



THE SASKATCHEWAN ADVANTAGE

BACKGROUND: Budget 2011-12 Key Facts and Figures

Balanced Budget:

- A GRF pre-transfer surplus, where revenue exceed expense, of **\$115.0 million**.
- A Summary Financial Statement surplus of **\$54.3 million**.

Economic Growth:

- 4.2 per cent real GDP growth forecast in 2011 and 2.8 per cent in 2012.

Key Revenue Assumptions for 2011-12:

- WTI Oil price: US\$93.75 per barrel (Total oil royalties: \$1,410.1 million).
- Potash price: US\$393 per KCl tonne.
- Potash sales volumes: 10.4 million K₂O tonnes (Total potash royalties: \$381.3 million).
- Exchange Rate: 99.82US cents.

Revenue: \$10.8 billion comprised of:

- **\$9.2 billion** (85 per cent) in own-source revenue which includes taxes, non-renewable resources, transfers from Crown entities and other own-sources.
- **\$1.6 billion** (15 per cent) in federal transfers, which includes health and social transfers and federal-provincial cost-sharing agreements.

Expense: \$10.7 billion, up \$555.2 million (5.5 per cent):

- Health: **\$4.46 billion**, up \$260.3 million (6.2 per cent).
- Education: **\$1.43 billion**, up \$119.3 million (9.1 per cent).
- Advanced Education, Employment and Immigration: **\$855.9 million**, up \$26.4 million (3.2 per cent).
- Social Services: **\$814.2 million**, up \$60.0 million (8.0 per cent).
- Debt Servicing: **\$420.0 million**, down \$15.0 million (3.4 per cent).
- Agriculture: **\$417.9 million**, up \$32.1 million (8.3 per cent).
- Highways and Infrastructure: **\$380.3 million**, down \$22.6 million (5.6 per cent).
- Remaining ministries and agencies: **\$1.90 billion**, up \$94.7 million (5.3 per cent).

Growth and Financial Security Fund (GFSF):

- Forecast balance of **\$710.8 million** at end of 2011-12.

Debt Reduction

- The Budget strengthens the foundations for the future by reducing debt by another **\$325 million**. While other jurisdictions see debt rising with deficit budgets, Saskatchewan's debt and interest payments are falling.
- Government general public debt at March 31, 2012 forecast to be \$3.8 billion, a **decrease of \$3.0 billion** from March 31, 2008.

Lower Taxes

- Increase to the basic and spousal Personal Income Tax (PIT) credit amounts by **\$1,000** effective January 1, 2011.
- Increase the exemption for dependent children by **\$500** per child effective January 1, 2011.
- Lowering the small business income tax rate **from 4.5 to 2 per cent**, effective July 1, 2011.
- **\$216.8 million** in Revenue Sharing to meet Government's commitment to fully implement the new municipal revenue sharing agreement equal to one full point of Provincial Sales Tax (PST), an increase of **\$49.4 million** or 29.5 per cent.
- Meeting the commitment made to reduce EPT levels. **\$55.6 million** for Education Property Tax (EPT) Relief in 2011-12, which will reduce agricultural mill rates from 7.08 to 3.91, saving agricultural taxpayers **\$31.3 million**.
- Reducing residential mill rates from 10.08 to 9.51, **saving residential taxpayers \$18.7 million**.
- Reducing the second tier mill rate for commercial property from 15.75 to 14.75, **saving commercial taxpayers \$5.6 million**.
- Improving the income of hotel operators across the province. Effective April 1, the discount on beer offered to beverage room operators increases, boosting hoteliers' revenues by an estimated **\$5.1 million annually**.

Improved Quality of Life

Health:

- **\$250 million** increase to Regional Health Authority (RHA) base funding (\$2.8 billion total base funding) – for compensation, drugs and medical supplies, and operating costs.
- **\$12.6 million** increase for the Saskatchewan Cancer Agency (\$121.9 million total) – funding more new patient appointments, chemotherapy treatments, mammograms, a doubling of the bone marrow transplants by providing this procedure to patients who previously had to travel out of province/country; and additional colorectal cancer screening.
- **\$10.9 million** increase to address patient volumes for cardiac care, diagnostic imaging and chronic kidney disease.
- **\$5 million** for a new emergency helicopter air ambulance service.
- **\$2.0 million** to revitalize the Kidney Transplant program.

Education:

- **\$36.4 million** for a 2.3 per cent increase in school operating funding.
- **\$2.0 million** for English as an additional language to accommodate the increased level of immigration to the province.
- **\$2.9 million** to support greater education success of Aboriginal students. \$1.4 million for the First Nations and Métis Initiatives Fund, \$1.0 million for a High School Completions Fund and \$0.5 million for Individual Achievement Grants to support greater education success of Aboriginal students.
- **\$1.0 million** for enhanced Intensive Support funding for students with disabilities and learning difficulties.
- **\$2.1 million** to develop 500 new child care spaces in 2011-12. This will increase licensed spaces by 4.1 per cent to a total of 12,700.
- **\$4.0 million** to support the development of 500 new child care spaces of which some will be designated to post-secondary institutions.
- **\$2.6 million** to develop an additional 40 Pre-Kindergarten programs bringing the total number of programs to 270 and provide new spaces for up to 640 three and four year-old children targeted to high need areas.
- **\$6.1 million** for planning of nine new school projects across the province.

Advanced Education, Employment and Immigration:

- **\$24.6 million** to limit tuition increases at post-secondary institutions to an average of 3 per cent.
- **\$3 million** Saskatchewan Advantage Scholarship Fund.
- **\$6 million** for the continued expansion of the nursing and physicians training programs.

Social Services:

- **\$197.8 million** total Child Welfare budget.
- **\$34 million** for a new Saskatchewan Children and Youth Agenda.
- **\$15.3 million** for a response to the Child Welfare Review. This will provide better support for children in care, strengthen home assessments within the child welfare system, increase the number of child protection workers and provide more intensive family supports, and an increase of 26.9 per cent in funding for the Family Finders Program, which has been very successful in finding First Nations families and interested individuals such as relatives in providing homes off-reserve for First Nations Children in care of the Minister.
- **\$26.6 million** for caseload and cost per case increases in income assistance programs, \$13.6 million or 3.9 per cent over the 2010-11 Forecast, largest increases in SAP, Rental Housing Supplement and Shelter Allowances.
- **\$33.9 million** for social housing capital projects to match federal funding pre-funded.
- **\$15.8 million** for intellectually disabled addressing wait lists and adding new individuals.
- **\$1.7 million** for two new housing initiatives to create more affordable housing in Saskatchewan. This is on top of \$33.9 million announced previously which will go toward renovation of existing government assisted housing and to support the development of new housing.

Highways and Infrastructure:

- **\$285 million** for repaving and capital infrastructure projects.
- **\$129 million**, an increase of about \$1.9 million to continue restoration and maintenance work on road and bridge infrastructure.
- **\$25 million** to maintain funding for the Winter Maintenance Program.

Corrections, Public Safety and Policing:

- **\$167.5 million** for Policing Services, including increases of \$7.6 million for the Provincial Policing Service, \$5.2 million to fully fund and complete Government's commitment to hire 120 police officers over four years, and \$250,000 to continue the redevelopment of the Western Gang Database.
- **\$104.0 million** for Adult Corrections, including increases to deal with increasing custody and community supervision caseloads and \$500,000 to expand anti-gang programming.
- **\$14.6 million** increase for the Provincial Disaster Assistance Program to complete 2010-11 claims; and a \$400,000 increase to expand work in the Joint Emergency Preparedness Program.
- **\$7 million** to begin construction of a 32 cell addition to Pine Grove Correctional Centre and **\$1.2 million** to implement year three of *The Road Ahead*, action plan to improve safety and security in the Province's adult corrections system.

Agriculture:

- **\$320.8 million** to fully fund farm income stabilization costs (AgriStability, AgriInvest, and Crop Insurance premiums and administration) based on current forecasts.
- **\$18.2 million** for agricultural research and development, including \$1.25 million in new funding for agricultural biotechnology research.
- **\$3.5 million** for third party grants to a wide variety of agricultural organizations to develop and promote the industry.
- **\$1.2 million** in Agriculture for the Comprehensive Pest Control Program

Municipal Affairs:

- **\$216.8 million** in Revenue Sharing to meet Government's commitment to fully implement the new municipal revenue sharing agreement equal to one full point of PST.
- **\$70.3 million** for various federal-provincial infrastructure programs including funding extended under the federal stimulus programs.
- **\$3.2 million**, an increase of \$292,000 or 10 per cent, for the Transit Assistance for People with Disabilities Program.

Innovation:

- **\$1 million** increase for innovation opportunities through a new Strategic Innovation Initiatives Fund.
- **\$480,000** in funding maintained for TRILabs to work with local universities to support companies' research needs and commercialize technologies.
- **\$1.5 million** funding increase to support research capacity at the Saskatchewan Research Council.
- **\$2.6 million** for operating funding for the Canadian Light Source Synchrotron, an increase of \$1.6 million.

First Nations and Métis Relations:

- **\$3.6 million** to maintain funding for all current Treaty Land Entitlement Agreements.
- **\$490,000** for the new Northern Action Plan – a three-year plan with an objective to reduce suicide rates and drug use among northern youth.
- **\$350,000** to support First Nations and Métis engagement in consultations on the Children and Youth Agenda.

Justice:

- **\$13.8 million** to begin construction of an addition to the Queen's Bench Courthouse in Saskatoon.
- **\$590,000** for a Serious Violent Offender Response Program.
- **\$200,000** for the Aboriginal Courtworker Child Protection Pilot Program.
- **\$100,000** for a grant to Community Legal Assistance Services for Saskatoon Inner City Inc. (CLASSIC).
- **\$50,000** for a northern transportation initiative to help women and children in abusive situations get to shelters.

Tourism, Parks, Culture and Sports:

- **\$11 million** for Parks Capital projects.
- **\$1 million** for Regional Parks, a \$500,000 increase.
- **\$2.2 million** for Tourism Initiatives, a \$400,000 increase.
- **\$2.2 million** for the Royal Saskatchewan Museum, including a \$300,000 increase for the T.rex Centre and Occupational Health and Safety equipment.
- **\$0.5 million** for Saskatchewan Heritage Foundation Transfers, an increase of \$200,000 for the Claybank Brick Plant and other projects.

Environment:

- **\$57.5 million** for wildfire management.
- **\$20.6 million** for operating funding to support SARCAN, an increase of \$2.9 million or 16.4 per cent.
- **\$15.3 million** for Green Initiatives, including \$1.8 million for SARCAN capital, to support projects that address the Province's most important environmental issues.
- **\$4.4 million** to maintain funding for the Saskatchewan Watershed Authority.
- **\$2.2 million**, an increase of \$1.6 million, for insect and disease control programs such as those to fight against the mountain pine beetle and spruce budworm, and continue monitoring of Dutch Elm Disease.

Energy and Resources:

- **\$2.8 million** increase in capital expansion of the Subsurface Geological Laboratory for the benefit of industry and research institutions. The Laboratory contains Saskatchewan mineral resources data used by the oil and gas and mining industries, as well as universities and other researchers.
- **\$11.3 million** for the Process Renewal and Infrastructure Management Enhancements (PRIME) project related to oil and gas system renewal.
- **\$3.2 million** continued for energy industry research, including **\$2.3 million** for the Petroleum Technology Research Centre.
- **\$1.4 million** in additional operating funding to decrease the time to review and approve licences for new petroleum wells.