



## **Provincial Policing Funding Model Impact**

Since the early 2000s, rural municipalities in Alberta had policing services provided by the RCMP under the Provincial Police Service Agreement (PPSA), with the Government of Alberta covering the full provincial share of costs. Small urban municipalities under 5,000 residents similarly did not pay directly for policing services.

In 2019–2020, the Government of Alberta introduced the Police Funding Regulation, which established a formal Police Funding Model (PFM). The purpose of this provincially mandated model was to establish a more equitable, transparent, and sustainable method for sharing frontline policing costs between the province and municipalities policed by the RCMP.

The Province's stated goals for the funding model included:

- Promoting shared responsibility for policing costs;
- Supporting frontline policing services; and
- Creating a predictable formula that accounts for population, municipal assessment, and other factors.

Under the initial PFM introduced in April 2020, the Province phased in municipal contributions to frontline policing costs:

- Year 1 (2020–21) – Municipalities pay 10% of provincial policing costs
- Year 2 – 15%
- Year 3 – 20%
- Years 4 & 5 – 30%

A formula was set that considered:

- Equalized assessment (50%) and population (50%)
- Modifiers such as crime severity, detachment proximity, and shadow population factors

The model was intended to run through March 31, 2025–26 and was extended by one year to allow for transition and consultation on a renewed approach.

Over the last several years, RCMP frontline policing costs — driven by inflation, collective bargaining increases, and expanded operational costs — have risen substantially. The original model was based on 2018 cost figures, meaning municipal contributions no longer aligned with actual frontline costs.

The province initiated stakeholder engagement and independent review to assess how well the PFM serves municipalities and whether changes are needed to ensure fairness, fiscal responsibility, and long-term sustainability.

In late 2025, the Province announced adjustments to the model to update contributions and align them with current frontline policing costs. Under the revised approach:

- Municipal contributions will start at 22% in 2026–27 and gradually return to 30% over a five years period.

Based on provincial projections tied to the updated model (effective April 1, 2026), the Town of Claresholm expects significant increases in its policing requisition over the next five fiscal years:

<b>Fiscal Year</b>	<b>Municipal Share</b>	<b>Estimated Contribution</b>
2026–27	22%	\$297,053.85
2027–28	24%	\$349,983.45
2028–29	26%	\$428,381.30
2029–30	28%	\$520,223.34
2030–31	30%	\$652,847.50

This represents a rise of more than double the annual contribution over a five–year period.

These funds are collected locally through municipal taxation, then remitted directly to the province to pay for RCMP policing; the Town does not retain or control how the funds are used once collected — this is a function of the Province and the RCMP agreement.

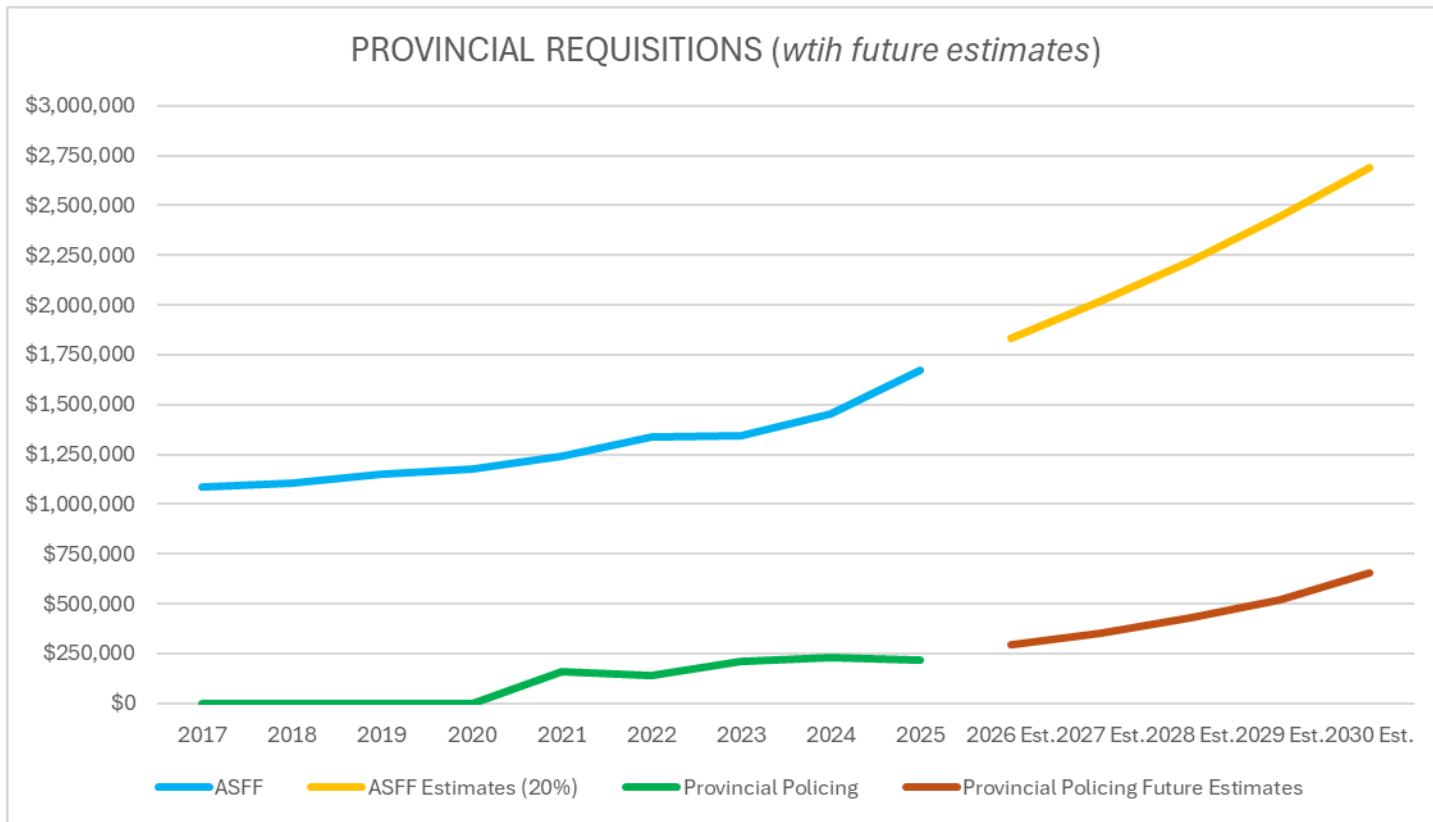
In addition to increases in the Provincial Police Funding Model, the Town of Claresholm must also collect funds for the Alberta School Foundation Fund on behalf of the province. This too is included on the annual property tax notices and continues to rise.

While the provincial requisitions continue to increase, available funding from the province does not, in fact the Town has seen funding decreases over the years.

Like households and businesses, the Town is also experiencing the impacts of inflation. These increases affect everyday services such as road maintenance, snow clearing, water and wastewater operations, recreation facilities, and community programs. These factors along with the provincial downloading makes it increasingly difficult for the Town to manage the rising costs of municipal operations and maintain sustainable and reasonable tax increases.

The attached graphs provide a historical view of how the provincial education and policing requisitions have risen, along with some future year projections. There are also a couple of graphs highlighting the grant funding received over the past 10 years.

## PROVINCIAL REQUISITONS AND GRANT FUNDING SUMMARY 2017 – 2030 (est.)



Provincial Requisitions	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Est.	2027 Est.	2028 Est.	2029 Est.	2030 Est.
ASFF	\$1,087,744	\$1,102,891	\$1,148,477	\$1,179,412	\$1,241,618	\$1,338,136	\$1,344,142	\$1,450,850	\$1,669,249					
ASFF Estimates (20%)										\$1,836,173	\$2,019,791	\$2,221,770	\$2,443,947	\$2,688,342
Provincial Policing	\$0	\$0	\$0	\$0	\$158,835	\$140,293	\$208,834	\$228,635	\$215,923					
Provincial Policing Future Estimates										\$297,054	\$349,983.45	\$428,381.30	\$520,223	\$652,848
<b>Total Provincial Requisitions</b>	<b>\$1,087,744</b>	<b>\$1,102,891</b>	<b>\$1,148,477</b>	<b>\$1,179,412</b>	<b>\$1,400,453</b>	<b>\$1,478,429</b>	<b>\$1,552,976</b>	<b>\$1,679,485</b>	<b>\$1,885,172</b>	<b>\$2,133,227</b>	<b>\$2,369,774</b>	<b>\$2,650,151</b>	<b>\$2,964,170</b>	<b>\$3,341,189</b>

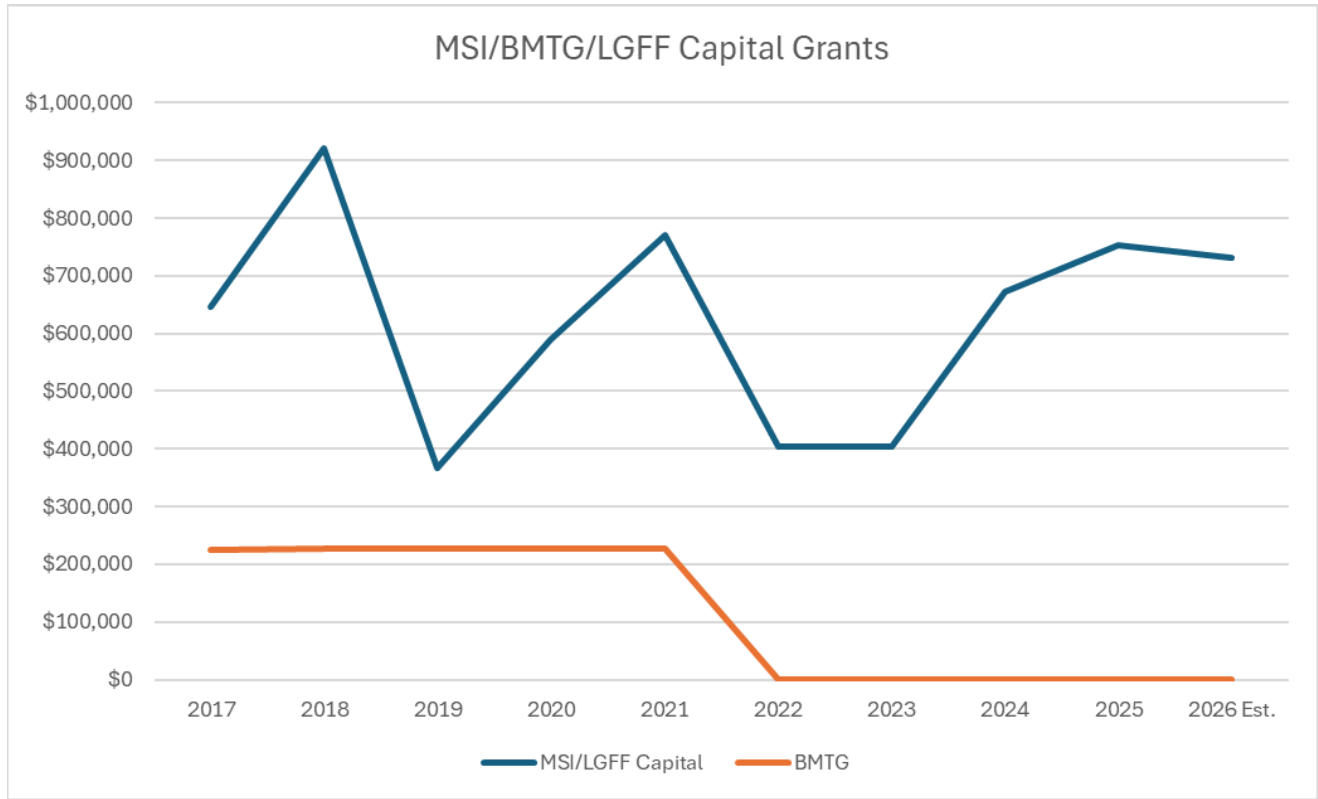
This chart highlights the provincial requisition totals for the Alberts School Foundation (ASFF) and Provincial Policing which began in 2021.

The ASFF estimates for 2026 and beyond include a 10% annual increase. This is just an estimate for the Town. The requisition calculation is based on overall annual municipal assessment. It could be high in some years and low in others, this estimate is strictly an estimated increase based on current trends.

The Alberta education property tax (ASFF) is collected by municipalities on behalf of the provincial government and is levied alongside municipal property taxes based on property value. As reported by the Edmonton Journal last year, the education property tax was frozen in the 2024-2025 budget year at 28.5 per cent but had an increase of 31.6 per cent for the 2025-2026 year and is projecting an additional increase of 33 per cent for the 2026-2027 year.

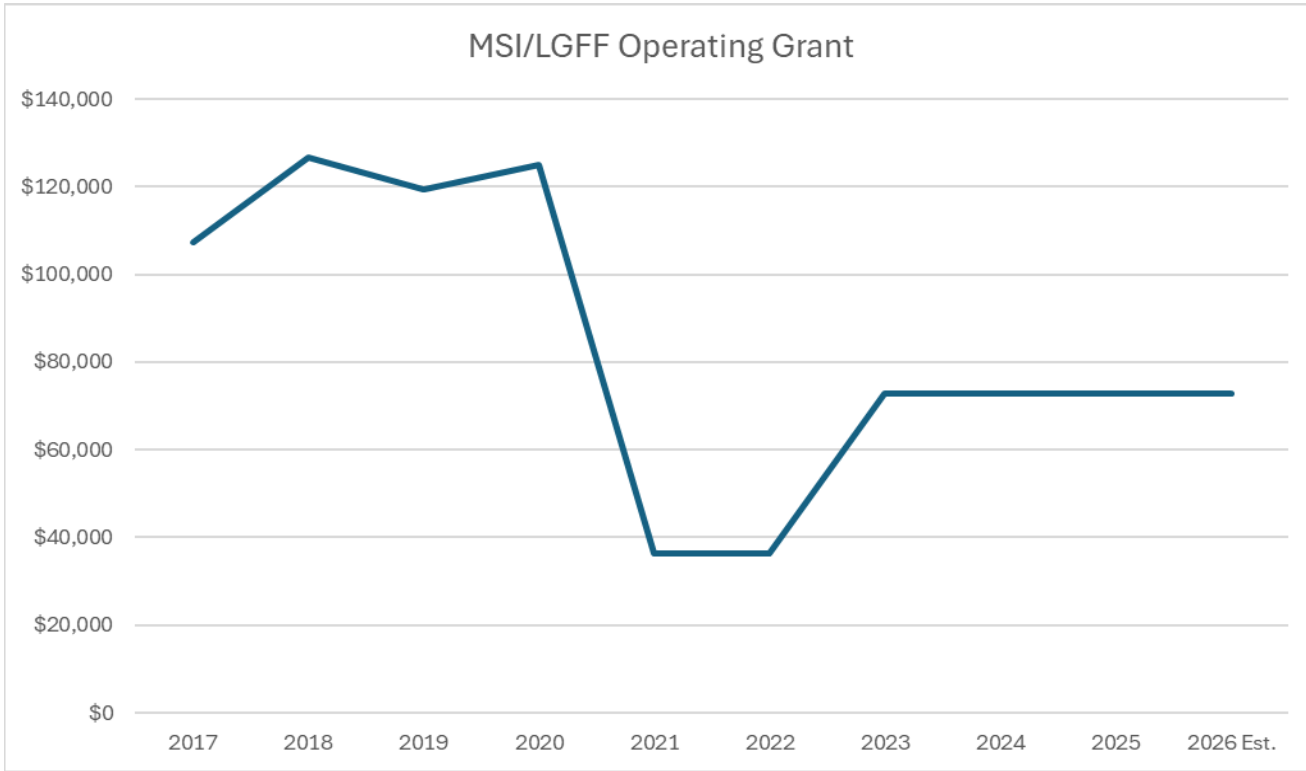
The provincial policing estimate is based on the preliminary estimate provided to the Town from the province's Police Funding Model (PFM) team. According to the PFM the calculations are Base cost calculations derived from 2024–25 PPSA frontline policing actuals, with an assumed year-over-year increase of 8% applied to PPSA frontline policing costs. The five-year projection is based on Municipal Affairs 2024–25 population data, equalized assessment values, preliminary RCMP occurrence statistics, and RCMP hard vacancy rates.

## PROVINCIAL GRANT FUNDING SUMMARY



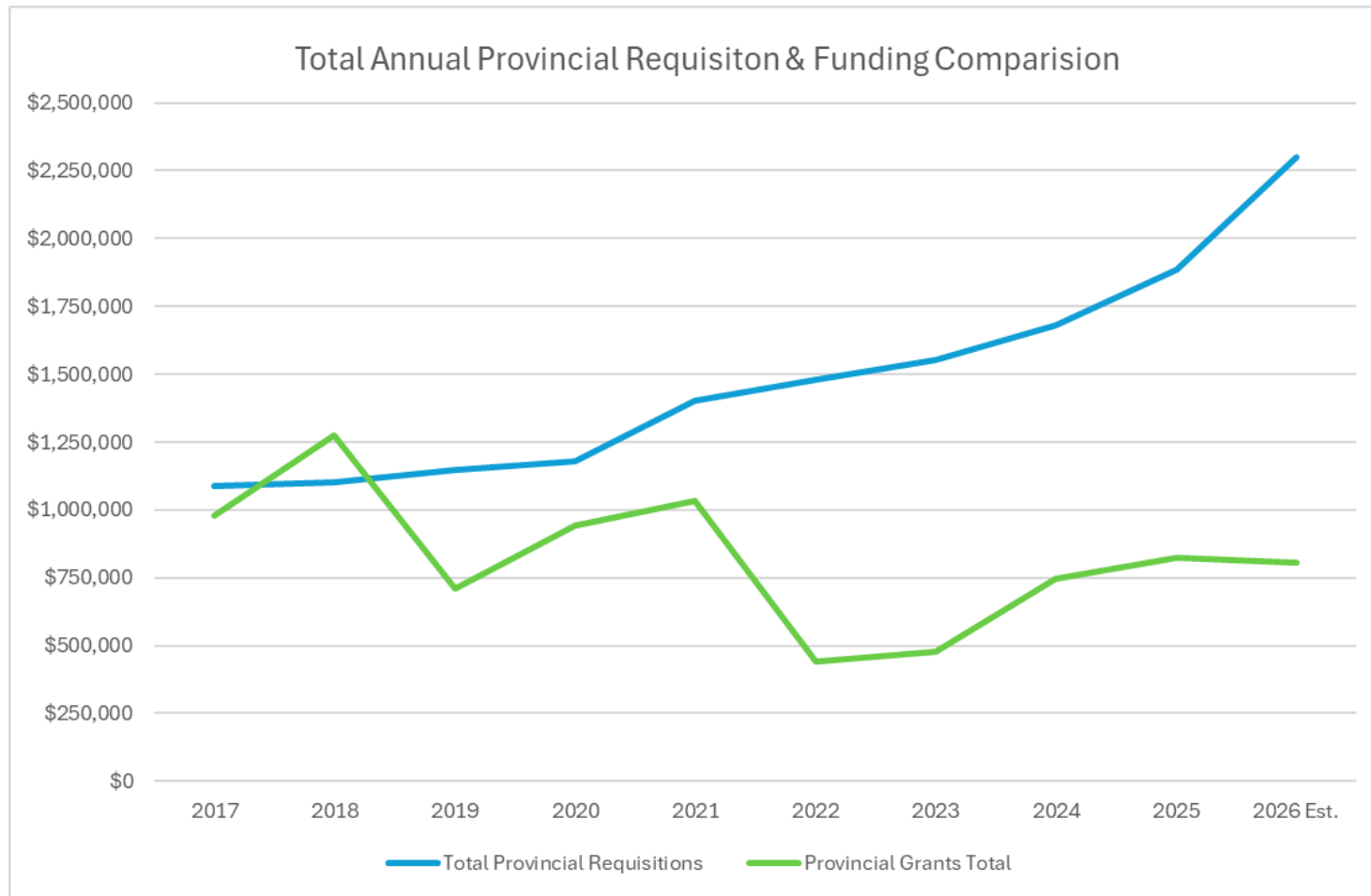
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Est.
MSI/LGFF Capital	\$645,175	\$920,361	\$365,841	\$589,244	\$770,941	\$404,602	\$404,602	\$672,909	\$752,075	\$730,976
BMTG	\$225,480	\$226,800	\$226,800	\$226,800	\$226,800	\$0	\$0	\$0	\$0	\$0
MSI/BMTG/LGFF Total	\$870,655	\$1,147,161	\$592,641	\$816,044	\$997,741	\$404,602	\$404,602	\$672,909	\$752,075	\$730,976

The above chart highlights the Provincial capital grant funding received since 2017. Prior to 2022 municipalities received both Municipal Sustainability Initiative (MSI) and Basic Municipal Transportation Grant (BMTG) funds that were issued as part of the Town’s annual grant allocation. In 2021, the BMTG was no longer recorded as a separate grant and was combined with MSI. The provincial government introduced the Local Government Fiscal Framework (LGFF) grant to replace MSI and was first issued under the new grant name in 2025. All of these grants are provincial capital grants issued to municipalities to be used for capital projects. This and other grant funding is essential to the Town in order to complete capital projects.



	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026 Est.</b>
MSI/LGFF Operating	\$107,261	\$126,697	\$119,428	\$124,966	\$36,400	\$36,400	\$72,800	\$72,800	\$72,800	\$72,800

This graph represents the MSI/LGFF annual operating grant funding the Town receives from the province to aid with annual operational expenses.



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Est.
<b>Total Provincial Requisitions</b>	\$1,087,744	\$1,102,891	\$1,148,477	\$1,179,412	\$1,400,453	\$1,478,429	\$1,552,976	\$1,679,485	\$1,885,172	\$2,300,152
<b>Provincial Grants Total</b>	\$977,916	\$1,273,858	\$712,069	\$941,010	\$1,034,141	\$441,002	\$477,402	\$745,709	\$824,875	\$803,776

This final chart shows the annual total requisition increases against the total provincial capital and operating grants received from 2017 to the 2026 estimated values. As can be seen the grant funding portions are less predictable and stable compared to the requisition values, which continue to trend upwards year over year. Since 2017, the province has both collected more tax revenues from the Town and provided less funding for operational and capital needs.