

Meeting The Challenge

Provincial Budget 2017-18

Key Facts and Figures

Revenue: \$14.17 billion, up 1 per cent from Budget 2016-17, comprised of:

- Taxation—\$7.29 billion
- Non-Renewable Resources—\$1.41 billion
- Other Own-Source Revenue—\$1.96 billion
- Transfers from the Federal Government—\$2.45 billion
- Net Income from Government Business Enterprises—\$1.05 billion

Expense: \$14.80 billion, up 2.4 per cent from Budget 2016-17, comprised of:

- Agriculture—\$800.5 million
- Community Development—\$700.6 million
- Debt Charges—\$380.9 million
- Economic Development—\$246.0 million
- Education—\$3.64 billion
- Environment and Natural Resources—\$247.9 million
- Health—\$5.63 billion
- Protection of Persons and Property—\$643.7 million
- Social Services and Assistance—\$1.36 billion
- Transportation—\$567.4 million
- Other—\$585.4 million

Deficit: \$685 million

- Includes human resources compensation savings of \$250 million and contingency allowance of \$300 million

Key Revenue Assumptions for 2017-18

- WTI oil price – US\$56.25 per barrel (total oil and natural gas royalties – \$670 million)
- Potash price – US\$176 per KCl tonne (total potash royalties – \$261 million)
- Exchange rate – 74.95 U.S. cents

Investing in Infrastructure

- **\$3.7 billion** in capital investment is planned for 2017-18, including Crown corporation and core Government capital

Crown Corporations — \$2.1 billion in 2017-18

- **SaskPower** — \$1.3 billion primarily to renew distribution and transmission systems, along with the expansion and renewal of electricity generation assets to meet customers' growing power needs
- **SaskTel** — projected investment of \$302 million to increase and upgrade its wireless and wireline networks, improve customer service through network growth and modernization, and continue the roll out of infiNet, SaskTel's high bandwidth broadband service
- **SaskEnergy** — \$292 million to ensure safe and reliable service that meets continually growing customer demand
- **SaskWater** — \$81 million to address aging infrastructure and customer growth

Saskatchewan Builds Capital Plan - \$1.6 billion in 2017-18

Transportation Infrastructure — \$ 860.8 million in 2017-18

- Transportation infrastructure includes \$500.0 million to continue construction of the Regina Bypass
- \$295.4 million in highways capital budget for upgrades and repaving throughout the province
- \$26.6 million for the continuation of the interchanges at Martensville and Warman
- \$13.6 million for the twinning of Highway 39 from Estevan to Bienfait
- \$5.2 million to finish the twinning of Highway 16 from Saskatoon to Clavet
- \$18.0 million in transfers related to municipal infrastructure such as the Municipal Roads for the Economy Program (\$14.0 million); urban connectors (\$3.3 million); and community airports (\$700 thousand)
- \$2.2 million for machinery, equipment, accommodations and ferry capital

Municipal Infrastructure — \$279.3 million in 2017-18

- \$263.6 million in transfers to municipalities including the New Building Canada Fund (\$67.5 million), Clean Water and Wastewater Fund (\$109.5 million), the Federal Gas Tax Program (\$61.4 million), Public Transit Infrastructure Fund (\$24.1 million), Transit Assistance for People with Disabilities Program (\$550 thousand) and communities in transition funding (\$700 thousand)

- \$15.0 million in funding to support the new North Commuter Bridge Project in Saskatoon
- \$612 thousand for the Saskatchewan Assessment Management Agency to implement necessary technological enhancements to support property inspections

K-12 Schools and other Education — \$119.1 million in 2017-18

- K-12 Schools and other Education capital includes \$48.3 million to complete construction of 18 elementary schools on nine joint-use sites in Martensville, Regina, Saskatoon and Warman
- \$43.2 million for maintenance and renewal
- \$21.8 million for ongoing capital projects including schools in St. Brieux, École Connaught, Sacred Heart and the new Mâdawêyatitân Centre replacing Scott Collegiate in Regina
- \$2.8 million for the purchase of 7 new relocatables
- \$2.1 million for the planning of two new school projects in Rosthern and Weyburn
- \$1 million for school facility assessments

Advanced Education and Training — \$21.5 million in 2017-18

- \$21.5 million is provided in maintenance capital for post-secondary institutions

Health Care — \$231.2 million in 2017-18

- Health care capital commitments include \$155.0 million to continue construction of the Saskatchewan Hospital North Battleford-Integrated Correctional Facility
- \$34.7 million for maintenance capital
- \$15.3 million for health equipment capital
- \$15.5 million has been provided for the Children’s Hospital of Saskatchewan
- \$3.5 million has been provided for the electrical renewal projects at Regina hospitals
- \$6.7 million has been provided for the Leader Integrated Health Facility
- \$423 thousand has been provided for the provincial lab equipment

Capital to Support Government Programs — \$79.9 million in 2017-18

- Includes investments in the information technology management systems, province’s forest firefighting capacity, court and corrections facilities and upgrades to Community Living residential and day program facilities for adults with intellectual disabilities

Ministry Highlights and Spending Decisions

Advanced Education

- Post-secondary students will continue to get their tuition costs back after graduation through the Graduate Retention Program, which provides up to \$20,000 in income tax credits to graduates who live and work in Saskatchewan.
- Students will also benefit from over \$46 million in key financial supports:
 - \$26 million for the Student Aid Fund to provide student grants and loans, including the introduction of a new up-front grant so borrowing requirements are clear; and a new requirement for a fixed contribution to the cost of post-secondary education depending on previous year's income.
 - \$12 million for scholarships, including the Saskatchewan Advantage Scholarship.
 - \$8 million for the Saskatchewan Advantage Grant for Education Savings (SAGES).

Controlling Spending:

- SAGES will be suspended effective January 1, 2018. This means SAGES will not be paid on contributions made to a Registered Education Savings Plan (RESP) after December 31, 2017.
- As part of the planned spending restraint across government, all post-secondary institutions will receive a five per cent reduction in base operational funding. The total reduction is \$30.1 million.

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Agriculture

- Ministry of Agriculture's 2017-18 Budget of more than \$388 million continues to support Saskatchewan's strong agriculture industry.
- Business risk management programs will be fully funded with an investment of \$264.1 million, up by nearly 4 per cent.

Controlling Spending:

- Saskatchewan Pastures Program (SPP) is ending. Government will consult on the future management of the land. SPP includes 50 pastures incorporating approximately 780,000 acres of land.

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Ministry of Education

- \$55.8 million for child care funding.
 - 889 new spaces will be created, including 810 spaces at the 18 new joint-use schools in Saskatoon, Regina, Warman and Martensville, bringing the total number of new spaces created in the past 10 years to more than 6,500.

Controlling Spending:

- Saskatchewan's 28 school divisions will receive \$1.86 billion in school operating funding. While this is down \$22 million from 2016-17 and represents a 1.2 per cent reduction year over year, funding has increased significantly over the past 10 years.
- The 2017-18 Budget provides \$2.02 billion for Education, a 6.7 per cent decrease in funding compared to last year. Much of the decrease is due to a \$262 million reduction in funds required to construct the 18 new schools in Regina, Saskatoon, Warman and Martensville, which are scheduled for completion in 2017.
- \$3.5 million in operating funding for libraries:
 - funding for Paskisimom Nuyeháh in Northern Saskatchewan remains consistent with 2016-17 levels at \$974,000;
 - the seven regional library systems will receive \$2.5 million in operating funding, a decrease of \$3.5 million; and
 - municipal library funding for Regina and Saskatoon Public Libraries will be eliminated, a reduction of \$1.3 million.

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Economy

- The 2017-18 Budget will see a significant enhancement to the regulatory oversight of the oil and gas industry. The Petroleum and Natural Gas Division of the Ministry of Economy, which is the provincial regulator of oil and gas activities, will receive an additional \$1.4 million.
- There is a \$1.0 million increase for the Canada Saskatchewan Job Grant.
- This budget also includes \$25 million for the Remediation of Contaminated sites, an increase of \$11 million.

Controlling Spending:

- A \$2.4 million decrease due to the elimination of the Skills Training Benefit (STB) program. The Canada-Saskatchewan Job Grant, which supports training or retraining for jobs, has been expanded and will replace the STB;
- A \$2.4 million decrease to Employment Development due to eliminating Student Summer Works (SSW) in 2018, reducing program funding, and the transfer of fire suppression training to the Ministry of Environment;
- A \$2.0 million decrease to Adult Basic Education (ABE) with efforts to standardize the length of ABE programs, eliminating funding for full time GED preparation and on-line ABE programs. Alternate programming remains available and no impact on student success is expected;
- A \$2.1 million decrease to the Provincial Training Allowance (PTA) primarily as a result of adjustments to ABE programing;
- A \$2.1 million decrease to the Saskatchewan Apprenticeship and Trade Certification Commission (SATCC) to align funding with current demand;
- \$1.0 million decrease to Employability Assistance for Persons with Disabilities due to reduced utilization; and,
- \$345,000 decrease due to the closure of Melfort and Île-à-la-Crosse Labour Market Services Offices. Continuity of service will be achieved through itinerant service hours, partnerships with local service providers and colleges, and online and phone-based service delivery.

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Finance

- \$5 million for a refundable Research and Development (R&D) tax credit.

Controlling spending:

- This budget includes a \$9 million reduction due to the elimination of commissions paid to businesses for collecting taxes.

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Government Relations

- Municipalities are receiving \$434.2 million in direct provincial support, up \$29.1 million or 7.2 per cent. Infrastructure funding accounts for \$134.2 million of that total, up more than 60 per cent from the \$83.8 million allocated to infrastructure support in the 2016-17 Budget.
- Municipal revenue sharing will be \$257.8 million, while down due to lower PST revenue, the total represents a greater than 100 per cent increase since 2007-08.
- \$210 million in program funding targeted primarily for First Nations and Métis organizations and individuals—down 0.9 per cent from last year, largely due to a drop in forecasted casino profits and adjustments to several employment and governance development programs based on utilization.

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Ministry of Health

- \$5.2 billion invested this year in core health services and infrastructure.
- An increase of \$38.6 million from 2016-17 Budget and more than 51 per cent since 2007.
- Includes \$3.4 billion in funding for Regional Health Authorities (RHAs), up 1.2 per cent over last year and nearly 58 per cent more than RHA allocation in 2007.
- Saskatchewan Cancer Agency will receive more than \$170 million, a \$3.3 million increase in funding, to provide cancer treatment to more patients.

Controlling spending:

- Special care home (long-term care) fees will increase for some residents, based on income. About 50 per cent of residents will not be affected by the change and will continue to pay the minimum monthly fee. The province will continue to subsidize 83 per cent of the overall cost of long-term care.
- The following programs will be phased out by RHAs. Clients will access services through the private system (coverage for low-income residents will be provided by government):
 - Hearing Aid Plan (\$3 million savings)
 - Podiatry Services (\$1.2 million savings)
 - Continuous positive airway pressure (CPAP) generators (\$800,000 savings)
 - Low-cost orthotics (\$285,000 savings)
- Chiropractic services will no longer be covered for low-income safety net recipients starting July 1, 2017 (\$1.25 million savings).

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Highways and Infrastructure

- Work will continue or commence on 990 kilometres of provincial highways – including major projects, rural highway upgrades and repaving projects - across Saskatchewan over the coming year.
- Second-largest transportation budget in the province's history and second year in a row that more than \$1 billion will be invested into Saskatchewan's highways and roads.

Controlling spending:

- The 2017-18 Budget includes \$122.2 million for preservation of the transportation system, significant funding but down \$28.6 million compared to 2016-17.
- Saskatchewan's 13 commercial shortline railways will be given the first opportunity to purchase the province's 900 grain cars as the Saskatchewan Grain Car Corporation (SGCC) is wound down.

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Justice

- \$1.0 million dollars in this budget that will be put towards the recommendations coming out of the caucus committee on crime reduction. The Minister looks forward to receiving the committee's report and determining where best to spend this money
- More details will be released in the near future once the report has been received.

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Parks, Culture and Sport

- The Ministry will continue to keep the arts, culture, sport and recreation sectors and stakeholders strong and viable by investing:
 - \$5.05 million to maintain and renew infrastructure and facilities in our provincial parks;
 - \$6.61 million to the Saskatchewan Arts Board investing in the arts, artists and arts organizations;
 - \$7.314 million to Creative Saskatchewan.

Controlling Spending:

- Suspension of the Community Rink Affordability Grant, saving \$1.7 million.
- Suspension of the Main Street Saskatchewan Program, saving \$550,000.
- Reduction of Regional Park funding by 50 per cent.
- Elimination of the Culture on the Go program, saving \$800,000.
- Decrease in funding to the Meewasin Valley Authority, saving \$409,000.
- Decrease in funding for the Saskatchewan Heritage Foundation, saving \$204,000.

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Social Services

- The Ministry's budget is \$1.125 billion, up \$73 million, or 7 per cent.
- Child and Family Programs' budget will increase by \$13.4 million to more than \$256 million.
- Disability Programs will see an increase of \$2.3 million to more than \$209 million.
- An overall increase of \$67.2 million for income assistance programs, to a total of \$586.2 million, will help to address larger caseloads and higher average costs per case.

Spending control:

- First Home Plan for recent graduates will be suspended, for savings of \$8 million.
- Changes will be made to some benefits in the Transitional Employment Allowance, Saskatchewan Assistance Plan and Saskatchewan Assured Income for Disability programs, for savings of \$10.6 million. Changes are being made to ensure sustainability and meet the basic needs of a growing number of people.

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