

2008-09 Saskatchewan Provincial Budget

Backgrounder: Ready for Growth Initiative – \$1 Billion Infrastructure Plan

HIGHLIGHTS:

The 2008-09 Budget introduces a significant new capital investment program to ensure the province is **Ready for Growth**. This year, the government will introduce a new \$1 billion infrastructure initiative; **the largest capital investment in the province's history**. The plan includes base capital funding of nearly \$600 million in 2008-09 plus an incremental investment of \$400 million.

The 2008-09 capital and infrastructure plan will be enriched by an additional \$235 million as follows:

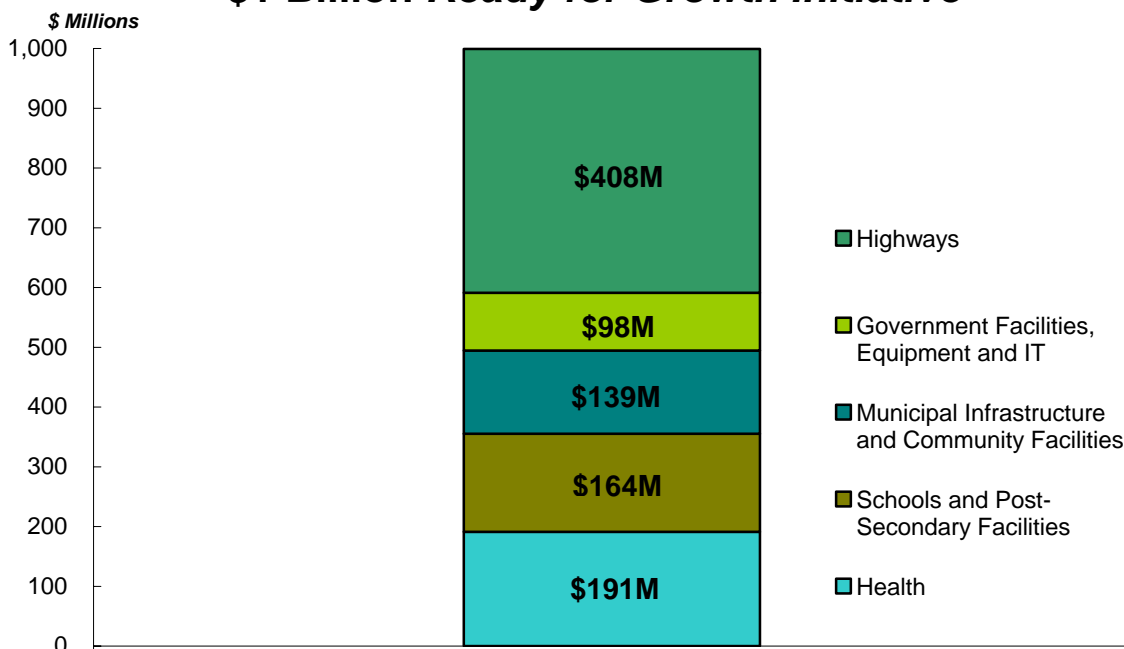
- \$35 million for Highways; bringing the total investment in 2008-09 from the proceeds of the NewGrade upgrader sale to \$70 million;
- \$100 million for health facilities, primarily to address urgent capital maintenance issues; and,
- \$100 million for major school capital projects and infrastructure upgrades.

In 2009-10, Highways will receive an additional \$70 million associated with the commitment to allocate the proceeds from the NewGrade upgrader sale to municipal roads and highways and an additional \$100 million will be allocated in subsequent years as industry capacity permits.

In 2008-09, the total capital and infrastructure budget will be \$829.1 million, an increase of \$294.3 million or 55.1 per cent over the 2007-08 capital budget and double the capital expenditures of just four years ago.



\$1 Billion Ready for Growth Initiative



MINISTRY DETAILS:

Highways and Infrastructure

The 2008-09 capital budget for Highways and Infrastructure is \$256.2 million (\$238.0 million government owned and \$18.2 million third party capital), and includes \$140 million in proceeds from the sale of the NewGrade upgrader over two years to meet the commitment to invest in, upgrade and improve provincial and municipal road infrastructure.

The 2008-09 capital budget of \$256.2 million includes:

- \$147.9 million for enhancement of the provincial highway system including completion of twinning of Highways 1 & 16, continued progress on twinning Highway 11, funding to support urban highway connectors in five cities, and rural roads and northern roads;
- \$88.2 million for major rehabilitation of the provincial transportation system, which will provide improvements and upgrades to 300 km of highways and an increased focus on maintenance, upgrades and replacement of bridges and culverts;
- \$5.0 million for the Municipal Resource Roads Program to support municipalities that experience high truck traffic volumes on roads that access natural resources;
- \$12.3 million for machinery, buildings and equipment used to support maintenance and operation of the provincial highway system; and,
- \$2.8 million for the federal and provincial funding shares to support municipal infrastructure under the Canada Saskatchewan Infrastructure Program.

Infrastructure investments supported by the \$70.0 million in NewGrade proceeds in 2008-09 include:

- \$30.0 million for Urban Municipal Projects;
- \$10.0 million for Bridge Capital Construction; and,
- \$30.0 million for Strategic Rural Corridors.

The government has also committed to provide an additional \$70 million in 2009-10 and \$100 million in subsequent years to support highway infrastructure investments as industry capacity permits.

Health

Health's capital budget for 2008-09 is \$191.1 million, an increase of \$114.6 million or 149.7 per cent. This includes \$29.3 million for government-owned capital, \$131.9 million in health facility capital, and \$29.9 million for medical and safety equipment including patient lifts.

- The \$29.3 million for government-owned capital includes:
 - \$27.7 million for the new Saskatchewan Disease Control Laboratory;
 - \$1.3 million for office and Information Technology capital; and,
 - \$300,000 for lab equipment.
- The \$131.9 million in Health facility capital spending includes:
 - \$100.0 million for life safety and emergency repairs, and new projects that may develop;
 - \$9.1 million for the Humboldt Integrated Facility;
 - \$8.0 million for the Regina General Hospital Maternal and Newborn Care Centre;
 - \$8.0 million for Oliver Lodge Long-term Care Facility;
 - \$3.6 million for Saskatoon Mental Health;
 - \$2.9 million for other repair projects; and,
 - \$400,000 for renovations at St. Paul's Hospital in Saskatoon to accommodate the province's fifth MRI machine.
- The \$29.9 million in medical equipment capital spending includes:
 - \$19.5 million for medical equipment; and,
 - \$10.4 million for safety equipment including patient lifts.

Education: K-12 Education and Child Care

Education's total capital budget for 2008-09 is \$118.3 million, an increase of \$95.2 million or 412.9 per cent and includes:

- \$100 million for 11 major K-12 school capital projects including Balcarres School, Stobart School in Duck Lake, Churchill High School in La Ronge, Oxbow School, Porcupine Plain Composite High School, Humboldt Collegiate, Maple Creek Composite High School, St. Anne School in Prince Albert, Scott Collegiate in Regina, and E.D. Feehan and Nutana in Saskatoon; this funding will also complete prior year upgrades in progress in Norquay and Naicam Schools, and at Prince Albert Collegiate, Yorkton Regional High School, College Matthieu in Gravelbourg and three high schools in Saskatoon;
- \$12.4 million in block funding for smaller renovation and capital projects (under \$500,000) across the province;
- \$5.2 million to improve long range capital planning in school divisions including building condition audits; and,
- \$675,000 in early learning and child care (ELCC) capital for the maintenance of licensed child care spaces.

Municipal Affairs

Municipal Affairs' capital budget for 2008-09 is \$83.5 million, an increase of \$0.3 million or 0.4 per cent and includes:

- \$2.4 million increase to provide \$75 million in five-year interest-free loans through the new Saskatchewan Infrastructure Growth Initiative for municipalities;
- \$32.0 million in federal flow through funding from federal gas tax revenues as part of the Gas Tax Program. In 2009-10, this funding increases to \$58.6 million which will continue into future years;
- \$25.7 million for the Municipal Rural Infrastructure Fund (MRIF) – which includes federal and provincial matching funding;
- \$5.0 million for the new Building Canada Fund – Communities Component – which includes federal and provincial matching funding;
- \$10.0 million for the Rural Municipal Primary Weight Corridors program;
- \$6.2 million in Rural Revenue Sharing to support Rural Municipal Roads/Bridges (Heavy Haul) and for the Communities in Transition program;
- \$2.1 million in third-year funding for Urban Development Agreements with Saskatoon and Regina, an increase of approximately \$500,000; and,
- \$275,000 for the capital component of the Transit for the Disabled (TFD) program to allow for the replacement of five TFD vehicles in 2008-09.

Advanced Education, Employment and Labour

AEEL's capital budget for 2008-09 is \$45.8 million, an increase of \$33.2 million or 282.6 per cent, including:

- \$22.8 million to the universities and federated colleges for sustaining capital;
- \$2.2 million to Saskatchewan Institute of Applied Science and Technology (SIAST) for sustaining capital;
- \$7.2 million (including \$3.2 million in government-owned capital) to complete the purchase and renovations of SIAST's Ontario Avenue property;
- \$861,000 for regional college sustaining capital;
- \$6.8 million to accommodate the space requirements of the expanded nursing program; and,
- \$5.9 million through the Innovation and Science fund for the InterVac project on the U of S campus.

Corrections, Public Safety and Policing

CPSP's capital budget for 2008-09 is \$22.5 million, a decrease of \$5.5 million or 19.7 per cent, and includes:

- \$11.3 million to renew the provincial emergency telecommunications system;
- \$7.6 million to complete the Regina Provincial Correctional Centre project;
- \$2.1 million for a new building at the Saskatoon Provincial Correctional Centre;
- \$880,000 for general small capital projects in the correctional facilities; and,
- \$600,000 for shift scheduling software for the correctional facilities.

Environment

Environment's capital budget for 2008-09 is \$30.1 million, an increase of \$14.5 million or 93.0 per cent, and includes:

- \$24.9 million for renewal of the forest fire fleet;
- \$2.2 million for other fire capital (including towers);
- \$215,000 for replacement of ageing field equipment across the Ministry; and,
- \$2.7 million to the Saskatchewan Watershed Authority for a number of capital projects, the largest of these being \$850,000 for Makwa Lake, \$600,000 for Alameda Dam, \$500,000 for Rafferty/Closure Dams, \$232,000 for Pike Lake and \$200,000 for Upper Qu'Appelle Rehabilitation.

Government Services

GS' capital budget for 2008-09 is \$26.8 million, a decrease of \$1.9 million or 6.8 per cent, and is comprised of:

- \$20.7 million for vehicle and machinery purchases (regular fleet replacement);
- \$3.0 million for continuing renovations to the Walter Scott Building;
- \$1.6 million for an emergency power plant at the SIAST Palliser Campus; and,
- \$1.5 million for elevator installation at the Weyburn Courthouse.

Justice and Attorney General

Justice and Attorney General's capital budget for 2008-09 is \$3.05 million, a decrease of \$1.3 million or 30.0 per cent, and includes:

- \$1.8 million to plan renovations at the Saskatoon Courthouse to accommodate the Family Law Division;
- \$700,000 to plan for a new courthouse in La Ronge;
- \$300,000 for three new videoconferencing sites around the province; and,
- \$250,000 for regular maintenance to court facilities.

Public Service Commission

PSC's capital budget for 2008-09 is \$2.3 million to establish an Employee Service Centre for payroll and human resource functions.

Social Services

Social Services capital budget for 2008-09 is \$5.0 million, an increase of \$3.1 million or 164.9 per cent, and includes:

- \$3.2 million to implement the Child and Family Services case management IT system;
- \$978,000 for various leasehold improvements;
- \$650,000 to replace the existing income support computer system; and,
- \$200,000 to redevelop the interface between Social Services and the Personal Health Registry.

Tourism, Parks, Culture & Sport

TPCS' capital budget for 2008-09 is \$43.2 million, a decrease of \$1.6 million or 3.6 per cent and includes:

- \$37.4 million for the Building Communities Program, which provides for new construction, sustainable development and rehabilitation of community-created recreational and cultural facilities;
- \$1.2 million in new Parks capital funding to electrify 274 campsites to fulfill the first year of the election commitment for 1,000 new electrified sites; and,
- \$4.6 million for ongoing Parks capital.