

Backgrounder: Paying Ourselves First Funding Alberta's Future

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An Alberta Liberal Government will immediately pay Albertans first by channeling 30% of resource revenue collected into four endowment funds. This is not a surplus plan – it's a plan to pay ourselves first. There's a difference. This plan is for responsible savings rather than ad hoc spending of unbudgeted surpluses.

The 30% would be allocated as follows:

- 35% into the Heritage Fund
 - 5% of annual earnings from the Heritage Fund will be directed into General Revenue to provide a stable and sustainable revenue base for provincial expenditures
- 35% into a Post-Secondary Endowment Fund
- 25% into the Capital Fund to address our province's mounting infrastructure deficit
 - Once the infrastructure deficit has been substantially addressed, this 25% will be diverted to the Heritage Fund
 - This will increase the percentage of resource revenue savings into our Heritage Fund to 60%
- 5% into an Arts, Humanities, and Social Sciences Fund to create a \$500 million fund
 - Once this fund has reached \$500 million, this 5% will be diverted into an Opportunity Fund. This fund will be a flexible savings account designed to meet whatever priorities future Albertans assign it.

In addition to the 30% "pay ourselves first" savings, any year-end surpluses will go directly to the Heritage Fund. This is the only surplus dimension to this plan.

The Alberta Liberals introduced a bill in Alberta's Legislature in March of 2007 to implement this savings plan, but the Conservatives voted it down.

If the Alberta Liberal plan was implemented when first introduced, this is what Alberta's future would look like:

- Fiscal stability through a vibrant Heritage Fund worth well over \$100 billion by 2020.
- A \$15 billion Post-Secondary Fund within 15 years to provide Alberta with world-class institutions which will provide all Albertans access to excellent post-secondary education.
- Address the infrastructure deficit by contributing over \$12 billion by 2014.
- \$500 million to support and develop a vibrant and world-class arts and culture sector within Alberta.

It's time.
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