



FOR RELEASE
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Premier calls on federal government to restore Yukon's funding

WHITEHORSE—Premier Darrell Pasloski is urging the Government of Canada to reconsider its recently announced reductions to federal grants for the three territories.

The federal cuts amount to nearly half a billion dollars less for the three northern territories over the next five years. For Yukon, the changes to the formula financing funding methodology leave Yukon facing a shortfall of \$23 million next year and well over \$100 million over the next five years.

"Reducing the transfer by millions of dollars without any notice is unacceptable," Pasloski said. "The territorial financing arrangement is set out in legislation and is based on the key principles of stability and predictability. A sudden decrease in funding, especially of this magnitude, while we are preparing our 2016/17 budget violates those principles."

Federal Finance Minister Bill Morneau announced the funding cuts at the annual meeting of federal, provincial and territorial finance ministers in Ottawa this week. Officials were only informed of the changes this month.

"Minister Morneau has committed to look into the matter and based on the positive tone he struck chairing the meeting of Finance Ministers, I am hopeful that he will find a way to restore the funding," Pasloski said. "But at this stage, we have no choice but to budget on the basis of a significant funding reduction."

The federal government provides annual funding to the territories through the legislated Territorial Formula Financing (TFF) program, just as it provides equalization to the provinces. The current TFF is in the second year of a five-year commitment.

The proposed federal changes would come into effect on April 1.

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