



ALBERTA
TREASURY BOARD AND FINANCE
President of Treasury Board and Minister of Finance

48802

MAY 07 2019

Ms. Janice MacKinnon
Chair
Blue Ribbon Panel on Alberta's Finances

Dear Ms. MacKinnon:

Thank you for agreeing to serve as Chair of the Blue Ribbon Panel on Alberta's Finances. Your contribution to providing our government with a path towards fiscal renewal in Alberta is very much appreciated.

Our government made a commitment during the recent election campaign to have a team of experts conduct an independent review of the province's finances and provide advice to government on balancing the budget by fiscal year 2022-23, while improving budget and fiscal planning systems, processes and practices.

In furtherance of this commitment, Michael Percy has agreed to serve as Vice-Chair of the Blue Ribbon Panel, with the other Panel members being Bev Dahlby, Kim Henderson, Jay Ramotar, and Dave Mowat.

A robust fiscal management system is critical in responding to the wide array of challenges that the Province of Alberta will face over the next decade, establishing a foundation for our government to deliver on its broad policy agenda.

Recognizing the financial crossroads at which Alberta stands, the terms of reference for the Blue Ribbon Panel are set out as follows:

- Develop and provide an assessment of the Government of Alberta's business-as-usual fiscal outlook for current fiscal year, 2019-20, and the subsequent three fiscal years, 2020-21, 2021-22 and 2022-23, based on the most current economic and fiscal forecasts, assuming no policy changes, in order to establish a baseline for future fiscal planning.
- Develop and provide an assessment of alternative scenarios for the Government of Alberta's fiscal outlook to establish a clear understanding of the risks associated with the province's business-as-usual fiscal outlook between 2019-20 and 2022-23.
- Develop and provide an assessment of the material economic forecast assumptions, including assumptions about commodity prices that underlie the fiscal outlook, the

main uncertainties associated with the economic forecast, and the sensitivity of the fiscal outlook to changes in the economic forecasts.

- Provide advice to the government on plans to balance the provincial budget by 2022-23, without raising taxes, based on the fiscal outlook.
- Provide an assessment by department and agency of program expenditure trends and cost drivers and the sensitivity to changes in the economic forecast.
- Provide advice and recommendations on a new fiscal framework, including requirements for presenting a four-year balanced budget plan, requirements for future balanced budgets, annual allocations towards retirement of the province's accumulated debt once the budget is balanced, and requirements for ministry business plans, monthly, quarterly and mid-year budget updates, and annual reports.
- Examine current practices, processes and systems used to prepare the province's budget, quarterly updates and economic statements and annual financial statements, report on ease of use, and recommendations for improvement with due regard to enhancing fiscal sustainability and transparency.
- Examine current processes and systems used in government for preparing, approving, and monitoring progress on the Government of Alberta's Capital Plan, including processes and systems used to approve in-year capital spending, and provide recommendations for improving the province's capital planning framework
- Analyze the business investment climate in Canada and its impact on the Alberta economy.
- Provide advice on any other matter the Panel deems relevant to its mandate as a result of information coming to its attention during the course of the review.

I have discussed the work of the Panel with my colleagues and all ministries, including their agencies, boards and commissions of the Government of Alberta, will assist you to the fullest extent possible, including producing documents in a timely manner, so that the Panel can fulfill its mandate.

I am asking that the Blue Ribbon Panel conclude its work and present a final report to government by no later than August 15, 2019.

Ministerial Order 13/2019 is attached, which provides detail with respect to the mandate, supports and remuneration of the Panel.

Sincerely,



Travis Toews
President of Treasury Board and
Minister of Finance

Attachment – Ministerial Order 13/2019



MINISTERIAL ORDER No. 13/2019

**DEPARTMENT OF TREASURY BOARD AND FINANCE
PROVINCE OF ALBERTA**

Government Organization Act (s. 7)

BLUE RIBBON PANEL ON ALBERTA'S FINANCES

I, Travis Toews, President of Treasury Board and Minister of Finance, make the following Order establishing the "Blue Ribbon Panel on Alberta's Finances" (the "Panel"):

1. The following individuals are appointed as members of the Panel:
 - Ms. Janice MacKinnon
 - Mr. Mike Percy
 - Ms. Kim Henderson
 - Mr. Bev Dahlby
 - Mr. Dave Mowat
 - Mr. Jay Ramotar
2. Janice MacKinnon is appointed as Chair and Mike Percy is appointed as Vice-Chair.
3. The purpose, role, responsibilities, and deliverables of the Panel are as set out in the Terms of Reference attached as an Appendix to this Order.
4. Subject to the terms of this Order and the Terms of Reference, the Panel is authorized to make rules governing the calling of its meetings, the procedure to be used at its meetings, and the conduct of business at its meetings.
5. The work of the Panel shall be supported by the Department of Treasury Board and Finance, through contracted resources or by personnel of the Department assigned for that purpose, or a combination thereof.

6. Resources contracted by the Department of Treasury Board and Finance at the request of or in support of the Panel shall be limited to a maximum allocation established for that purpose by the Deputy Minister of Treasury Board and Finance.

7. Members serving on the Panel shall be entitled to remuneration in accordance with Part A of Schedule 1 of Appendix 3 of the *Committee Remuneration Order*, being O.C. 466/2007, including any amendment thereto.

8. Members serving on the Panel shall be entitled to reimbursement of their reasonable expenses, on the same basis as if they were employees of the Government of Alberta and subject to the *Travel, Meal and Hospitality Expenses Directive*, being Treasury Board Directive 1/2015, including any amendments thereto.

9. The Panel is disestablished on September 15, 2019.

DATED this 7 day of May, 2019.



Travis Toews
President of Treasury Board and
Minister of Finance

APPENDIX

TERMS OF REFERENCE

BLUE RIBBON PANEL ON ALBERTA'S FINANCES

1. **Context** – The Government of Alberta has committed to “appoint a Blue Ribbon Panel of experts to conduct a ‘deep dive’ into Alberta’s fiscal situation, recommend a path to balance, and propose a realistic plan to start paying down the debt.”

2. **Mandate** – The mandate of the Blue Ribbon Panel on Alberta’s Finances is as follows:

- Develop and provide an assessment of the Government of Alberta’s business-as-usual fiscal outlook for current fiscal year, 2019-20, and the subsequent three fiscal years, 2020-21, 2021-22 and 2022-23, based on the most current economic and fiscal forecasts, assuming no policy changes, in order to establish a baseline for future fiscal planning.
- Develop and provide an assessment of alternative scenarios for the Government of Alberta’s fiscal outlook to establish a clear understanding of the risks associated with the province’s business-as-usual fiscal outlook between 2019-20 and 2022-23.
- Develop and provide an assessment of the material economic forecast assumptions, including assumptions about commodity prices that underlie the fiscal outlook, the main uncertainties associated with the economic forecast, and the sensitivity of the fiscal outlook to changes in the economic forecasts.
- Provide advice to the government on plans to balance the provincial budget by 2022-23, without raising taxes, based on the fiscal outlook.
- Provide an assessment by department and agency of program expenditure trends and cost drivers and the sensitivity to changes in the economic forecast.
- Provide advice and recommendations on a new fiscal framework, including requirements for presenting a four-year balanced budget plan, requirements for future balanced budgets, annual allocations towards retirement of the province’s accumulated debt once the budget is balanced, and requirements for ministry business plans, monthly, quarterly and mid-year budget updates, and annual reports.
- Examine current practices, processes and systems used to prepare the province’s budget, quarterly updates and economic statements and annual financial statements, report on ease of use, and recommendations for improvement with due regard to enhancing fiscal sustainability and transparency.
- Examine current processes and systems used in government for preparing, approving, and monitoring progress on the Government of Alberta’s Capital Plan, including processes and systems used to approve in-year capital spending, and

provide recommendations for improving the province's capital planning framework

- Analyze the business investment climate in Canada and its impact on the Alberta economy.
- Provide advice on any other matter the Panel deems relevant to its mandate as a result of information coming to its attention during the course of the review.

3. **Support for the Work of the Panel** – The Panel is to look to the Department of Treasury Board and Finance to provide all support required for the Panel's work, including the following:

- Arranging for access to information as required, including in relation to all departments and agencies of the government; and
- Retaining contracted support as required, potentially including an accounting firm or think tank that has experience in conducting government fiscal performance reviews, including in relation to jurisdictional comparisons and benchmarks of spending in such areas as health and education, examining best practices for limiting expenditure growth and innovative delivery models that could be considered that produce value for money.

4. **Deliverable** – The Panel must deliver its final report and recommendations to the President of Treasury Board and Minister of Finance no later than August 15, 2019. Following delivery of the final report and prior to September 15, 2019, the Panel shall provide any follow-up clarifications, explanations, or other advice as may be requested by the Department of Treasury Board and Finance.