



STAFF REPORT

Title: Blue Ribbon Panel on Alberta's Finances

Meeting Date: September 17, 2019

Executive Summary:

This report is a briefing note to provide the Corporate Priorities Committee of Council with the recently released report and research that stemmed from the Blue Ribbon Panel on Alberta's Finances, and to facilitate any discussion the committee would like to have on the report and its contents. The Blue Ribbon Panel Report is also known as the MacKinnon report, after the panel's chair, Ms. Janice MacKinnon.

Attached are: the Blue Ribbon Panel Report and Recommendations; the Research and Analysis Support for the Blue Ribbon Panel on Alberta's Finances prepared by MNP LLP; Research and Analysis for use of the Blue Ribbon Panel on Alberta's Finances prepared by KPMG; the AUMA's Key Messages on the MacKinnon Report; and Minister Toews' mandate letter to Janice MacKinnon.

Background:

In May of 2019, the Blue Ribbon Panel on Alberta's Finances was commissioned to conduct a review of the province's finances with the goal of balancing the budget by the 2022-23 fiscal year.

The panel found that the province will need to reduce operating spending by at least \$600 million and "substantially" reduce capital spending to respond to what it describes as "... a critical financial situation that demands decisive action." The report contains analysis of a number of provincial spending areas including Health, Education through Grades K-12, Advanced Education, Public Sector Compensation, the size of the Public Sector, Capital Spending, as well as recommending a further analysis of all other provincial programs and services.

In the AUMA's initial review of the report, it states that it appreciates the intent of the report and that it will work with the RMA to support the province's fiscal goals while maintaining quality of life, sustainable and predictable municipal funding, and critical infrastructure programs. The AUMA also cautions against signals it interprets as possible justifications for "[t]ax shifting from the province to municipalities..." and additional monitoring of the delivery of municipal programs by the province.

It is anticipated that feedback will continued to be gathered and provided to the Government of Alberta by the AUMA.



Alternatives:

- The committee may wish to provide feedback to the AUMA or the Government of Alberta, or both, in regards to one or more of the discussion points raised through the report.
- The committee may accept the information provided as information at this time.

Recommended Action:

Administration recommends that the committee accept the report as information.

Budget Implications (Yes or No):

No

Submitted by:

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