

# Keep Saskatchewan **Strong**

Provincial Budget 2016-17

## **Key Facts and Figures**

**Revenue: \$14.02 billion, down 1.8 per cent from Budget 2015-16**, comprised of:

- Taxation—\$6.86 billion
- Non-Renewable Resources—\$1.48 billion
- Other Own-Source Revenue—\$2.09 billion
- Transfers from the Federal Government—\$2.50 billion
- Net Income from Government Business Enterprises—\$1.08 billion

**Expense: \$14.46 billion, up 2.0 per cent from Budget 2015-16**, comprised of:

- Agriculture—\$780.3 million
- Community Development—\$580.6 million
- Debt Charges—\$297.2 million
- Economic Development—\$250.2 million
- Education—\$3.69 billion
- Environment and Natural Resources—\$237.0 million
- Health—\$5.59 billion
- Protection of Persons and Property—\$640.3 million
- Social Services and Assistance—\$1.24 billion
- Transportation—\$565.2 million
- Other—\$586.9 million

**Deficit: \$434 million**

### **Key Revenue Assumptions for 2016-17**

- WTI oil price - US \$44.88 per barrel (total oil royalties - \$509.7 million)
- Potash price - US \$207 per KCl tonne (total potash royalties - \$420.4 million)
- Exchange rate - 75.04 US cents

### **Investing in Infrastructure**

- Over **\$3.5 billion** in capital investment is planned for 2016-17, including Crown corporation and core Government capital, the largest single-year budget for infrastructure in the province's history

### **Crown Corporation Capital**

- Crown corporations, including SaskPower, SaskTel and SaskEnergy, are projected to spend almost **\$1.8 billion** on infrastructure in 2016-17. This includes:
  - **SaskPower – \$1.1 billion** primarily to renew transmission and distribution systems which carry electricity to customers. SaskPower will also expand and renew electricity generation assets to meet Saskatchewan’s growing power needs;
  - **SaskTel – \$331 million** to increase and upgrade its wireless and wireline networks across the province, improve customer service and continue the roll out infiNet, its high bandwidth broadband service; and
  - **SaskEnergy – \$292 million** primarily for renewal and expansion of its natural gas transmission and distribution systems to ensure a safe and reliable service which meets growing customer demand.

### **Saskatchewan Builds Capital Plan**

- Over **\$1.7 billion**, and more than \$400 million increase from last year is forecast to be invested in core infrastructure in 2016-17, the largest capital budget in Saskatchewan’s history. Schools, health care facilities, highways, municipal infrastructure and other vital capital are among the planned investments.
- **Over four years, the Plan is forecast to provide \$5.5 billion** of capital investment in much needed infrastructure to support the ongoing growth of the province.
- Since 2008-09, including funding provided in the 2016-17 Budget, **nearly \$9.6 billion** has been provided for investment in the province’s schools, health care facilities, roads, bridges, highways and municipal infrastructure such as water and waste water treatment plants.

### **Details of 2016-17 Saskatchewan Builds Capital Plan**

#### **Transportation Infrastructure – \$875.7 million in 2016-17**

- Transportation infrastructure includes \$500.0 million to continue construction of the Regina Bypass;
- *The Highways 2020 Plan* outlines a three-year \$70 million surge to fix more highways, with \$30 million for preservation and rehabilitation to meet the first year of the commitment, and \$20 million is committed for each of the next two years;
- \$344.6 million in ongoing enhancement and rehabilitation projects, some examples are:
  - \$13.5 million for the interchanges at Warman and Martensville;
  - \$12.3 million for Highway 55 improvements;
  - \$8.9 million for twinning Highway 7 from Saskatoon to Delisle;
  - \$8.1 million for twinning Highway 39 from Estevan to Bienfait;
  - \$1.3 million for continued planning for Highway 6 and 39 twinning and passing lanes from Regina to Estevan; and,
  - \$1.0 million for passing lanes on Highway 5 from Saskatoon to Humboldt.
- \$16.0 million for the Municipal Roads for the Economy Program;
- \$4.5 million for the Urban Highway Connector Program; and
- \$10.7 million for a number of other capital expenditures including transportation related buildings, equipment, airport partnerships, ferry services, and information technology.

**Municipal infrastructure – \$127.5 million in 2016-17**

- Municipal infrastructure includes \$59.4 million from the federal gas tax;
- \$28.4 million for the New Building Canada Fund;
- \$25.0 million to complete funding commitments for the Regina Stadium project;
- \$10.0 million for the new Saskatoon North Commuter Parkway Bridge;
- \$1.2 million for the Building Canada Fund Communities Component;
- \$604 thousand for the Saskatchewan Infrastructure Growth Initiative;
- \$2.9 million in capital including Communities in Transition; the Saskatchewan Assessment Management Agency; Transit Assistance for People with Disabilities; and the Building Communities Program.

**K-12 Schools and other Education – \$391.4 million in 2016-17**

- K-12 Schools and other Education capital includes \$310.5 million for nine joint-use sites for 18 schools in Martensville, Regina, Saskatoon and Warman;
- \$38.0 million for maintenance and renewal;
- \$41.9 million for ongoing capital projects including schools in St. Brieux, Langenburg, Gravelbourg, Martensville, as well as École Connaught, Sacred Heart and the new Mâdawêyatitân Centre replacing Scott Collegiate in Regina; and
- \$1 million for school facility assessments.

**Advanced Education and Training – \$25.8 million in 2016-17**

- \$23.6 million is provided in maintenance capital for post-secondary institutions; and
- \$2.2 million for the completion of Southeast Regional College;

**Health Care – \$239.9 million in 2016-17**

- Health care capital commitments include \$168.0 million to continue construction of the Saskatchewan Hospital North Battleford-Integrated Correctional Facility;
- \$34.7 million for maintenance capital;
- \$15.7 million for health equipment capital;
- \$14.1 million for important infrastructure upgrades at Regina's General and Pasqua Hospitals and Saskatoon Royal University Hospital;
- \$5.1 million to complete construction of The Meadows, the new P3 long-term care facility in Swift Current; and
- \$2.3 million to complete the Kelvington integrated care facility.

### **Capital to Support Government Programs – \$94.8 million in 2016-17**

- Projects include Growing Forward 2 investments in the new International Trade Centre at Evraz Place and the Livestock and Forage Centre of Excellence at the University of Saskatchewan, investments in the province's firefighting capacity, court and corrections facilities and investments in affordable housing.

### **Investing in People**

- The 2016-17 Budget is investing in health care, Pre-K to 12 and post-secondary education, and supporting initiatives for seniors, people with disabilities and others who are among the province's most vulnerable.

### **Investments in Health**

- Health expense includes the appropriation of the Ministry of Health, spending through the Regional Health Authorities, the Saskatchewan Cancer Agency, eHealth, the Health Quality Council, North Saskatchewan Laundry and Support Services Limited, the Physician Recruitment Agency, and other organizations;
- \$5.6 billion in total spending for health, an increase of \$81 million or 1.5 per cent over the 2015-16 Budget;
- \$3.38 billion for Regional Health Authorities, up \$75.45 million or 2.3 per cent from last year's budget, for base operating funding and regional targeted programs and services;
- \$70.5 million, a \$20 million increase or 40 per cent over last year to the Saskatchewan Surgical Initiative to help ensure the shortest wait times in the country;
- \$167.1 million for the Saskatchewan Cancer Agency, up \$9.8 million from last year's budget, to provide compensation for 15 new drugs that were approved in 2015-16;
- \$386.8 million for the Drug Plan and Extended Benefits, up almost \$15 million from last year due to increased utilization and the addition of treatment for Hepatitis C, approved in 2015-16.

### **Investment in Education**

- Education expense includes portions of the appropriations for the ministries of Advanced Education, Education and the Economy. It also includes spending through Boards of Education, the Saskatchewan Polytechnic, Regional Colleges, the Saskatchewan Student Aid Fund, and other organizations;
- \$3.7 billion in total spending is forecast for education, up 0.7 per cent over the 2015-16 Budget;
- \$2.2 billion for the Ministry of Education, up 7.8 per cent from last year, demonstrating a strong commitment to Saskatchewan's Pre-K to Grade 12 system;
- \$6.4 million, an increase of \$2.4 million to the Canada-Saskatchewan Job Grant to provide training that aligns with employer needs;
- Nearly \$53 million in total funding for childcare including \$1.6 million this year for 199 previously approved childcare spaces coming on-line in 2016-17. The number of licensed childcare spaces has increased by close to 5,800 since 2008, bringing the total to more than 14,600;
- \$660 million in post-secondary operating funding, \$475 million for the University of Saskatchewan and the University of Regina and their affiliated and federated colleges; \$156 million for Saskatchewan Polytechnic, the Saskatchewan Indian

Institute of Technologies and the Gabriel Dumont Institute; and \$29 million for Saskatchewan's regional colleges; and

- \$53 million in direct support to students including \$32.5 million for the Student Aid Fund, \$14 million for scholarships and \$6.5 million for the Saskatchewan Advantage Grant for Education Savings.

#### **Investments in initiatives for First Nations and Métis people**

- \$211.9 million an increase of \$3.5 million or 1.7 per cent from the 2015-16 Budget for targeted program funding for initiatives that benefit First Nations and Métis people, including significant funding dedicated to training and employment initiatives.

#### **Investments in Social Services and Assistance**

- Social services and assistance expense includes the appropriation of the Ministry of Social Services plus portions of the appropriation for the Ministry of Government Relations, plus spending through the Saskatchewan Housing Corporation and the Saskatchewan Legal Aid Commission;
- \$1.24 billion in total spending is forecast for social services and assistance, an increase of \$34 million or 2.8 per cent this year over last year's budget;
- \$210.1 million an increase of \$9.7 million for the Saskatchewan Assured Income for Disability program;
- \$36.5 million, an increase of \$19.5 million over last year resulting from fully employable clients being directed to the Transitional Employment Allowance program resulting in a subsequent \$5.6 million reduction in the Saskatchewan Assistance Plan, to a total of \$153 million for 2016-17;
- \$75.3 million, an increase of \$6.41 million over last year to address foster care and extended family care, special needs and higher assisted adoption caseloads; and
- \$5.9 million, an increase of \$1.9 million over last year, to address the Cognitive Disability Strategy caseload, among many other valued programs for those most vulnerable.

#### **Investments in Municipalities**

- Budget 2016-17 includes just under \$272 million for revenue sharing, the largest revenue sharing grant ever from the province to municipalities, up \$6.4 million from last year's budget, a \$144.0 million or 113 per cent increase since 2007-08.

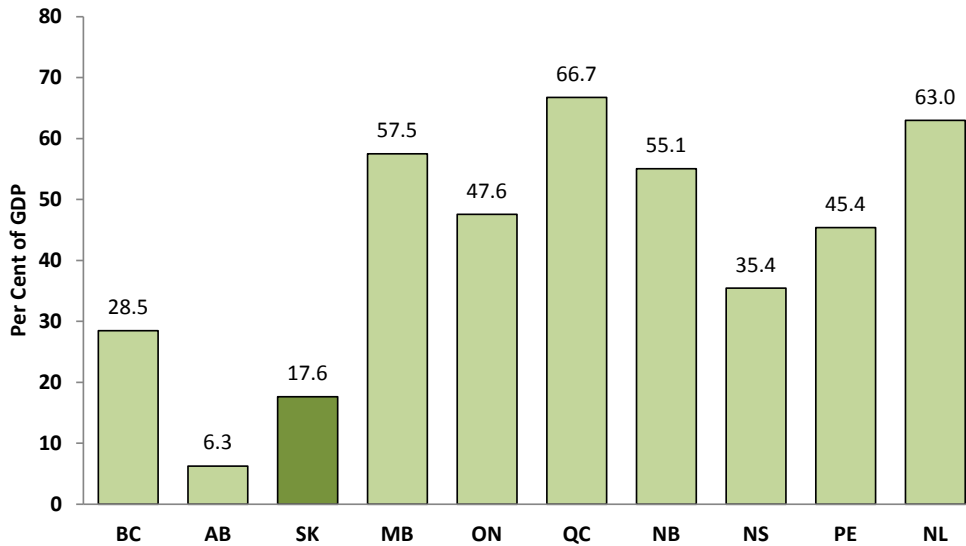
**Debt forecast for 2016-17**

- Public debt is projected to be \$14.8 billion in 2016-17, up from \$13.2 billion in 2015-16.

**Credit Ratings and Debt-to-GDP**

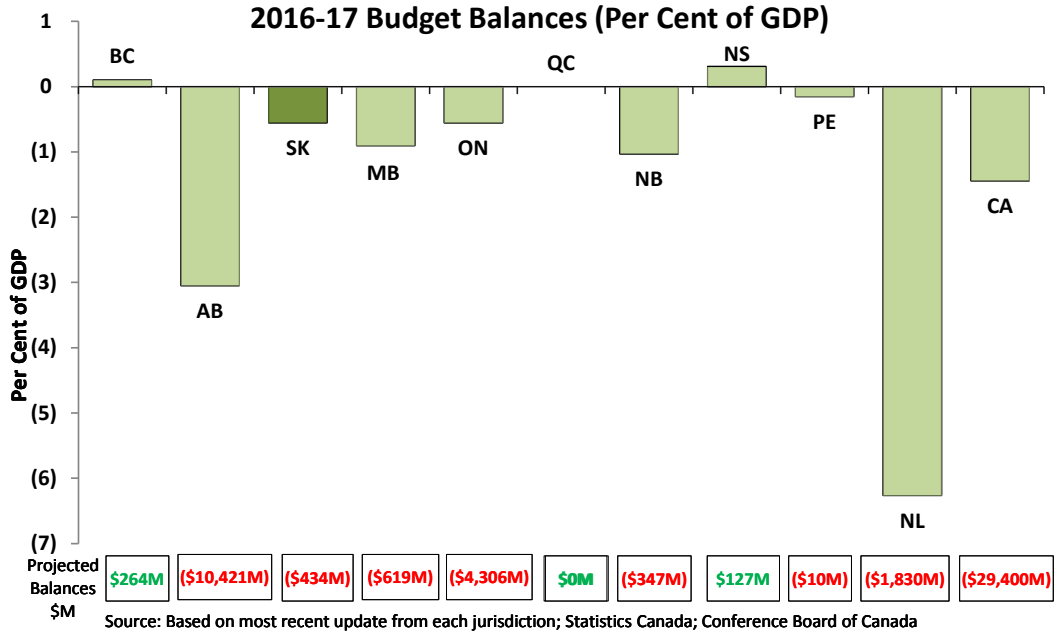
- With triple-A credit ratings, Saskatchewan is among the highest-rated jurisdictions in terms of credit ratings in Canada and North America.
- Saskatchewan’s percentage of total debt-to-GDP is second-lowest among the provinces, 17.6 per cent as of March 31, 2016.

**2015-16 Total Debt (Per Cent of GDP)**



Source: DBRS-Adjusted Total Debt as at March 31, 2016; Statistics Canada; Conference Board of Canada

**2016-17 Budget Balances (Per Cent of GDP)**



Projected Balances \$M	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CA
	\$264M	(\$10,421M)	(\$434M)	(\$619M)	(\$4,306M)	\$0M	(\$347M)	\$127M	(\$10M)	(\$1,830M)	(\$29,400M)

Source: Based on most recent update from each jurisdiction; Statistics Canada; Conference Board of Canada