



BALANCED. FORWARD-LOOKING. RESPONSIBLE.

BACKGROUND: Budget 2010-11 Key Facts & Figures

Balanced budget:

- \$20 million General Revenue Fund surplus forecast.

Economic Growth:

- 2.6% real GDP growth forecast in 2010 and 3.3% in 2011.
- Employment growth forecast of 4,100 new jobs in 2010.

Key Revenue Assumptions for 2010-11:

- WTI Oil price: US\$77.50 per barrel (Total oil royalties: \$1,098.3 million).
- Potash price: US\$308 per KCl tone.
- Potash sales volumes: 8.1 million K₂O tonnes (Total potash royalties: \$221.0 million).
- Exchange Rate: 95.5 US cents.

Revenue: \$9.95 billion (decrease of \$711 million from Budget 2009-10) comprised of:

- \$8.25 billion (83%) in own-source revenue which includes taxes, non-renewable resources, transfers from Crown Entities and other revenue
- \$1.70 billion (17%) in transfers from the Government of Canada, which includes health and social transfers and other federal-provincial cost-sharing agreements

Expense: \$10.12 billion (decrease of \$121.3 million or 1.2% from Budget 2009-10):

2010-11 GRF EXPENSE	
<i>(Millions of Dollars)</i>	
2009-10 Budget Expense Estimate	10,245.4
2010-11 Expense Changes	
Agriculture	(97.2)
Finance Debt Servicing	(67.5)
Education ¹	(61.2)
Highways and Infrastructure	(33.7)
Environment	(25.7)
Tourism, Parks, Culture and Sport	(20.5)
Health	126.9
Municipal Affairs	38.3
Social Services	34.4
Corrections, Public Safety and Policing	12.7
Other Net Changes	(27.8)
Total Expense Changes	(121.3)
2010-11 Budget Expense Estimate	10,124.1

¹ Includes Teachers' Pensions and Benefits

Growth and Financial Security Fund (GFSF):

- Forecast balance of \$510.8 million at end of 2010-11.

Debt:

- Government general public debt at March 31, 2011 forecast to be \$4.15 billion.
- Projected Government general public debt to GDP (which excludes Crown debt) at March 2011 is 7.1%.

Expense Highlights:

Balanced

- *The Government of Saskatchewan will table a **balanced budget** for the people of this province.*
- **Government expense levels are reduced** by 1.2 per cent, while protecting important programs and protecting core services in Health, Social Services, Education and other priority areas across government.

Forward-Looking

- *We will continue moving Saskatchewan **forward** by investing in key infrastructure programs, supporting economic development measures, and dedicating funding to initiatives that will train our future workforce.*
 - The 2010-11 infrastructure budget is \$632 million, bringing total capital investment to nearly \$3 billion in 3 years.
 - \$177 million for **municipal infrastructure**, an increase of nearly 30 per cent.
 - \$63 million to continue construction on **Highway 11 twinning**, the **Lewvan interchange** and **West Bypass in Regina**, and the **Yorkton Truck Bypass**.
 - \$161.6 million for approximately **470 kilometres of highway construction** for the Rural Highway Strategy and work on projects that, when completed, will see **600 kilometres of highway resurfaced**.
 - \$16 million in grants to support **agricultural research and development**.
 - \$3 million provided by Crown Investments Corporation for **First Nations'** economic development initiatives.
 - \$16.6 million for the **Saskatchewan Research Council** to continue its current research and development projects.
 - \$391.2 million for **universities, federated and affiliated colleges**, including increases of \$16.3 million to help minimize growth in tuition costs.
 - Maintains over \$100 million in funding for **labour force development** programs.
 - \$7.9 million to post-secondary institutions for the continuation of **health-care training seats**.
 - \$3.5 million to continue the **physician recruitment strategy and agency**.
 - \$6.6 million to continue **medical education system enhancements** (physician training seat expansion; post-graduate and international residency seats).

Responsible

- *We will continue to lead Saskatchewan in a **responsible** manner by delivering meaningful programs and protecting core services that improve the daily lives of Saskatchewan people, including caring for society's most vulnerable citizens.*
 - \$123 million increase (5 per cent) to **Regional Health Authorities (RHAs)** to provide base funding of \$2.6 billion to maintain and improve delivery of health care services to Saskatchewan people.
 - \$10.5 million to begin the process of **reducing surgical wait lists and wait times**.
 - \$7 million for a **Patient-First Initiatives Fund**, to support the Health system in adopting a patient- and family-centred care approach.
 - \$109.3 million, a \$10 million increase (10.1 per cent) to **Saskatchewan Cancer Agency (SCA)** funding for drugs and medical supplies, and operating costs.

- \$2.6 million in new funding to address increased **cardiac care volumes** including expansion of electrophysiology services in the province.
- \$2.5 million in new funding to enhance **Autism services**.
- \$3.8 million increase for the **Irene and Leslie Dubé Centre for Mental Health**.
- \$186.5 million to support **individuals with intellectual disabilities**.
- \$976.5 million for the Operating Grant for **Education**, representing a \$33 million increase to total school division operating funding including property taxes.
- \$58 million in **early learning and child care** supports for 11,635 licensed child care spaces.
- \$321.3 million in other **income assistance programs**, an increase of \$29.9 million to support program utilization;
- \$182.3 million for **Child and Family Services**, including \$24.5 million for caseload increases, enhanced programming, and to develop **new child welfare spaces**.
- 30 additional **police officers** to further the commitment to provide 120 new positions over four years.
- \$167.4 million to maintain funding for **municipal revenue sharing**.
- \$234.1 million to fully fund the Province's 40 per cent share of **farm income stabilization program payments** (AgriStability, AgriInvest, and Crop Insurance premiums) based on current forecasts.
- \$16.7 million to fund the **Go Green Program**, which includes establishing the provincial climate change plan.
- \$3 million to maintain funding for the **Consultation Participation Fund**, supporting the Government's policy regarding duty to consult.

Revenue Measures

The tobacco tax rate will increase on cigarettes and tobacco sticks by 2.7 cents to 21 cents each. The tax on cut/loose tobacco will increase to 21 cents per gram and cigars will increase to 100 per cent of the retail price (subject to minimum and maximum tax amounts).

The tax-free allowance to First Nations' individuals will be reduced to one carton per week which will take into effect once legislation is proclaimed.

The price of spirits, wine and beer in Saskatchewan liquor stores will increase effective April 1, 2010 due to changes in liquor mark-ups. For example, the price for most 750 ml bottles of spirits will increase by 50 cents while the price for a dozen bottled beer will increase by 75 cents.

Savings List

The Government of Saskatchewan will table a balanced budget. A balance was achieved through a resolve to live within our means and reduce government spending.

1. Deferred Commitments

- **\$54.3 million** for the **deferral** of municipal revenue sharing to one full point of PST.
- **\$53 million for the delay** of year two of the Education Property Tax reduction in 2010.

2. Savings due to utilization decreases, program completions, and reducing one-time funding. Amounts listed reflect reductions from the 2009-10 Budget:

Agriculture

- **\$93.3 million savings** in a fully funded farm income stabilization program, including \$88 million in savings in program payments and \$5.3 million savings in administrative costs.
- **\$14.2 million in savings** for the Crown Land Sale Program as a result of lower than expected utilization.

Enterprise Saskatchewan

- **\$5.1 million in savings** for a one-time deferral of funding for the Western Economic Partnership Agreement (WEPA), which will be provided in future years as projects require funding.
- **\$3.8 million** in savings from the **elimination** of the Strategic Investment Fund (SIF) – \$2.5M in funds transferred to support forestry research and Innovation Saskatchewan – all other existing contracts have been completed.

First Nations and Métis Relations

- **\$750,000 in savings** as a result of final-year funding for the First Nations and Métis Business Development Program (planned program wind down).

Health

- **\$135.0 million in savings** by reducing capital funding. Capital provided in previous years will allow progress to continue on the Children's Hospital, Regina Surgical Centre and long-term care facilities in 2010-11.

Highways and Infrastructure

- **\$16.9 million in net savings** due mostly to a planned decrease of one-time funding for the Municipal Roads for the Economy Program, reducing the grants paid to rural municipalities.

Municipal Affairs

- **\$3.3 million in savings** in the Saskatchewan Infrastructure Growth Initiative (SIGI) program. \$2.3 million in funding will remain to manage program commitments.

Tourism, Parks, Culture and Sport

- **\$2.8 million in savings** in the Building Communities Program (BCP), as many of the projects under the program have been completed.

3. Program and administration savings include:

General (all ministries)

- **Full-time equivalents** will be reduced by 528.5 in 2010-11, primarily through vacancy management, savings of \$30.6 million.

Advanced Education, Employment and Labour

- **\$12.4 million savings** in capital funding.
- **\$5.5 million in savings** from elimination of Technology Enhanced Learning grants to various post-secondary institutions.

- An overall funding increase of approximately \$800,000 in Labour Force Development Programs will support a comparable level of training and employment opportunities. However, there are reductions to the following programs:
 - Work-based Training for the Unemployed
 - Community Works
 - Workforce Development
 - The Student Employment Experience (SEE) Program

The Youth Employment Program has been amalgamated into the Work Readiness - Employment Development program. The program has been renamed the "Student Summer Works Program" to better reflect the purpose and use of the funding. Eligible employers and processes have remained the same.

Corrections, Public Safety and Policing

- **\$1.6 million and 28.0 positions** for licensing and inspection services (including boiler and pressure vessel) transferred out of Executive Government.

Education

- **\$2.0 million** in grants for Early Learning and Child Care, Education Supports for Employees of Child Care Centres, Community Solutions Program, and the Early Development Instrument **will be redirected** to increase childcare and Pre-Kindergarten spaces.
- **\$3 million reduction** for school contingency funding.
- **\$35.8 million reduction** for school capital funding.

Energy and Resources

- **\$2.6 million deferral of funding** for the Community Development Trust initiatives.
- **\$800,000 in reduced funding** for Green Initiatives.
- **\$125,000 reduction** in grant funding for the Prairie Adaptive Research Collaborative (PARC).

Enterprise Saskatchewan

- **\$12.2 million in savings** for restructuring the Ethanol Grant Program (EGP) from a 15 cent per litre subsidy paid to companies that blend ethanol with gasoline, to a credit paid directly to local ethanol producers for the first 25 million litres produced. The EGP will provide nine cents per litre for small ethanol producers (capacity to produce up to 25 million litres) and six cents per litre for large producers.
- **\$1.3 million reduction** to funding (25 per cent) for Enterprise Regions.

Environment

- **\$30.8 million reduction** in the fire management budget, which includes \$12.4 million in operating reductions, and \$18.4 million in government-owned capital, reflecting cash flow requirements.
- **\$3.1 million reduction** in grant funding to the Saskatchewan Watershed Authority.
- **\$1.9 million in savings** primarily from deferred reforestation and elimination of the Dutch Elm Disease program.

First Nations and Métis Relations

- **\$786,000 in savings** through the elimination of the Aboriginal Employment Development Program.
- **\$152,000 reduction** to eliminate the Aboriginal Urban Management Program and a grant to Northern Saskatchewan Trappers Association.

Health

- **\$12.5 million by scaling back** non-physician recruitment and retention funding.
- **\$10.4 million by de-insuring** universal chiropractic coverage – low income individuals receiving Supplementary and Family Health Benefits will be covered for up to 12 treatments.
- **\$2.7 million** from Health Quality Council (HQC), Saskatchewan Association of Health Organizations (SAHO), health research and advertising.

Highways and Infrastructure

- **\$16.9 million decrease** in the Surface Preservation Program.
- **\$5.0 million deferral** of First Nations access road pilot project (Mistawasis).

Justice

- **\$1.8 million one-time reduction** in funding to the Victims' Fund offset by drawing down available surpluses.

Municipal Affairs

- **\$1.06 million or 10 per cent reduction** in operating funding for the Saskatchewan Assessment Management Agency (SAMA).

Saskatchewan Liquor and Gaming Authority

- **\$800,000 total savings** achieved by capping grants to individual organizations at \$100,000.

Social Services

- **\$400,000 in savings** through the elimination of funding for three Neighbourhood Development Organizations.
- **\$1.5 million in savings** for consolidation and efficiencies at Valley View Centre.

Tourism, Parks, Culture and Sport

- **\$2.4 million to cease operations** of the Saskatchewan Communications Network (SCN) in 2010-11, with plans to maintain delivery of distance education and satellite services through alternate means.
- **\$4.4 million reduction** for the Provincial Parks system capital. The parks electrification program will continue.
- **\$500,000 for a reduction** to regional parks, which will continue to receive \$515,000 in funding.