27 budget includes:
 - A \$105 million grant to Legal Aid Alberta.

Preliminary Analysis on Alberta's 2026 Budget

- \$288 million in operating expenses for Court and Justice Services in 2026-27 (an increase of \$2 million from the 2025-26 forecast).
- \$163 million in operating expenses for the Alberta Crown Prosecution Service (an increase of \$9 million from the 2025-26 forecast).
- The 2026 Capital Plan includes:
 - \$124 million for developing a new facility for the Office of the Chief Medical Examiner in Edmonton.
 - \$67 million for the Court of Appeal facility in Calgary.

Mental Health and Addiction

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,706	1,794	1,876	2,043	2,089	2,096

- The overall budget for Mental Health and Addiction increases by \$251 million or 14 per cent over 2025-26.
- The largest increases are in Hospital and Continuing Care (\$113 million, a 26 per cent increase), Community Care and Treatment Services (\$134 million, a 19 per cent increase), and Continuum of Care (\$70 million, a 35 per cent increase) in 2026-27 compared to the 2025-26 estimate.
- \$42.5 million have been allocated to the implementation of the Compassionate Intervention Act which can lead to involuntary treatment for substance use disorder.
- \$1.7 billion has been allocated to Recovery Alberta, but there is a reduction to services being provided in correctional facilities reducing this investment from \$61.9 million to \$60.2 million.
- \$93.5 million will be invested in community-based mental health services for children and youth.
- \$42 million is allocated to provide accessible, low-barrier, person-centred treatment options for Albertans seeking recovery from opioid use issues.
- Although significant new funding is directed to hospital, treatment, and continuum services, the budget does not clearly show whether prevention and other upstream community-based supports are being expanded proportionally.

Municipal Affairs

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,287	1,388	1,404	1,386	1,506	1,497

- The 2026 budget for the Alberta Community Partnership was reduced by \$2.8 million. ABmunis understands the reduction is due to the reduction of the Intermunicipal Collaboration Component from \$5.6 million to \$2.8 million for 2026-27. Eligible projects include new and updated Intermunicipal Development Plans (IDPs), as well as updated Intermunicipal Collaboration Frameworks (ICFs), regional development and planning, shared service delivery, economic development and growth, emergency preparedness and planning, emergency response, and disaster mitigation.
- Budget 2026 does not include funding for the creation of a Municipal Ethics Commissioner. ABmunis has continually called for the creation of an independent office to advise and investigate council code of conduct complaints. ABmunis continues to advocate for an independent office to support future frameworks related to universal codes of conduct.
- The Fire Services Training Program Grant remains at \$500,000 for 2026-27; however, we note this funding amount has not increased in over a decade.

Primary and Preventative Health Services

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	11,649	11,182	12,244	12,653	13,313	14,067

Preliminary Analysis on Alberta's 2026 Budget

- With the updated 2025–26 estimate following the ministry's creation in May 2025, the Primary and Preventative Health Services budget increases by \$1.5 billion, or 13 per cent, in 2026-27.
- The largest investments are in Physician Compensation and Development, which increases by \$1.1 billion (19 per cent), followed by Primary Care Alberta, which grows by \$272 million (15 per cent), and Drugs and Supplemental Health Benefits, which increase by \$228 million (11 per cent) compared to 2025–26.
- Funding for Other Health System Services and Supports decreases by \$9 million, or 1 per cent. This reduction warrants closer examination to determine whether it reflects efficiencies, service consolidation, or reduced support capacity.
- Planned investments continue in midwifery services, with \$5 million allocated in 2026–27 as outlined in the Alberta Midwifery Strategy, along with \$26 million to expand the Nurse Practitioner Primary Care Compensation Model.
- While overall operating health spending grows by 9.8 per cent, Primary and Preventative Health Services grows faster at 13 per cent, indicating a relative prioritization of primary care delivery and provider compensation within the health system.
- Although the ministry's mandate emphasizes prevention, the budget largely concentrates new funding in physician compensation, primary care delivery, and drug benefits, leaving less clarity on the scale of investment in upstream prevention and long-term system transformation.

Public Safety and Emergency Services

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	1,446	1,350	1,449	1,509	1,531	1,517

- Public Safety and Emergency Services' operating expense has increased by \$60 million from 2025-26 estimates, primarily due to increases in public sector compensation and policing costs.
- The Ministry's 2026-27 budget includes:
 - \$5.5 million for combatting human trafficking.
 - \$36.9 million for the continued implementation of the Alberta Sheriffs Police Service.
 - An additional \$5 million to the Alberta Emergency Management Agency (AEMA) for efforts to reduce disaster risk, increase public education, and support grants for specialty teams.
 - \$26 million for the newly formed Police Review Commission, an independent, civilian-led commission that replaces the previous system of police investigating police.
 - \$10.5 million for the Victims of Crime Assistance Program to facilitate direct supports and services to victims, including emergency expenses and recovery (this represents a 12.5 per cent decrease compared to 2025-26).
 - \$23.1 million for external partner organizations to deliver supports and services to victims of crime (this represents a 13.8 per cent decrease compared to 2025-26).
- The 2026 Capital Plan includes:
 - \$5 million for the Provincial Forensic DNA Laboratory.
 - \$9 million to establish permanent offices for the Police Review Commission in Edmonton and Calgary.

Service Alberta and Red Tape Reduction

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	181	186	196	206	203	204

- The Budget 2026 includes an overall increase of \$2.2 million to reduce the Land Titles backlog but will be phased out by 2028-29. The turnaround time for land titles and surveys was 28 business days. Investments to Service Alberta and Red Tape Reduction aim to reduce that to 10 business days in 2027-28 and 5 days in 2028-29 that reflect the investments made in Budget 2026.

Technology and Innovation

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	890	1,010	1,005	1,103	908	904

- \$183 million is allocated to continue implementing Alberta's Broadband Strategy. The overall department budget will decrease in outlying years as the Broadband Strategy winds down. The Strategy was initially developed as part of a response to ABmunis' [2021 resolution](#).

Tourism and Sport

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	134	133	135	127	136	112

- \$9 million is allocated to the Active Communities Initiative to support the development of small to mid-sized sport and recreation facilities throughout the province. Although municipalities are not eligible for this funding, ABmunis will advocate for a change to the eligibility criteria consistent with our [2025 resolution](#).
- \$75.2 million, or nearly 56 per cent of the total ministry budget, is allocated to Travel Alberta to foster tourism growth and diversification.
- The tourism levy rate increase from four per cent to six per cent effective April 1, 2026, which is expected to result in \$66 million in additional revenue.

Transportation and Economic Corridors

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	2,516	2,681	2,532	2,998	2,801	2,366

- Budget 2026 identifies \$2.7 billion over three years to support Alberta's network of provincially owned roads and bridges. This includes \$180 million in funding for highway twinning, widening, and expansion projects. Projects include:
 - Deerfoot Trail upgrades
 - Edmonton / Calgary Ring roads
 - Highway 11 Twinning (Red Deer to Rocky Mountain House)
 - Highway 16A and Range Road 20 Intersection
 - Highway 1A Upgrade (Stoney First Nation)
 - Highway 2 Balzac Interchange Replacement
 - Highway 3 Twinning (Taber to Burdett)
 - NEW: Highway 3 Twinning (Seven Persons to Medicine Hat)
 - NEW: Highway 33 Bridge over Athabasca River
 - Highway 40 Grade Widening between Grande Cache and Hinton
 - Highway 60 Capital Improvements
 - Highway 63 Twinning North of Fort MacMurray
 - Highway 881 Safety and Roadway Improvements
 - Highway Twinning, Widening, and Expansion
 - La Crete Bridge
 - QEII and 40th Avenue Interim Ramp (Near Airdrie)
 - Vinca Bridge Replacement
- TEC continues to support municipal transit solutions through investments in Calgary and Edmonton's LRT systems. Combined municipal and federal investments of \$1.04 billion in funding in 2026-27.

Preliminary Analysis on Alberta's 2026 Budget

- \$12 million has been allocated to the Traffic Safety Fund in both 2026-27 and 2027-28, a slight reduction on \$1 million from 2025-26

Treasury Board and Finance

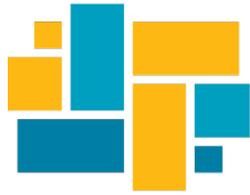
Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	2,123	2,199	2,073	2,115	2,090	2,124

- The Ministry is committed to adhering to the government's fiscal framework by maintaining year-over-year operating expense growth at or below population growth plus inflation.
- Over the five-year period ending in 2024-25, the Heritage Fund earned an annualized return of 9.6 per cent, surpassing the target return of 7.4 per cent.

Legislative Assembly

Expense \$ millions	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Estimate	Budget	Target	Target
	144	164	172	216	218	189

- Budget 2026 includes an increase of 32 per cent to the Legislative Assembly primarily driven by the additional funding required for holding a referendum on various questions on October 19, 2026.



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