



KEEPING THE SASKATCHEWAN ADVANTAGE

BACKGROUND: Budget 2012-13 Key Facts and Figures

Balanced Budget:

- A General Revenue Fund (GRF) pre-transfer surplus, where revenue exceeds expense, of **\$95.0 million**.
- A Summary Financial Statement surplus of **\$14.8 million**.

A Growing Economy:

- **2.8** per cent real Gross Domestic Product (GDP) growth forecast in 2012 and **2.6** per cent in 2013.

Key Revenue Assumptions for 2012-13:

- WTI Oil price: US\$100.50 per barrel (Total oil royalties: \$1.6 billion).
- Potash price: US\$464 per KCl tonne.
- Potash sales volumes: 10.2 million K₂O tonnes (Total potash royalties: \$705.2 million).
- Exchange Rate: 100 US cents.

Revenue: \$11.29 billion comprised of:

- **\$9.7 billion** (86 per cent of total revenue) in own-source revenue which includes taxes, non-renewable resources, transfers from Crown entities and other own-sources.
- **\$1.6 billion** (14 per cent) in federal transfers, which includes health and social transfers and federal-provincial cost-sharing agreements.

Expense: \$11.20 billion, up \$507.6 million (4.7 per cent) from Budget 2011-12:

- Health: **\$4.7 billion**, up \$217.6 million (4.9 per cent) which is 41.8 per cent of total expense.
- Education: **\$1.6 billion**, up \$163.8 million (11.4 per cent).
- Advanced Education, Employment and Immigration: **\$890.6 million**, up \$34.8 million (4.1 per cent).
- Social Services: **\$852.7 million**, up \$38.6 million (4.7 per cent).
- Agriculture: **\$430.8 million**, up \$13.0 million (3.1 per cent).
- Debt Servicing: **\$400.0 million**, down \$20.0 million (4.8 per cent).
- Remaining ministries and agencies: **\$2.3 billion**, up \$59.8 million (2.6 per cent).

Highways and Infrastructure:

- Highways spending of **\$581.5 million**, to fulfill commitment to spend **\$2.2 billion** over four years on highways and transportation infrastructure.

Growth and Financial Security Fund (GFSF):

- Forecast balance of **\$756.4 million** at the end of 2012-13.

Debt Reduction:

- Government general public debt at March 31, 2013 is forecast to remain at \$3.8 billion.

Better Access to Health Care

Health:

- Regional Health Authority (RHA) base operating funding increases \$98.2 million for health care staff, drugs, medical supplies and other operating costs.
- \$60.5 million for the Saskatchewan Surgical Initiative to complete over 8,000 more surgeries in 2012-13 (a 10 per cent increase from 2009-10, the year before the initiative began), and meet the goal of providing patients with the opportunity to have surgery within six months by 2013.
- \$2.5 million increase to reduce costs for those with diabetes by adding two forms of long-acting insulin to the Drug Plan and expand the Children's Insulin Pump Program from age 17 up to 25 years old.
- \$4.0 million to expand colorectal screening program province-wide, providing early detection and prevention of later treatment.
- \$5.5 million increase for the Shock Trauma Air Rescue Society (STARS) Helicopter Ambulance.
- \$16.9 million increase in Saskatchewan Cancer Agency funding for compensation, drug and medical costs, new patient referrals, chemotherapy treatments and mammograms.
- \$42.7 million to begin construction of seven previously announced long-term care (LTC) facilities in a new provincial government shared ownership model which will continue to use the 80 per cent, 20 per cent local cost share.
- Additional third party grants to continue with six LTC facilities currently underway in Radville, Redvers, Rosetown, Shellbrook, Tisdale and Watrous.
- \$5.0 million for planning and redesign of Saskatchewan Hospital North Battleford.
- Planning and design work will continue in 2012-13 to replace the Moose Jaw Union Hospital.

Improved Quality of Life

Education:

- \$1.74 billion in total school operating funding, an increase of \$81.8 million, which includes \$1,128.7 million in GRF school operating funding, for an increase of \$59.0 million, and \$606.5 million in Education Property Tax revenue, an increase of \$22.8 million.
- These increases in total school operating include \$67.7 million for teachers' salaries, \$8.7 million to non-teacher operating, \$10.0 million in transition funding to school divisions for implementation of the new funding distribution model which will be introduced in 2012-13.
- \$88.7 million for 21 approved major school capital projects, an increase of \$82.6 million from 2011-12.
- \$4.0 million in planning funding for three new school capital approvals, including projects in Hudson Bay, Leader and Martensville.
- \$46.0 million for child care operating, including a \$2.0 million increase to create 500 new child care spaces.
- \$4.0 million for child care capital to support the 500 new child care spaces, of which, 300 will be built in schools or post-secondary institutions.
- \$15.8 million for Prekindergarten operating, an increase \$1.0 million to create 15 new programs in 2012-13. \$1.0 million for Prekindergarten capital to support the new programs.
- \$1.1 million in new funding for independent schools meeting provincial criteria.
- \$368 thousand for the Student Assessment Initiative.
- \$500 thousand to continue 20 Literacy Camps for underprivileged youth in 2012-13.
- \$77.8 million for Education Community-based Organization (CBO) funding.
- \$2.6 million to support schools with immigration and English as an Additional Language needs.

Justice:

- \$152.6 million, an increase of \$7.2 million or 4.9 per cent, providing the following:
- An increase of \$4.4 million to deal with increasing costs in Court Services and Prosecutions resulting from the nearly 50 per cent increase in court appearances since 2000.
- \$0.7 million in new funding in Prosecutions for the High-Risk Violent Offender Crime Reduction commitment staffing.
- A \$631 thousand increase for the Legal Aid Commission for salaries and an increase in staffing. These increments ensure that legal resources continue to be made available to low-income individuals in times of need.
- An additional \$0.2 million to cover increasing operating costs for the Public Guardian and Trustee. This increment ensures that supports continue to be provided to vulnerable citizens in a timely and accessible fashion.
- New expenditures of \$1.8 million through the Victims' Fund to expand victims' programming province wide.

Highways and Infrastructure:

- \$207.8 million for repair and replacement of highway surfaces – including 320 km of repaving.
- \$18.0 million for repair and replacement of highways, bridges and culverts related to the 2011 flooding.
- \$63.0 million for Gateway Corridors, including the completion of Highway 11 twinning; the start of twinning and passing lane strategy; continued work on the West Regina Bypass and commencement of the Estevan Bypass.
- \$70.5 million for upgrades under the Rural Highway Strategy – including primary weight upgrades on 150 kms to be completed and \$10.3 million to upgrade community and tourism access roads.
- \$59.2 million, an increase of \$13.8 million for the Bridge and Culvert Strategy – including 29 bridges to be replaced, four bridges to be rehabbed, numerous culverts replaced and continued work to replace the St. Louis bridge.
- \$23.5 million for the Municipal Roads for the Economy Program which helps rural municipalities strategically improve their road systems supporting economic growth.
- \$7.9 million to continue road maintenance and rehabilitation projects for municipalities that have signed agreements under the Urban Connectors Program.

Social Services:

- \$205.9 million for Child and Family Services, an increase of \$10.8 million.
- \$134.1 million for Disability CBOs including an increase for addressing wait lists for intellectually disabled people.
- \$18.2 million for Child Care Parent Subsidies, a \$675 thousand increase in funding for additional cases.
- \$28.0 million for Client Support including \$17.5 million for the new case management system to better track income assistance and disability clients, and \$3.0 million for a new risk assessment tool for child protection workers.
- \$24.2 million to provide Seniors Income Plan (SIP) benefit increases of up to \$50 per month starting July 2012 with increases of up to \$10 per month in each of the next three years.
- \$113.0 million, a net \$17.8 million increase to provide expanded Saskatchewan Assured Income for Disability (SAID) eligibility – clients will expand from 3,000 to 10,000 adults and benefits will increase by \$200 per month (couples up to \$230 per month) in July 2012 and by \$350 per month (couples up to \$400 per month) in the fourth year.
- \$3.5 million for the new Senior Personal Care Home benefit, estimated to be \$278 per month rising to \$369 per month by the fourth year.

Corrections, Public Safety and Policing:

- \$1.2 million for the phased implementation of the High-Risk Violent Offender Crime Reduction commitment.
- \$1.1 million to complete hiring of 120 additional Police Officers over a four-year commitment (total funding to \$14.0 million over the implementation period).
- \$450 thousand for the Crime Reduction through Mobilization commitment.

- \$2.1 million in one-time funding to address the Provincial Disaster Assistance Program (PDAP) claims back log.
- \$2.0 million for case load increases in Adult Corrections.
- Maintains \$500 thousand funding for the Senior Homes Security Program.
- \$11.8 million for the Provincial Policing Services Agreement with the Royal Canadian Mounted Police, including \$700 thousand to address policing issues in Meadow Lake.
- \$9.6 million to complete the expansion the Pine Grove Provincial Correctional Centre.
- \$3.0 million to begin construction of an expansion to the Prince Albert Provincial Correctional Centre.

Agriculture:

- \$321.4 million to fund Crop Insurance, AgriStability and AgriInvest.
- \$11.8 million in new funding for the federal-provincial Growing Forward programs, including \$5.3 million for the Beneficial Management Practices Program, \$3.5 million for the Intensive Livestock Operations Environmental Program, \$2.0 million for wheat genomic research, \$790 thousand for the Farm Business Development Initiative for Young Farmers, and \$210 thousand for the Grain Bag Recycling Program, which would be fully offset by federal government revenue.
- \$1.3 million to ensure regional access to meat inspection services.
- \$1.0 million for international market development and trade advocacy.
- \$1.0 million for the Rat Control Program.
- \$530 thousand for the Saskatchewan Society for the Prevention of Cruelty to Animals to address cases of animal neglect.
- \$500 thousand in new funding for the Beaver Control Program.
- \$250 thousand for the Global Institute for Food Security.

Energy and Resources:

- \$5.5 million in operating expense for the Process Renewal and Infrastructure Management Enhancement (PRIME) project (new oil and gas business processes and systems, plus capital of \$7.3 million in 2012-13).
- \$1.7 million to maintain funding for Green Initiatives to provide for projects that address climate change and energy conservation related projects, and funding for the Petroleum Technology Research Centre.
- \$0.7 million to complete expansion of the Subsurface Geological Laboratory in 2012-13.

First Nations and Métis Relations:

- \$350 thousand to maintain support for First Nations and Métis engagement in the Saskatchewan Children and Youth Agenda.
- \$75 thousand to host the Northern Development Ministers' Forum.
- \$490 thousand maintained to support the Northern Action Plan, which works to improve the well being of at-risk individuals in Northern Saskatchewan.

Tourism, Parks, Culture and Sport:

- \$11.8 million, an increase of \$2.5 million in capital to meet the commitment for parks infrastructure.
- \$6.2 million loan to support the 2013 Grey Cup in Regina.
- \$2.5 million increase to support the JUNOs and the North American Indigenous Games.
- \$166 thousand increase for the Campground Management System.

Environment:

- \$21.8 million in operating funding to SARCAN.
- \$1.0 million to maintain funding for the second year of a five-year Boreal Water Management Strategy, which will inform future northern development decisions.
- \$3.8 million for reforestation activities to meet government's obligations to the forestry sector.
- \$2.2 million to maintain funding to prevent forest infestations such as mountain pine beetle and spruce budworm.
- \$5.0 million in total funding to extend the 2011 Emergency Flood Damage Reduction Program to 2012.

- \$1.7 million to support the implementation of the 10-year Water Management Infrastructure Program for major water infrastructure redevelopment and reinvestment.

Innovation Saskatchewan:

- \$3.3 million in support of Saskatchewan's nuclear Research and Development (R&D) strategy, including funding for a Cyclotron, for the Canadian Centre for Nuclear Innovation at the University of Saskatchewan, for Memorandum of Understanding on R&D with the Hitachi Group, and to operate the Positron Emission Tomography and Computerized Tomography (PET-CT) at the Royal University Hospital in Saskatoon.
- \$1 million in continued funding for the Saskatchewan Advantage Innovation Fund.
- \$480 thousand in continued funding for TRILabs, a not-for-profit research consortium that works with universities and companies to commercialize technologies.

Office of the Provincial Capital Commission:

- \$3.7 million for projects celebrating the 100th Anniversary of the Legislative Building, which includes funding for repairs to the dome of the Legislative Building and upgrades to the Queen Elizabeth II Gardens, construction of a statue of Sir Walter Scott as well as various smaller upgrades to celebrate the anniversary.

Making Life More Affordable

- The new Saskatchewan First-Time Homebuyers' tax credit provides a provincial non-refundable income tax credit of up to \$1,100 to eligible taxpayers.

Advanced Education, Employment and Immigration:

- \$4.6 million to meet the 2011 platform commitment of establishing the Saskatchewan Advantage Scholarship Program that provides any high school graduates from 2012 onwards with up to \$2,000 over four years to be applied toward tuition fees at any Saskatchewan post-secondary institution.
- \$100 thousand to establish a program to meet the 2011 platform commitment to forgive up to \$120 thousand in student loans for new doctors and up to \$20 thousand for new nurses and Nurse Practitioners (NP) that practice in qualifying rural and remote communities for five years.
- Five NP training seats to begin meeting the 2011 platform commitment of adding 20 new NP training seats.
- \$36.5 million for the Student Aid Fund, an increase of \$6.7 million.
- \$12 million increase to support operating costs at post-secondary institutions.
- \$10.3 million to continue Government's commitment of expanding the Registered Nurse training program by 170 seats.
- Continues the University of Saskatchewan's Academic Health Sciences Centre Project.
- \$1.0 million to support planning for a student residence at the University of Regina with child care facilities and a parkade.
- Funding to fulfill the commitment to expand the undergraduate medical student training seats to 100 and physician residency seats to 120.
- \$1.0 million to continue construction of the new Southeast Regional College.

Social Services:

- \$14.6 million in Housing, including \$2.0 million for the Affordable Home Ownership Program (AHOP) and the Rental Construction Incentive (RCI) for a total of \$3.7 million.
- \$1.0 million in one-time funding to construct 20 new homes by Habitat for Humanity.
- \$9.2 million for provincial cost-matching of the second year of the Investment in the Affordable Housing Agreement with the federal government.
- A new rental housing construction initiative providing a ten-year rebate of Corporate Income Tax equal to 10 per cent of the expected rental income from each rental unit.

Municipal Affairs:

- \$237.4 million in Revenue Sharing equal to one full point of Provincial Sales Tax (PST) based on the 2010-11 Public Accounts, an increase of \$20.6 million.
- \$48.4 million to meet project commitments under the various federal-provincial infrastructure programs.
- \$56.1 million in flow-through municipal infrastructure funding provided by the Gas Tax Program.
- \$6.1 million for the Saskatchewan Infrastructure Growth Initiative in order to meet program commitments.

Tourism, Parks, Culture and Sport:

- \$12.0 million, a \$3.0 million increase to the Active Families Benefit Program for the commitment to include all children and youth under 18 years old.
- \$1.9 million increase to meet the commitment to provide a community rink affordability grant of \$2,500 to about 750 rinks.

Efficiencies List

- The per-prescription cap under the Seniors' and Children's Drug Plan will rise from \$15 to \$20 and generate \$10 million in savings for the Saskatchewan Prescription Drug Program. The change will cost an average of \$125 annually for seniors and \$20 per year for children under the plan. These charges have not increased since 2007.
- Fees for supplies in special care homes will be standardized at \$20 per month for clients, and the out of country patient billing rate will be standardized at three times the reciprocal billing rate. The total saved will be \$854 thousand.
- Fees under the Senior Citizen's Ambulance Assistance Plan rise by \$25 to \$275 per trip, saving \$675 thousand.
- The Film Employment Tax Credit will be wound down. Existing agreements will be honoured but no new registrations taken. This will save up to \$3 million this year and \$8 million annually after existing credits are paid out.
- Provincial funding for Enterprise Regions will be discontinued, saving \$4 million this year.
- The Student Aid fund will eliminate non-repayable bursaries for above middle-income students, targeting benefits to those most in need, saving about \$3.1 million a year.
- The Saskatchewan Apprenticeship and Trade Certification Commission has proposed an increase to tuition rates to reflect training costs and the increased demand for training seats. The Commission has room to raise tuition rates as the rates have not increased since 2004 and are considerably lower than most other jurisdictions in Canada. Government supports the Commission's request.
- Third party groups are being asked to undertake an efficiency review to examine opportunities for savings. These include Regional Health Authorities, provincial School Divisions and Post-Secondary Institutions.
- Discounts for early payment of education property tax will be discontinued beginning in 2013, which is expected to save \$16 million that year.
- Three field offices will be closed in Moosomin, Cumberland House and Pelican Narrows. The conservation officers that serve these locations will be relocated to Melville, Nipawin and Creighton.
- Northern fire crews will be reduced to four people from five, saving \$400,000. The reduction will be achieved through a staged approach in order to minimize impacts.
- First Nations and Métis Consultation and Participation Fund will be reduced by \$900,000, reflecting past spending patterns and continuing to meet the duty to consult.
- \$405,000 savings from the elimination of subsidies for the commercial fishing industry, reflecting the end of the province's monopoly agreement with the Freshwater Fish Marketing Corporation on March 31, 2012.
- Go Green funding in Environment is reduced to \$4.5 million, a decrease of \$10.8 million compared to 2011-12, primarily because of a previous commitment to provide enhanced funding has been fulfilled.