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British Columbia News

Detailed calculation method for the Growing Communities Fund

<https://news.gov.bc.ca/28314>

For the Growing Communities Fund, 85% of the total funds are allocated to municipalities and 15% go to regional districts. The allocation generally follows the population split between incorporated (urban/suburban) and unincorporated (rural) areas of the province and provides a slight **boost** to address the increased costs of servicing rural growth areas as they are constrained in their population base to raise servicing costs.

Municipalities:

Populations are adjusted and a growth factor is used. Approximately 65% of the overall allocated funds are based on the adjusted population and 35% are based on population growth between 2016 and 2021.

The adjusted population method ensures that smaller municipalities get a higher per capita share of funding despite larger municipalities receiving more funding in absolute dollars. This method groups municipalities by size categories (from “very small,” less than 2,000 people; to “very large,” over 150,000 people). As a municipality’s population increases, it is incrementally adjusted downward by an “adjustment factor” as follows:

1. Very small communities – population from zero to 2,000 have an adjustment factor of 100%
2. Small communities – population from 2,001 to 5,000 have an adjustment factor of 80%
3. Small-medium communities – population from 5,001 to 10,000 have an adjustment factor of 60%
4. Medium communities – population from 10,001 to 20,000 have an adjustment factor of 40%
5. Large-medium communities – population from 20,001 to 40,000 have an adjustment factor of 20%
6. Large communities – population from 40,001 to 150,000 have an adjustment factor of 10%
7. Very large communities – population from 150,001 to 900,000 have an adjustment factor of 5%

To illustrate, for a city of 15,000 people, its adjusted population is:

- For this first 2,000 residents, adjustment of 100% = $2,000 \times 100\% = 2,000$
- For the next 3,000 (up to 5,000), adjustment of 80% = $3,000 \times 80\% = 2,400$
- For the next 5,000 (up to 10,000), adjustment of 60% = $5,000 \times 60\% = 3,000$
- For the last 5,000 (up to 15,000), adjustment of 40% = $5,000 \times 40\% = 2,000$

A city of 15,000 people has an adjusted population of 9,400 ($2,000 + 2,400 + 3,000 + 2,000$).

Each municipality’s allocation is the sum of:

- a flat funding amount of \$500,000;
- an adjusted population funding amount (adjusted population multiplied by approximately \$365); and
- a growth-based funding amount, where applicable (total population increase between 2016-2021 according to BC Stats multiplied by \$1,000).

Regional districts:

The adjusted population method ensures that rural areas of regional district receive greater per capita funding. This is in respect of the higher cost to provide services to rural areas.

Each regional district’s allocation is the sum of:

- a flat funding amount of \$500,000;
- a funding amount based on the regional district's total population (population multiplied by approximately \$17);
- a funding amount based on the regional district's rural population (rural population multiplied by approximately \$30); and
- a funding amount based on the growth of the regional district's rural population, where applicable (rural population increase between 2016-2021 multiplied by \$1,000).

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Acknowledgment

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