

# Alberta balances budget, focuses on Albertans' priorities in Budget 2014

March 06, 2014 [Media inquiries](#)

Budget 2014 delivers a fully balanced budget focused on core areas that support families and communities—health, education and supports for the vulnerable—while continuing to build Alberta.

With \$1 billion in new operating funding for health, K-12, post-secondary education and human services to ease growth pressures, Budget 2014 implements the next phase of the Building Alberta Plan to invest in families and communities, live within our means and open new markets for Alberta's resources for a stronger and more prosperous future.

"Alberta is the fastest growing province in the country, and we can't afford to stop building. Under our Building Alberta Plan, we are meeting the challenge of enormous growth head-on, while focusing every day on making Albertans' quality of life even better. By being conservative in our budget planning and living within our means, we have delivered Alberta's first balanced budget in six years."

- Alison Redford, Premier

While delivering an operational surplus of \$2.6 billion, Budget 2014 continues government's commitment to fiscal responsibility by keeping operating expense growth below population plus inflation for a second year in a row. There are also no new taxes or tax increases.

Budget 2014 also implements a renewed purpose for Alberta's savings. Two new endowments within the Alberta Heritage Savings Trust Fund will encourage social and agricultural innovation. A new Alberta Future Fund will provide flexible funding for future strategic opportunities offering long-term benefits to Albertans and the Alberta economy, and the Heritage Scholarship Fund will be enhanced to support students exploring opportunities in the trades.

As the next phase of the Building Alberta Plan, Budget 2014 will invest \$6.6 billion this year and \$19.2 billion over the next three years in essential infrastructure needed to support Alberta's exceptionally strong population growth. Alberta is expected to remain Canada's fastest-growing province in 2014 and 2015, growing by about 100,000 people each year.

Budget 2014 commits funding for 155 K-12 school projects, seven post-secondary projects, 24 health facility projects, 258 kilometers of new or twinned highways and 2,500 kilometers of rehabilitated highways over the next three years.

"Alberta's fiscal position is turning the corner to a brighter future. With Budget 2014 we have an operational plan that provides the core services Albertans expect, with a return to budget surpluses every year. We have a savings plan that leverages savings for strategic investments in innovation and economic growth. And we have a forward-looking capital plan for building, maintaining and improving essential infrastructure as our province continues to grow."

- Doug Horner, President of Treasury Board and Minister of Finance

### **Balance sheet highlights**

- Operational surplus of \$2.6 billion.
- Net asset improvement of \$1.1 billion, which is also the consolidated surplus.
- Operational and consolidated surplus forecast for all three years of the fiscal plan (2014-17).
- Zero dollars are being borrowed to pay for programs and services. All borrowing will be to support the capital plan.

"Due to strong leadership, a growing economy and prudent spending decisions, we are now well-positioned to weather our challenges as we continue to implement our Building Alberta Plan. Alberta has the strongest balance sheet in the country—and we are going to keep it this way." - Minister Horner

### **Operational Plan: revenue highlights**

- Total revenue is \$44.4 billion, 5.4% higher than last year when flood-related revenue from the federal government is removed from the 2013-14

forecast. Revenue growth is a result of higher oil prices, increased personal and corporate income tax revenue and increased federal grants due to equal per-capita health transfers for the provinces.

- Non-renewable resource revenue is \$9.2 billion, 6.7% higher than last year due to higher oil prices, a lower differential and a lower Canadian dollar.
- Total tax revenue is forecast at \$21.1 billion, 5.0% higher than last year due to population growth, a strong economy and higher wages.

“I am cautiously optimistic that our revenue sources will continue to show strength. While we will immediately benefit from a dropping Canadian dollar and higher price for oil, global energy prices remain volatile and we must stay the course with our Building Alberta Plan.” - Minister Horner

### **Operational Plan: spending highlights**

- Total operational expense is \$40.4 billion, which includes a 3.7% increase in operating expense.
- \$1 billion increase in spending in health, education, post-secondary education and support for vulnerable Albertans.

“Last fall, I met with Albertans across the province to discuss their budget priorities. I heard loud and clear that we must continue to invest in core services. That’s why we are increasing spending in core areas by \$1 billion this year, which will mean more teachers, doctors, nurses and other essential front-line supports for Albertans.” - Minister Horner

### **Capital Plan highlights**

- \$6.6 billion in capital spending this year, totaling \$19.2 billion over the next three years.
- Includes 155 school projects, seven post-secondary projects, 24 health facility projects, 258 kilometers of new/twinned highways, 2,500 kilometers of rehabilitated highways.
- \$859 million in flood recovery projects, mostly for mitigation to help Alberta communities limit the impact of future flood events.
- Capital debt servicing costs: \$421 million, or 1% of operational revenue. The debt servicing limit is 3% of operational revenue.

“Our province is growing by more than 100,000 people a year, which is like adding another city the size of Red Deer every year. That’s almost 300 new Albertans each and every day. These people need schools, health facilities, roads and other infrastructure to support a high quality of life in their communities. Albertans cannot wait – they need these facilities now.” - Minister Horner

## **Savings Plan highlights**

- Total savings are expected to be \$23.9 billion by the end of the 2014-15 fiscal year; \$26 billion by the end of 2016-17.
- Budget 2014 commits \$1.4 billion to innovation and strengthening labour market capacity through the creation of new endowments, a new fund and adding to the existing Heritage Scholarship Fund.
- The Contingency Account will reach \$5 billion this year, its targeted amount.

“Albertans told us they wanted to put our growing savings account to work in support of a stronger economy for decades to come. This budget takes a portion of the interest earned by our savings and focuses them on supporting research and innovation in key areas such as agriculture, social challenges and skilled trades training.” - Minister Horner

Under the [Building Alberta Plan](#), our government is investing in families and communities, living within our means, and opening new markets for Alberta's resources to ensure we're able to fund the services Albertans told us matter most to them. We will continue to deliver the responsible change Albertans voted for.

## **Related information**

[Budget 2014](#)

[Budget 101 Overview](#)

[Budget 2014 Consultations](#)

## **Building Alberta's Budget**

Video: [About the Operational Plan](#)

Video: [About the Capital Plan](#)

Video: [About the Savings Plan](#)

## **Backgrounder: Budget 2014 energy and economic forecast**

### **Media inquiries**

**[Jessica Jacobs-Mino](#)**

780-415-4855  
Acting Press Secretary, Treasury Board and Finance