

# BALANCED GROWTH

## Saskatchewan Provincial Budget 2013-2014

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### **BACKGROUND: Budget 2013-14 Key Facts and Figures**

#### **Balanced Budget:**

- A General Revenue Fund (GRF) pre-transfer surplus, where revenue exceeds expense, of **\$64.8 million**.
- A Summary Financial Statement surplus of **\$149.8 million**.

#### **A Growing Economy:**

- **2.6** per cent real Gross Domestic Product (GDP) growth forecast in 2013 and **3.1** per cent in 2014.

#### **Key Revenue Assumptions for 2013-14:**

- WTI Oil price: US \$92.84 per barrel (Total oil royalties: \$1.4 billion).
- Potash price: US \$395 per KCl tonne.
- Potash sales volumes: 10.4 million K<sub>2</sub>O tonnes (Total potash royalties: \$519.9 million).
- Exchange Rate: 98.92 US cents.

#### **Revenue: \$11.61 billion** comprised of:

- **\$9.98 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.
- **\$1.63 billion** (14 per cent) in federal transfers, which includes health and social transfers and federal-provincial cost-sharing agreements.

#### **Expense: \$11.54 billion, up \$346.6 million (3.1 per cent) from Budget 2012-13:**

- Health: **\$4.8 billion**, up \$161.7 million (3.5 per cent) – 41.9 per cent of the total expense
- Education: **\$1.7 billion**, up \$107.5 million (6.7 per cent)
- Social Services: **\$889.6 million**, up \$37.1 million (4.3 per cent)
- Advanced Education: **\$787.7 million**, up \$63.4 million (8.8 per cent)
- Justice, **\$542.0 million**, up \$27.1 million (5.3 per cent)
- Debt servicing: **\$340 million**, down \$60 million (15.0 per cent)
- Remaining Ministries and Agencies: **\$2.4 billion**, up \$9.8 million (0.4 per cent)

#### **Growth and Financial Security Fund (GFSF):**

- Forecast balance of **\$695.1 million** at the end of 2013-14.

### **Debt Reduction:**

- Government general public debt at March 31, 2014 is forecast to remain at \$3.8 billion.

### **Fiscal Responsibility**

- This Government's sixth consecutive balanced budget.
- Spending is responsible – an overall increase of 3.1 per cent.

### **Quality of Life**

#### **Health**

- \$131.8 million increase, or 4.5 per cent, for Regional Health Authorities base operating funding for health care, staff, drugs, medical supplies and other operating costs.
- \$70.5 million for the Saskatchewan Surgical Initiative to reduce surgical wait times, an increase of \$10.0 million.
- \$29.0 million to address health care demographic volume pressures from population growth.
- \$4.3 million to establish Collaborative Emergency Centres and improvements to primary health care.
- \$2.0 million for an innovative home care services pilot for seniors in Regina.
- \$350,000 to expand Alzheimer's First Link® services.
- \$11.9 million net increase in Saskatchewan Cancer Agency funding (\$150.7 million total).

#### **Social Services**

- \$27.4 million, a \$3.2 million increase in Seniors Income Plan due to utilization, implementing year 2 of benefit, a \$10 per month increase July 2013 plus a benefit increase of a maximum of \$25/month to clients living in special care homes.
- \$36.3 million for Saskatchewan Employment Supplement, Saskatchewan Child Benefit and Child Care Parent Subsidies.
- \$3.4 million for the Seniors Personal Care Home Benefit which includes a planned income threshold increase from \$1,800/month to \$1,875/month.
- Increased support by \$50 a month for individuals and \$60 a month for couples under the Saskatchewan Assured Income for Disability Program.
- \$87.3 million for Child and Family Program Maintenance and Support.
- \$144.3 million, a \$10.2 million increase for Community Based Organizations serving people with disabilities.
- \$76.1 million, a \$6.7 million increase for Child and Family Services Community Based Organizations.
- \$9.2 million increase for the third year of the federal/provincial Affordable Housing Agreement to be used for new affordable housing supply, home renovations, home adaptations, and rent/housing supplements.

#### **Justice**

- \$1.6 million to increase video court capacity across the province.
- \$7.6 million, an \$800,000 increase in operating support for women's shelters across the province including a new transition house in Melfort, and to support expansions that have occurred at existing facilities in Regina and Prince Albert.

#### **Education**

- \$17.0 million increase to support forecasted school enrolment increases.
- \$20.2 million, an increase of \$0.6 million, supporting 15 new PreK programs and existing programs.
- \$5.9 million to initiate a new student assessment program to support the renewed student achievement model.
- \$100,000 to provide access to online talking books for people with perceptual disabilities.

### **Government Relations**

- \$264.4 million, a \$27.0 million (11.4 per cent) increase for municipal revenue sharing, part of \$362 million in overall direct provincial support to municipalities, an increase of \$19.6 million from 2012-13.
- Education Property Tax will provide \$635.3 million in revenue to the education system, an increase of \$28.9 million due to assessment growth because of population and business growth means there is more property owned, overall, in Saskatchewan, expanding the property tax base.
- Mill rates will be lowered so that the Education portion of property tax remains revenue-neutral.

### **Water Security**

- A \$15.5 million grant for the Water Security Agency, an increase of \$3.2 million.

### **Parks, Culture and Sport**

- \$6.8 million, a 5.0 per cent increase, for the Saskatchewan Arts Board in support of funded arts organizations.
- \$50,000 in new funding to support the development of a Military History Project.
- \$5.0 million provided to the new Creative Saskatchewan's Investment fund to support growth and development in the creative industries sector.

### **Environment**

- \$500,000 in funding for the Multi-Material Recycling Program infrastructure and research.
- \$300,000 in funding for the South of the Divide Multi-Species Action Plan.
- \$250,000 in funding for the assessment of abandoned sites.
- \$250,000 in funding for the Boreal Caribou Research project.

### **Infrastructure**

Overall, Government's capital budget of \$847.5 million, an increase of \$59.8 million or 7.6 per cent from last year and the highest capital budget since 2009-10, will provide funding for provincial priorities including schools, post-secondary institutions, hospitals and long term care facilities, roads and highways and municipal infrastructure.

Since 2008-09, nearly \$5.8 billion has been invested in Saskatchewan's infrastructure.

### **Education**

- \$119.6 million, an increase of \$7.2 million, for school capital projects, including:
  - \$18.7 million for the construction of major capital projects in Hudson Bay, Leader, and Martensville.
  - \$1.9 million to begin planning on new projects in Langenburg and Gravelbourg.
  - \$1.0 million for the capital related to the expansion of 15 new PreK programs.
  - SaskBuilds and the Ministry will examine the feasibility of constructing schools under a Public-Private-Partnership (P3) model.

### **Government Relations**

- \$77.0 million for municipal infrastructure programs.
- \$550,000 a 100 per cent increase for Transit Assistance for the Disabled, which will double capital grants available for paratransit buses.

### **Health**

- Capital investments totalling \$163.9 million. This includes \$50.0 million to replace Moose Jaw Union Hospital and long-term care facility funding of \$86.5 million.

## **Highways and Infrastructure**

- The Government is ahead of schedule to meet the commitment to invest \$2.2 billion in highways and transportation infrastructure over a four-year period.
- The 2013-14 budget provides \$576.0 million to meet the commitment, which includes \$25.5 million, for the Municipal Roads for the Economy Program that provides grants to rural municipalities to improve their road systems.
- \$86.3 million for Heavy Preservation which includes repaving of at least 280 km of highways.
- \$63.6 million for Economic Corridors such as the Regina West Bypass, the Estevan Bypass, passing lanes on Highway 10 and completion of the Highway 11 Twinning initiative.
- \$81.8 million for Local Infrastructure to upgrade a further 75 km of highways to a higher standard.
- \$49.1 million for Bridges and Culverts, including \$14.4 million for the St. Louis Bridge.

## **SaskBuilds**

- **\$6.0 million** to proceed with preparatory work for the following P3 opportunities:
  - The Saskatchewan Hospital at North Battleford.
  - Innovative approach to new school construction for rapidly growing communities.
  - Regina South East Bypass infrastructure.

## **Advanced Education**

- \$25.5 million in post-secondary capital transfers, including:
  - \$16.5 million for maintenance capital.
  - \$4.0 million in new capital grants for continued construction of the Health Sciences facility at the University of Saskatchewan.
  - \$4.0 million for continued construction of the new Southeast Regional College facility in Weyburn, an increase of \$3.0 million.
  - \$1.0 million to support the feasibility, planning, and design development phases of the Trades and Technology Centre project at Parkland Regional College in Yorkton.
- \$10.0 million through Saskatchewan Housing Corporation to begin construction of a new student residence at the University of Regina.

## **Labour Force Development**

### **Advanced Education**

- \$14.3 million in post-secondary base operating grant increases.
- \$117.4 million in student supports, an increase of \$19.6 million or 20 per cent, which includes:
  - \$63.9 million for the refundable and non-refundable tax credits for the Graduate Retention Program, an increase of \$12.2 million,
  - \$34.5 million for the Student Aid Fund,
  - \$7.5 million for the Saskatchewan Advantage Scholarship, an increase of \$2.9 million,
  - \$6.5 million to establish the Saskatchewan Advantage Grant for Education Savings commitment,
  - \$5 million for other scholarships.
- \$16.1 million in funding toward the Health Sciences facility's capital (\$4.0 million noted above) and operating cost at the University of Saskatchewan.
- \$14.3 million to continue the Registered Nurse training seat expansion to 690 spaces.
- \$11.8 million to continue the implementation of 100 medical undergraduate seats.
- \$9.7 million to continue the implementation of 120 medical residency seats.
- \$150,000 in new funding to increase the number of nurse practitioner training spaces by five, which in addition to the five added in 2012-13 is half way to the government commitment of 20 new nurse practitioner training seats.

## **Economy**

- \$1.5 million increase for the Saskatchewan Apprenticeship and Trade Certification Commission (\$21.2 million total) to purchase an additional 300 training seats, as well as a \$119,000 increase for the Apprenticeship Training Allowance (\$2.2 million total) to meet the demand for support caused by more apprenticeship seats.
- \$1.5 million increase for immigrant settlement support programming (\$9.2 million total).
- \$1.5 million increase to begin work towards eliminating the wait list for Adult Basic Education (\$22.9 million total).
- \$1.5 million increase for Work Readiness (\$24.9 million total) to accelerate essential skills training and increase employment opportunities for First Nations and Métis people.

Overall, \$184.8 million, or \$10.8 million more in targeted funding from government ministries for initiatives that help First Nations and Métis people, including \$3 million directed specifically at initiatives to address future recommendations of the Joint Task Force on Improving Education and Employment outcomes.

## **Exports and Innovation**

### **Innovation Saskatchewan**

- \$28.0 million (an increase of \$21.2 million) including \$16.4 million for a Cyclotron and \$5.0 million for the Sylvia Fedoruk Canadian Centre for Nuclear Innovation at the University of Saskatchewan.

### **Agriculture**

- \$198.3 million to fund Crop Insurance, a record budget.
- more than \$70 million invested in strategic initiatives through the federal-provincial Growing Forward 2 framework, an increase of \$25 million over the previous framework.
- \$1.0 million for the rehabilitation of irrigation bridges on municipal roads.
- \$3.0 million to be allocated towards the first year of government's seven year \$15.0 million commitment to the Global Institute for Food Security.