

# STEADY GROWTH

## Saskatchewan Provincial Budget 2014-15

### **Key Facts and Figures**

#### **One Budget**

- Saskatchewan's 2014-2015 Budget is a summary budget and includes all government entities—ministries, Crown corporations, boards of education, health regions and many other agencies.

#### **Balanced Budget**

- A forecast surplus of **\$71.0 million**.

#### **Steady Economic Growth**

- 2.2 per cent real Gross Domestic Product (GDP) growth forecast in 2014 and 2.3 per cent in 2015.
- Saskatchewan is among the leaders in Canada in job growth, average weekly earnings, manufacturing sales, retail sales, investment in new housing construction and the value of building permits. With a record year in 2013, Saskatchewan was also the largest per capita exporter in Canada.

#### **Revenue: \$14.07 billion, down 0.7 per cent from Budget 2013-14**, comprised of:

- Taxation—\$6.8 billion
- Non-Renewable Resources—\$2.7 billion
- Other Own-Source Revenue—\$1.9 billion
- Transfers from the Federal Government—\$2.0 billion
- Net Income from Government Business Enterprises—\$668.2 million

#### **Expense: \$14.00 billion, down 0.2 per cent from Budget 2013-14**, comprised of:

- Agriculture—\$681.2 million
- Community Development—\$589.0 million
- Debt Charges—\$546.3 million
- Economic Development—\$288.6 million
- Education—\$3.7 billion
- Environment and Natural Resources—\$232.5 million
- Health—\$5.4 billion
- Protection of Persons and Property—\$593.7 million
- Social Services and Assistance—\$1.2 billion
- Transportation—539.3 million
- Other—\$327.8 million

### **Key Revenue Assumptions for 2014-15**

- WTI oil price—US \$94.25 per barrel (total oil royalties—\$1.6 billion)
- Potash price—US \$274 per KCl tonne
- Potash sales—10.6 million K<sub>2</sub>O tonnes (total potash royalties—\$397 million)
- Exchange rate—91.50 US cents

### **Debt**

- Saskatchewan's debt as a percentage of GDP is forecast to be 14.2 per cent at March 31, 2015, down 29 per cent from 2007-08 and down 57 per cent from 2000-01, despite an unprecedented capital program undertaken by the Crown corporations.
- Overall debt is \$11.82 billion, including:
  - Crown corporation debt—\$7.7 billion
  - government operational debt—\$3.8 billion; and
  - health authority and school division debt—\$325.0 million
- More than \$3 billion of Government's operational debt has been paid off over the past six years, resulting in cumulative savings of nearly \$1 billion in interest payments.

### **Priorities for Growth—Investing in Infrastructure**

- Close to **\$2.9 billion** in capital investment is planned for 2014-15.
- Crown corporations, including SaskPower, SaskTel and SaskEnergy, are projected to spend **\$2.0 billion** on infrastructure in 2014-15—up 5.3 per cent from last year. This includes:
  - **SaskPower**—\$1.2 billion mainly for electricity generation including clean coal, natural gas and hydro as well as distribution and transmission projects including the \$380 million expansion from Island Falls to Key Lake to provide improved system stability for northern businesses, industry and residents;
  - **SaskTel**—\$355 million primarily to expand its wireless network capacity across Saskatchewan and for its high-bandwidth project to provide broadband services to homes and businesses; and
  - **SaskEnergy**—\$300 million mainly to expand pipeline and compressor capacity and to ensure system safety through infrastructure upgrades and renewal.
- Another **\$886.9 million**, up \$39.4 million or 4.7 per cent from last year, will be invested in schools, health care facilities, highways and other vital infrastructure.
- Including forecast spending in 2014-15, Crown capital spending combined with Government's infrastructure investment will be close to **\$16 billion** since 2008.

### **Transportation Infrastructure—\$405.2 million in 2014-15**

- \$118.0 million for provincial highway upgrades in various locations throughout the province.
- \$113.2 million for key projects including:
  - Construction of 19.5 km of twinned lanes for Highway 16, east of Saskatoon to Clavet;
  - Pre-construction work for twinning Highway 7 west of Saskatoon to Delisle for 24 km, as well as for passing lanes from Delisle to Rosetown;
  - Pre-construction work for twinning from Regina to Estevan on Highways 6 and 39, and on Highway 39 east of Estevan to Bienfait for 8 km;
  - Continued work on the Regina West Bypass and due diligence for the P3 Regina Bypass Project; and

- Grading at the Highway 39 Estevan Bypass.
- \$95.0 million for repaving 300 km of highways.
- \$37.6 million to renew bridges and culverts.
- \$31.4 million for partnership programs, including:
  - \$25.5 million invested through the Municipal Roads for the Economy to enhance or preserve municipal transportation infrastructure;
  - \$5.2 million for the Urban Highway Connector Program; and
  - \$0.7 million for Community Airport Partnerships.
- \$10.0 million for equipment, accommodations and minor capital projects.

**Municipal Infrastructure—\$124.1 million in 2014-15**

- \$74.1 million in transfers to municipalities including from the gas tax, the Building Canada Fund, and the Saskatchewan Infrastructure Growth Fund (SIGI); and
- \$50.0 million to support the commitment to the new Regina Stadium.

**K-12 Schools and Education Capital —\$103.3 million in 2014-15**

- \$96.2 million for school capital, consisting of:
  - \$46.4 million for construction on 10 ongoing major school projects;
  - \$24.0 million for school maintenance, up \$4.6M or 23.6 per cent from last year;
  - \$9.5 million to proceed to construction for two new school projects approved for planning last year—Langenburg School and Gravelbourg Elementary;
  - \$6.9 million for 29 new relocatable classrooms and moving 10 to schools with increased enrolment;
  - \$4.1 million for planning four new major school projects—replacing Connaught and Sacred Heart schools in Regina and major renovation projects for a K-12 school in St. Brieux and Sacred Heart elementary school in Moose Jaw;
  - \$3.3 million for costs related to design of nine joint-use schools in Regina, Saskatoon, Martensville and Warman through a potential P3 arrangement;
  - \$1.0 million for minor capital projects; and
  - \$1.0 million for 15 new Pre-K programs.
- \$2.2 million for 500 new child care spaces.

**Advanced Education and Training Infrastructure —\$32.6 million in 2014-15**

- \$20.6 million for maintenance in post-secondary institutions, up \$4.1 million from the previous year.
- \$12.0 million in project funding, including \$6.5 million for the Health Sciences Facility at the U of S, \$4.5 million for Parkland Regional College, and \$1.0 million for Southeast Regional College.

**Health Capital —\$94.9 million in 2014-15**

- \$48.1 million in maintenance and equipment capital, including: \$23.3 million for maintenance capital; \$15.3 million for Regional Health Authority equipment; and \$8.0 million for the Parkridge Centre long-term care facility renovation.
- \$27.3 million for five ongoing rural long-term care projects.
- \$16.0 million to complete the Moose Jaw Hospital.
- \$2.0 million in planning funding for Prince Albert’s Victoria Hospital.
- \$1.5 million in planning funding for long-term care facilities in Regina and La Ronge.

### **Capital to Support Government Programs—\$126.8 million in 2014-15**

- Highlights include an increased focus on capital spending to support group home spaces; government's commitment to provincial parks; and essential upgrades to information technology infrastructure.

### **Priorities for Growth—Investing in People**

- The *Plan for Growth* sets out that the purpose of growth is to build a better quality of life for all Saskatchewan residents. Government is improving health care, ensuring safe communities for children and families, and supporting initiatives for seniors, people with disabilities and others who are most vulnerable.

### **Health**

- Nearly \$5 billion will be spent through the Ministry of Health—up 3.0 per cent compared to last year—to provide high-quality health care and improve health outcomes for Saskatchewan people.
- Regional Health Authorities will receive \$3.25 billion, up \$107.5 million or 3.4 per cent compared to last year, including:
  - \$60.5 million for the surgical waitlist initiative, aiming to meet the three-month waitlist target for all Regional Health Authorities by the end of 2014-15;
  - \$24 million to address demographic volume pressures and population growth;
  - An \$8.0 million increase over last year for regional targeted programs primarily addressing renal disease, colorectal screening, and diagnostic imaging volumes;
  - \$13.15 million—up \$3.4 million compared to last year—for the operation of five Collaborative Emergency Centres, as well as to enhance primary health care sites; and
  - \$1.7 million to develop an Emergency Department Wait Times and Patient Flow program to reduce ER waits and enhance appropriate service.
- Increased funding of \$155.7 million, up \$4.9 million or 3.3 per cent compared to last year, for the planning, delivery and evaluation of cancer care through the Saskatchewan Cancer Agency and related initiatives.

### **Social Services**

- \$956.5 million, up \$65.8 million or 7.4 per cent compared to last year, will be spent through the Ministry of Social Services for programs and initiatives for Saskatchewan people who need them most.
- In addition, a multi-ministry approach, which includes community based organizations and regional health authorities, is being taken to help seniors, children and families, and those with disabilities.

### **Seniors**

- Initiatives for seniors include continuing Government's commitment to the Seniors Income Plan by providing for planned benefit increases in 2014-15 to \$260 per month for a single individual and to \$225 per month for each member of a married couple. Next year, the single benefit will increase to \$270—triple what it was in 2007.
- \$4.5 million for the HomeFirst/Quick Response Homecare program, up \$2.5 million compared to last year.
- \$3.7 million for ongoing enhancements to the Seniors' Care Urgent Action Fund to address issues in long-term care facilities.
- \$800,000 to develop a Seniors' House Calls program for seniors with complex needs.

- The Seniors Personal Care Home Benefit will increase the monthly income eligibility threshold by \$75—from \$1,875 per month to \$1,950 per month, for an average benefit of \$385 per month.
- The senior citizens ambulance assistance program will receive increased funding of \$217,000 for additional claims.

### **Support for People with Disabilities**

- \$446.2 million, up \$84.3 million from last year, for new or enhanced programming and increased program utilization for people with disabilities. Since 2007-08 Government funding for people with disabilities has increased by \$231.7 million or 108 per cent.
- \$173.6 million for the Saskatchewan Assured Income for Disability program, a \$61.3 million or 54.6 per cent increase compared to last year, to implement planned benefit increases per month of \$20 for a person in residential care, \$50 for a single individual, and \$55 for couples, as well as accommodate a caseload increase of 4,200 Saskatchewan people with disabilities.
- \$165.8 million for community-based organizations that help Saskatchewan people with disabilities, a \$20.4 million increase.
- \$15.8 million for the Disability Tax Credit.
- \$3.5 million for Transit Assistance for People with Disabilities, including capital and operating funding.

### **Child and Family Agenda**

- \$8.7 million increase for Child and Family Agenda initiatives in 2014-15, bringing the total commitment in new funding to \$62.5 million since the Agenda was created in 2011;
- Initiatives include; the Mental Health and Addictions Action plan, expansion of the Positive Parenting Program, expansion of the Building Partnerships to Reduce Crime initiative (the Hub and COR model), and an additional 15 new Prekindergarten programs to improve reading outcomes.

### **Education**

- \$1.76 billion to be spent through the Ministry of Education, up \$52.4 million or 3.1 per cent over last year. School operating funding provided to school divisions includes both Ministry of Education funding of \$1.17 billion and \$646.7 million from Education Property Tax, for a total of \$1.82 billion—up 2.4 per cent from last year.
- Priority initiatives of school operating funding include \$19.2 million in new funding to help address historic projected enrolment growth of 2,140 K-12 students in the 2014-15 school year.
- \$11.0 million, up \$1.6 million or more than 17 per cent, to address enrolment pressures at Qualified Independent Schools, Historical High Schools, and the Sakewew First Nation High School in the Battlefords.
- \$52.7 million, up 4.3 per cent compared to last year, to expand the number of child care spaces by 500.
- \$20.4 million, up more than 6 per cent over last year, to support 15 new pre-K programs, bringing the total number of pre-K programs across Saskatchewan to 316.
- \$11.3 million, up \$2.0 million or more than 21 per cent over last year, for CommunityNet bandwidth upgrades to substantially increase internet speeds for students in rural schools, as well as expand capacity for students in urban schools.

- \$815,000 in new funding to implement Saskatchewan's Action Plan to Address Bullying and Cyber-Bullying.
- \$588,000 to support the education of children who have come to Saskatchewan from other countries through new funding to expand "English as an additional language" school supports.
- \$200,000 in new funding to provide Alternate Format Material for students with disabilities.

### **Post-Secondary Education and Student Supports**

- \$668.9 million for post secondary institutions operating grants and targeted funding, up \$16.8 million compared to last year, or 3.7 per cent.
- \$488.7 million for Saskatchewan's universities, and federated and affiliated colleges, which includes a 2.0 per cent base operating grant increase and targeted funding, for a total increase of \$14.7 million or 3.1 per cent compared to last year.
- \$151.9 million for technical institutes, which includes a 2.0 per cent base operating grant increase and funding adjustments, up \$1.6 million compared to last year.
- \$28.3 million in operating and program funding for regional colleges, a 2.0 per cent increase compared to last year.
- \$216.0 million, up \$18.5 million or 9.4 per cent compared to last year, for student supports. This includes \$82 million for the Graduate Retention Program, up \$18.1 million or 28.3 per cent compared to last year.
- \$37.4 million for other ongoing provincial tax credits related to education costs and interest paid on student loans.
- \$32.5 million for the Saskatchewan Student Aid Fund.
- \$31.0 million for the Provincial Training Allowance.
- \$7.5 million, an increase of \$1 million, for the Saskatchewan Advantage Grant for Education Savings.
- \$7 million for the Saskatchewan Advantage Scholarship.
- \$5 million for the Saskatchewan Innovation and Opportunity Scholarship.

### **Investments in Training Nurses and Doctors**

- \$14.3 million for the final year of the Registered Nurse seat expansion to 690 seats.
- \$13.7 million, up \$1.9 million compared to last year, to continue implementation of 100 new medical undergraduate seats.
- \$10.4 million, up \$625,000, to continue implementation of 120 new medical residency seats.
- \$578,000 in new funding to double the number of ongoing Perioperative Nursing training seats at SIAST from 18 to 36 seats.
- \$360,000, up \$150,000, to increase the number of nurse practitioner training spaces by five. Combined with the 10 new spaces added between 2012-13 and 2013-14, the government is now three-quarters of the way to its commitment of 20 new nurse practitioner training seats by 2015-16.

### **Adult Basic Education and Apprenticeships**

- The 2014-15 Budget invests more than ever before to help Saskatchewan people complete Adult Basic Education (ABE), with a view to enhancing their employment prospects and quality of life. This budget includes:
  - \$2.1 million in new funding to add a further 700 ABE seats;

- a \$1 million increase for the Apprenticeship and Trade Certification Commission to add a further 300 apprenticeship seats, bringing total funding to \$22.2 million;
- a \$1.4 million increase in training allowances to support these 1,000 new ABE and apprenticeship opportunities.

### **First Nations and Métis People**

- \$189.2 million, up \$4.4 million or 2.4 per cent compared to last year, for targeted program funding for training and employment initiatives that benefit First Nations and Métis people.
- \$49 million for funding of First Nations and Métis institutions and initiatives through the Ministries of Economy (skills training) and Advanced Education (including funding of programs and post-secondary institutions).
- \$6 million to double funding for initiatives through the Joint Task Force on Improving Education and Employment Outcomes—including an invitational shared services initiative for school divisions, First Nations organizations and human services providers and funding to expand *Help Me Tell My Story* to on- and off-reserve schools.

### **Agriculture**

- \$371.6 million will be spent through the Ministry of Agriculture, including \$31.3 million (up \$1.5 million compared to last year), for Crop Insurance administration including introduction of the Livestock Price Insurance Program.
- \$134.1 million as the province's contribution for Crop Insurance Premiums.
- \$79 million, up \$7.5 million, for the federal-provincial Growing Forward 2 program.
- \$42.7 million for AgriStability and its administration, down from last year based on federal forecasts and lower program utilization.
- \$34.1 million for AgriInvest, up \$1.7 million due to higher program demand.

### **Provincial Municipal Support**

- \$394.6 million of direct provincial support to municipalities, up \$32.8 million, or 9.1 per cent compared to last year, and an increase of \$152.7 million or 63.1 per cent from the 2007-08 Budget.
- \$257.0 million for municipal revenue sharing, based on the formula of one point of the Provincial Sales Tax. While this amount is down slightly from last year, it is more than double the amount provided to municipalities in 2007-08.
- \$47.2 million in other municipal funding, including \$14.2 million in policing grants, \$3.5 million for the Transit Assistance for People with Disabilities Program, and \$1.2 million for the Provincial Emergency Response, which includes funding to train government employee volunteers to respond to emergencies when required.

### **Manufacturers, Exporters, Entrepreneurs**

- \$500,000 for start-up costs to establish a Manufacturing Centre of Excellence.
- \$3.4 million in funding this year for the Saskatchewan Trade and Export Partnership.