

1. Create a provincial police advisory committee with four Rural Municipalities of Alberta (RMA) and four Alberta Urban Municipalities Association (AUMA) members representing their Royal Canadian Mounted Police (RCMP) districts, and a member of the Alberta Association of Police Governance (AAPG) (to ensure funds are being used effectively on front lines)

How much to collect

- Total cost of Provincial Police Service Agreement (PPSA) in 2018-19 = \$374.7M
 - This agreement is cost-shared between the Government of Canada (30%) and the Government of Alberta (70%).
 - About 62% of all positions in the PPSA are considered **frontline policing** and includes general duty, traffic, and general investigative section.
- Total cost of Frontline officers in 2018-19 = \$232.5M
 - Federal 30% cost share = \$69.7M
 - Provincial 70% cost share = \$162.8M
- Police Funding Model will take the total cost of frontline officers (\$232.5M) and redistribute a portion of those costs to municipalities who receive the services of the PPS.
- The provincial portion will use 2018-19 costs (\$162.8M) for five years, and will update the actual costs of the PPSA again every five years starting April 2025.
- Provincial invoices will be issued annually to municipalities in December for their cost share amount. Province will also monitor payments to ensure full collection from municipalities. Failure to pay will be considered a debt to the Crown.
- Model will phase-in over four years, with an increasing percentage of frontline costs to be collected. It will then remain steady at 30%. Percentage and value of frontline policing costs will be reviewed every five years through a regulatory review.

Effective date	Percentage of frontline policing costs to be distributed	Total share of frontline policing costs to be distributed
April 1, 2020	10%	\$23,250,000
April 1, 2021	15%	\$34,900,000
April 1, 2022	20%	\$46,500,000
April 1, 2023	30%	\$69,800,000
April 1, 2024	30%	\$69,800,000

Formula for distribution of costs

- Each municipality will have their costs calculated according to a formula comprised of a base amount adjusted by modifiers, where appropriate.

$$\text{Cost} = (\text{base}) - (\text{modifiers})$$

$$\text{Cost} = (\text{weighted equalized assessment} + \text{weighted population}) - (\text{shadow population subsidy} + \text{Crime Severity Index subsidy} + \text{detachment subsidy})$$

Base (total share of policing costs) formula:

Weighted equalized assessment + weighted population = base

○ **Weighted equalized assessment** (50% weighting)

- A measure of the relative wealth of a municipality – an annual calculation that creates a common assessment base.
- Is indicative of the ability of a community to pay a portion of policing costs in this context.
- Calculation:

$$\frac{\text{Municipal Equalized Assessment}}{\text{Total Equalized Assessment (291 munis)}} \times \text{Annual total share of policing costs} \times 50\%$$

○ **Weighted population** (50% weighting)

- Figures are based on population as determined by the President of Treasury Board and Minister of Finance.
- Calculation:

$$\frac{\text{Municipal population}}{\text{Total population (291 munis)}} \times \text{Annual total share of policing costs} \times 50\%$$

Modifier (subsidies) formulas:

- Municipalities may be eligible to have their base costs modified by any combination of the following four subsidies: shadow population, crime severity index, enhanced policing, and detachment.

- **Shadow population**

- Shadow population: Subsidy given (max 5%) if officially recognized by the Government of Alberta or according to the President of Treasury Board and Minister of Finance.
- Recognizes that shadow populations use the municipality's services but do not contribute to the municipal tax base (e.g. oilfield camps).
- Based on someone who lives in a municipality for at least 30 days but less than 6 months. If longer than 6 months, considered resident.
- Must be employed, not a student.
- Shadow population must be at least 1,000 people or 10% of population.
- Has to be counted during census period.
- Calculation:

$$\frac{\text{Shadow population}}{\text{Municipal population}} \times 5\% \text{ (value up to max 5\%)} \times \text{base} = \text{dollar subsidy}$$

- **Crime Severity Index (CSI)**

- Subsidy given (0.05% per CSI point) if a municipality's three year average is above the rural municipal average.
- CSI is a measure reported annually by Statistics Canada, and is available for each police service and/or RCMP detachment. In cases where municipalities are served by more than one detachment area, the Government of Alberta (with guidance from the RCMP) assigned a proportion of a detachment's CSI to that municipality.
- Accounts for the volume and seriousness of crime based on incarceration rates and average length of prison sentences. More serious offences have a greater impact on the index.
- Calculation:

$$\text{Muni CSI (3 yr avg)} - \text{Total CSI avg (291 munis)} = \text{Muni CSI points above avg}$$

$$\text{Muni CSI points above avg} \times 0.05\% \text{ (CSI subsidy per point)} = \% \text{ subsidy}$$

$$\% \text{ subsidy} \times \text{base} = \text{dollar subsidy}$$

- **Detachment**

- Subsidy given for municipalities that do not have a detachment in their community.

- Municipalities that do not have a police detachment already face additional challenges including longer wait times for services, reduced influence with respect to priority setting, and a more distant relationship with the detachment commander. This subsidy takes these factors into consideration for municipalities that do not have a local detachment.

- Calculation:

$$\text{base} \times 5\% = \text{dollar subsidy}$$

Additional subsidy:

- **Enhanced Policing**

- Any municipality serviced by the Provincial Police Service has the option to contract for enhanced policing from the RCMP, at their own cost, dedicated to specific local issues.
- For applicable municipalities, option 1 Enhanced Policing agreements under section 22(1) of the Act will be moved into the PPSA, effective April 1, 2020. The province will fund the cost of these existing enhanced policing agreements (i.e. no longer charge municipalities to recover this cost) as they are grandfathered into the provincial police service. This will result in an approximate \$7M savings for municipalities with no loss in RCMP service levels.
- The ability to enter into new full-time enhanced policing agreements will be put on hold until the RCMP has implemented its new staffing enhancements. Seasonal and temporary enhanced policing agreements will still be accommodated.

Reinvestment

The amounts received from applicable municipalities for services that the provincial police service provides shall be payable to the Minister of Finance annually. These funds are proposed to be earmarked from the General Revenue Fund for reinvestment into the provincial police service and law enforcement related priorities as determined by the Minister of Justice and Solicitor General and Treasury Board.

Expiry and Review of Regulation

The regulation will be reviewed every five years through a regulatory review. The actual costs of PPSA frontline policing will be updated every five years, and then will remain in effect for five years. Updates to base and modifier variables will take place annually, using current year values for:

- Population
- Equalized assessment
- Shadow population
- Crime Severity Index
- Enhanced policing costs
- Or any other alterations that result from changes to RCMP detachment boundaries

Municipality A: Large specialized municipality

Weighted population cost	\$547,595	= $\frac{36,072}{765,780} \times 23.25M \times 50\%$
Weighted equalized assessment cost	\$1,738,859	= $\frac{42,670,899,320}{285,272,766,093} \times 23.25M \times 50\%$
TOTAL SHARE POLICING COST	\$2,286,454	= 547,595 + 1,738,859
Muni CSI points above avg	349.96	= 465.21 (muni) – 115.25 (prov)
CSI % subsidy	17.5%	= 349.96 x 0.0005
CSI DOLLAR SUBSIDY	\$400,087*	= 17.5% x 2,286,454 (*rounding difference)
Shadow pop % subsidy	4.6%	= $\frac{33,119}{36,072} = 1.001$ (max 0.05)
SHADOW POP DOLLAR SUBSIDY	\$104,964	= 5% x 2,286,454
NO DETACHMENT SUBSIDY	\$0	= 0
<u>YEARLY COST TO MUNICIPALITY</u>	\$1,781,403	= 2,286,454 - 400,087 - 104,964

Municipality B: Mid-sized municipal district

Weighted population cost	\$119,456	= $\frac{7,869}{765,780} \times 23.25M \times 50\%$
Weighted equalized assessment cost	\$83,317	= $\frac{2,044,554,084}{258,272,776,093} \times 23.25M \times 50\%$
TOTAL SHARE POLICING COST	\$202,773	= 119,456 + 83,317
Muni CSI points above avg	0	= 76.35 (muni) – 115.25 (prov)
CSI % subsidy	0%	= 0 x 0.0005
CSI DOLLAR SUBSIDY	\$0	= 0% x 202,773
Shadow pop % subsidy	0%	= none reported
SHADOW POP DOLLAR SUBSIDY	\$0	= 0% x 202,773
NO DETACHMENT SUBSIDY	\$0	= 0
<u>YEARLY COST TO MUNICIPALITY</u>	\$202,773	= 202,773 - 0 - 0

Municipality C: Small summer village

Weighted population cost	\$1,108	= $\frac{73}{765,780} \times 23.25M \times 50\%$
Weighted equalized assessment cost	\$656	= $\frac{16,108,372}{285,272,776,093} \times 23.25M \times 50\%$
TOTAL SHARE POLICING COST	\$1,765	= 1108 + 656
Muni CSI points above avg	59.30	= 174.55 (muni) – 115.25 (prov)
CSI % subsidy	3%	= 59.30 x 0.0005
CSI DOLLAR SUBSIDY	\$52*	= 3% x 1,765 (*rounding difference)
Shadow pop % subsidy	0%	= none reported
SHADOW POP DOLLAR SUBSIDY	\$0	= 0% x 1,765
DETACHMENT SUBSIDY	\$88	= no detachment = 5% x 1,765
<u>YEARLY COST TO MUNICIPALITY</u>	\$1,625	= 1,765 - 52 - 88

