

Getting the Balance Right:

Saskatchewan Alternative Budget, 2006-07



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INTRODUCTION

The Saskatchewan Office of the Canadian Centre for Policy Alternatives (CCPA-SK) is very pleased to present the Alternative Provincial Budget for 2006-07. Our three key areas of focus this year are:

- *ECONOMIC SECURITY AND SOCIAL SUPPORT* for all people in Saskatchewan;
- universal, comprehensive, accessible, and publicly administered *HEALTH* services for all persons and families, and the use of public policy to ensure healthy and sustainable communities;
- high quality and innovative *EDUCATION* programs, from the earliest months of life, during the primary and secondary school years, and through to post-secondary studies and life-long learning opportunities.

The preparation of this year's Alternative Budget was informed by a broad public consultation process that took place through the Citizens' Budget Commission. This Commission was established by CCPA-SK in late 2005, and was charged with the following mandate:

- To provide Saskatchewan citizens, NGO's and other organizations an opportunity to provide their perspectives on what the fiscal priorities of the provincial government should be.
- To provide thoughts on how Saskatchewan's treasury and public programs could be affected by further reductions in business taxation.
- To consider the best mix of taxation and other measures to generate government revenue that is fair and equitable for individuals, families and businesses.
- To consider whether there are other public policy instruments, other than taxation, that could be utilized more effectively to improve Saskatchewan's economy.

The Commission was chaired by Dr. Jim Mulvale, the Head of the Dept. of Justice Studies at the University of Regina, and a researcher in the area of social welfare and economic security. The two other Commissioners who served were Verda Petry of Regina, a former Chancellor of the University of Regina, a professional educator, and a community leader in education and health; and Dr. John Conway, Professor Emeritus of Psychology at the University of Saskatchewan, a member of the CCPA National Board of Directors, and a consultant on policy issues in health, education and welfare.

The Commission was very capably assisted in its work by Lynn Gidluck, Director of CCPA-SK; Alyssa Daku, research and editorial coordinator for the Alternative Budget; and Yolanda Hansen, Sean Criddle, and Andy Wong, all students at the University of Regina. Dr. Bob Stirling, Professor Emeritus at the University of Regina, assisted us with revenue estimates and other aspects of the 'balance sheet.' Finally, a large number of volunteers from various fields contributed their ideas and assisted in preparing various sections of the Alternative Budget.¹

The formation of the Citizens' Budget Commission was partly the result of concerns expressed in many quarters about the process and outcome of the Business Tax Review Committee (BTRC), which had been conducted by the Government of Saskatchewan in early 2005. The BTRC recommended lowering tax rates for business. Subsequent to the BTRC report being issued, a 'consensus' quickly developed in business and political circles and among many media outlets that such tax cuts for business were necessary and inevitable.

From the point of view of CCPA-SK, questions pertaining to the adequacy and fairness of the government's tax base, and to priorities for government spending, merited much closer examination and

¹ Please see Volunteer and Contributor List appended to this document for a complete list.

a broader debate. Contrary to the findings of the BTRC, two studies released by the CCPA Saskatchewan Office demonstrated that our business tax regime is not out of line with other jurisdictions in Canada, and in fact that Saskatchewan is a very good place in which to do business.² Not only were tax cuts for the business sector not necessary, but in fact such cuts would jeopardize revenue flows that provide funds for essential public services for citizens and communities all across the province.

The Citizens' Budget Commission held hearings and public consultations in six communities across Saskatchewan over eight days in November and December of 2005. The submissions made to our Commission were without exception thoughtful, pragmatic, and reflective of a very strong commitment to social equality, citizen engagement, and community well-being. The specific organizations, groups, and individuals who made presentations to the Citizens' Budget Commission are included in the Volunteer and Contributor Appendix to this document.

Building on our very informative and worthwhile experience with the Citizens' Budget Commission, CCPA-SK intends to promote and help implement citizen involvement in the determination of government budgets in the years ahead. Saskatchewan is a part of the world with a very strong commitment to social equality and economic justice, and has a proud history of pioneering policies and programs to achieve these goals. Building on this commitment and our track record, we in Saskatchewan can lead the way in Canada in transforming government budget-making into a democratic and participatory process. We have some useful models to draw upon in this regard from other parts of the world, including Brazil³ and Britain.⁴ There has also been a strong case made in Canada to do government budgeting as if women mattered. Gender-based budgeting has been championed by the Feminist Alliance For International Action,⁵ and this approach incorporates democratic participation and equality and justice goals.

We expect that the Alternative Provincial Budget for Saskatchewan for 2006-07 will receive wide circulation and will provoke broad discussion and debate. We are confident that it will also act as a stepping stone to a much more elaborate and sustained process of citizen engagement in the determination of our provincial budget in the months and years ahead.

² See "Money for Nothing: The Vicq Committee's Corporate-Tax Cuts" by Erin Weir (*Saskatchewan Notes* Volume 4: Issue 6 – Dec. 2005) and "Lowering taxes comes at a cost: What the business lobby isn't telling you about taxes" by Adam Shevell (*Saskatchewan Notes* Volume 4: Issue 4 –November 2005). Both pieces are available at <http://www.policyalternatives.ca> (follow the links to the Saskatchewan Office).

³ Brian Wampler, "A Guide to Participatory Budgeting" (October 2000) found at <http://www.internationalbudget.org/resources/library/GPB.pdf>

⁴ For a description of participatory budgeting at the local government level see <http://www.participatorybudgeting.org.uk/>

⁵ For an explanation of gender-based budgeting see <http://www.fafia-afai.org/proj/gb/index.php>

FISCAL FRAMEWORK

Revenue Generation

Governments have the responsibility to create and provide public goods for its citizens to whom they are responsible. To do this governments must raise the appropriate amount of taxes so that it meets the demands for these public goods by the people. Currently, the Saskatchewan Government generates its tax revenue from four main sources: Corporation Capital and Income Tax, Individual Income Tax, Sales Tax and Natural Resource Tax. Because future tax polices created by the Saskatchewan Government potentially jeopardize the fairness of wealth distribution amongst citizens of Saskatchewan and decrease the amount of revenue for important provincial programs, the policy options below need to be considered for possible implementation in the near future.

Corporate Capital and Income Tax

Recently, the Saskatchewan Business Tax Review Committee (BTRC) produced its Final Report. In it, the Committee recommends implementing a schedule of corporate-tax cuts through the 2006 budget. Specifically, the Committee argues for a reduction of the Corporation Income Tax (CIT) rate from 17 percent to 12 percent and the elimination of the Corporate Capital Tax (CCT). We agree that the way we tax corporations should be reviewed to ensure that taxes are assessed fairly and that any distortion on the investment climate is minimized. It is likely, for example, that there are far more fair and efficient ways to tax corporations than the CCT.

The decision to cut the overall level of corporate taxes, in our view, involves much more complexity than is evidenced in the Vicq report. To be fair, the terms of reference for the report limited the scope of its deliberations. It may be the case that increased spending on infrastructure or education/training would be far more effective at improving the investment climate than reducing the overall level of corporate taxes. Further, any benefits of reductions in corporate tax levels should be compared with the benefits of alternatives such as reducing our reliance on the property tax to fund K-12 education, by far the highest reliance of any province in Canada. If spending programs need to be cut or delayed because of lower corporate tax rates, we need to assess the costs relative to the benefits of these tax cuts. If other taxes need to be raised to replace corporate tax revenue, they will carry with them their own costs to the economy.

There is no substantiation for the argument that cutting corporate taxes will generate increased corporate investment, which in turn will lead to employment growth. Investment decisions are not based solely on the level of taxation. Rather, the decision to invest rests upon many factors such as: geographical location, availability of natural resources and human capital, foreign or domestic demand for the corporation's output, proximity to markets, etc. Furthermore, there is no guarantee that any reinvestment of the lost tax revenue will be directed to job creation within corporations and within the province.

Policy Recommendations on Corporate Capital Tax (CCT)

- ***We recommend the replacement or restructuring of the CCT so that the economic distortions arising from our corporate taxes are minimized. At this time, we do not recommend the reduction of the overall level of taxation on corporations.***

If the CCT is eliminated, there can be a potential loss of \$480,000,000⁶ in tax revenue. One alternative to consider is that “[t]he Government of Saskatchewan could create a tax credit for net investment deductible against CCT liabilities. To promote investment by businesses that do not have enough existing capital to pay CCT, this credit could be made refundable. This approach would reduce taxes not in proportion to a business’s accumulated capital stock, but in proportion to its establishment of new capital in Saskatchewan” (Weir 2005,3).

Policy Recommendation on Corporate Income Tax (CIT)

- *It is recommended that the Government of Saskatchewan not lower the CIT rates unconditionally from 17 per cent to 12 percent.*

Exactly who pays taxes when a corporation is taxed needs to be defined carefully. If the demand output of a corporation is highly inelastic, (when prices of a particular good increases but the demand for this good remains relatively the same) corporations can easily transfer the tax burden onto its customers. Furthermore, “[under] the federal Corporate Income Tax system, corporation may stockpile and holdover tax credits from year to year. Essentially, corporations can apply tax credits in years when their profits are high and withhold tax credits in years when their profits are low. Therefore, exactly how much tax revenue will be lost is difficult to calculate.

Alternatively, as opposed to lowering corporate income taxes and assuming that corporations will automatically reinvest in Saskatchewan, the Government of Saskatchewan should introduce tax-credit schemes based on the amount of job creation within a corporation. This policy would be similar to the Employment Tax Credit Program (ETCP) that was introduced by the federal government in the past⁷. However, the ETCP must be tailored to Saskatchewan so that it will function according to the economic conditions of our province. The purpose of this policy is to increase employment thus widening the tax base and increasing the total taxation revenue.

Individual Income Tax:

Changes in Saskatchewan Income Tax Rate (on Taxable Income)⁸

2001	2002	2003	2004	2005	2006
11.5% on first \$30,000	11.25% on first \$30,000	11.0% on first \$35,000	11.0% on first \$36,155	11.0% on first \$36,770	11.0% on first \$37,579
13.5% on next \$30,000	13.25% on next \$30,000	13.0% on next \$65,000	13.0% on next \$67,145	13.0% on next \$68,286	13% on next \$69,788
16% on remainder	15.5% on remainder	15.0% on remainder	15.0% on remainder	15.0% on remainder	15.0% on remainder

The tax rates presented in the above table demonstrate how the Government of Saskatchewan has continued to disperse its tax relief to those individuals who are able to pay taxes as opposed to those who struggle in the lowest income bracket.

⁶ 2005-06 Third Quarter Financial Report from Province of Saskatchewan.

⁷ For more information, please see “An Evaluation of the Canadian Employment Tax Credit Program” by Surendra Gera. Full citation is at the end of this document.

⁸ Tax rates from years 2001 to 2004 are from 2005-2006 ABC. For year 2005:

<http://www.gov.sk.ca/finance/taxation/2005taxstructure.htm>

For year 2006: <http://www.gov.sk.ca/finance/taxation/2006taxstructure.htm>

CCPA Saskatchewan believes there needs to be a shift in attention to the families that are coming off of social assistance. Currently, a single person earning less than \$8,589 is not subject to taxation⁹. If, however, this person successfully gains employment that allows him/her to earn more than \$8,589 then he/she is immediately subjected to 11.0% income tax. Simultaneously, many benefits that are guaranteed by the Saskatchewan Social Assistance Program are taken away immediately upon obtaining employment. The total income tax rate for people in a transition period is a combination of the marginal income tax rate plus any social assistance benefit clawback. Creating an environment that generates no incentive for individuals to leave social assistance programs, while at the same time giving tax breaks to the highest income earners, is clearly unethical and unfair.

Policy Recommendation for Individual Income Tax:

- *It is recommended that the Saskatchewan Government create a new tax credit program specifically designed for people who, after gaining employment, are in a transition period between social assistance and total independence.*

Justification for this tax credit program is simple. Future consumption habits are not only affected by today's real income earnings, but also by yesterday's debt level. By immediately subjecting people who are in a transition period to a high level of taxation their total spending ability for basic necessities is decreased. It is necessary to allow for a transition period in order that those people moving off of social assistance are able to adjust to their new environment. We must not automatically assume that this adjustment period is instantaneous. A tax rebate program can increase the probability of a successful transition off of social assistance, thus creating a larger tax base.

Natural Resource Tax:

There is a definite need to increase resource revenues collected by the Saskatchewan Government from corporations that profit from extracting natural resources in Saskatchewan. The Conference Board of Canada projects that, "mining promises to post solid growth [in Saskatchewan] for the remainder of the decade, led by uranium and potash extraction, with an annual growth of 2.7 per cent from 2004 to 2009 and a slowdown to 1.7 per cent over 2015-2025" (Benard 2005, 11). If this projection is accurate, then the Government of Saskatchewan must revamp its resource taxation policy soon.

During the Allan Blakeney NDP Government (1979-1982), the resource revenues as a percentage of total revenue were 31.4%. However, during the Roy Romanow NDP Government (1992-2000), resource revenues as a percentage of total revenues were 13.1%. Clearly, there is additional tax room that could increase resource revenues. But, a fundamental question arises: how to construct a taxation policy that would capture the most economic rent for each specific type of natural resource extraction sector?

Currently, there are four major nature resource sectors that are significant to Saskatchewan's economy: Oil and Gas, Potash, Uranium and Forestry. From the Conference Board of Canada's projection, major resource revenue will come from the uranium and potash sector.

⁹ Basic personal tax credit for year 2006 is found: <http://www.gov.sk.ca/finance/taxation/2006taxstructure.htm>

Policy Recommendation on Natural Resource Tax:

- *It is recommended that resource taxation be raised dramatically in the resource sectors, but we also need to understand how. There is a need for a comprehensive study on how to extract the optimum level of economic rent from each resource sector.*

Because to create new oil drilling rights involves competitive bidding, in theory it should capture the expected highest amount of economic rent. However, we need to understand if the increased resource revenue will cause a disincentive to create new investments in Saskatchewan. Therefore, the opportunity cost of tapping new oil wells needs to be carefully evaluated.

Alternative Provincial Budget Revenue Projections

In thousands of dollars

	2005	2006	Difference
	3rd Quarter	ABC Using	From
	Government	2.7%	Government
	Projection	GDP Growth	3rd Qtr
Corporation Capital	480,000	659,082	179,082
Corporation Income	391,700	484,670	92,970
Minimum Corporation Tax		20,000	20,000
Individual Income Tax	1,440,200	1,514,364	74,164
Low income Tax Credit		-5,000	-5,000
Wealth Transfer Tax		40,000	40,000
Fuel	370,400	377,901	7,947
Sales	1,059,000	998,270	-60,730
Tobacco	169,000	172,422	3,422
Other	89,300	91,108	1,808
Education Property Tax Offset		130,000	130,000
Taxes	3,999,600	4,482,817	483,217
Natural Gas	270,400	432,640	162,240
Oil	1,116,000	1,785,600	669,600
Potash	293,400	498,780	205,380
Other	54,800	60,200	5,400
Non-Renewable Resources	1,734,600	2,777,220	1,042,620
Crown Investments Corporation of Saskatchewan	220,900	220,900	0
Saskatchewan Liquor and Gaming Authority	337,200	312,200	-25,000
Other Enterprises and Funds	40,700	40,700	0
Transfers from Crown Entities	598,800	573,800	-25,000
Fines, Forfeits and Penalties	10,200	10,200	0
Interest, Premium, Discount and Exchange	79,700	79,700	0
Motor Vehicle Fees	126,200	126,200	0
Other Licences and Permits	42,300	42,300	0
Sales, Services and Service Fees	87,100	87,100	0
Transfers from Other Governments	17,000	17,000	0
Other	25,700	25,700	0
Other Revenue	388,200	388,200	0
Own-Source Revenue	6,721,200	8,222,037	1,500,837
Canada Health and Social Transfer	980,900	980,900	0
Canada Health Transfer	673,800		
Canada Social Transfer	307,100		
Health Reform Transfer	0	0	0
Equalization Payments - Programme	88,500	88,500	0
Equalization One-Time Payment	0	0	0
Other	204,832	204,832	0
Transfers from the Government of Canada	1,274,232	1,274,232	0
Revenue	7,995,432	9,496,269	1,500,837

Alternative Provincial Budget Expenditure Projections 2006-2007	
<i>In thousands of dollars</i>	
Education - Post Secondary	
Cut Tuition Fees	\$15,000
Low income tuition grant program	\$18,000
Cost of living bursary	\$50,000
Co-op and other student employment	\$10,000
Targeted Increase, Operating Grants, Universities	\$22,500
Expansion of Regional Colleges	\$3,500
Expansion of SIAST	\$32,000
Apprenticeship training	\$10,500
Total	\$161,500
Education - K – 12	
Education Property Tax Offset	
	\$130,000
Foundation Operating Grants	\$39,000
Additional Capital Expenditures	\$36,900
Community Schools	\$9,800
Curriculum Development	\$4,800
Total	\$220,500
Early Childhood Education	
Provincial day Care Subsidies	\$3,300
Training/Education for Daycares	\$500
Special needs Grants for daycares	\$500
Daycare Equipment	\$250
Family Care Policy	\$250
Total	\$4,800
Agriculture	
Food Security - Provincial Food Charter	
	\$1,000
Transportation	
Purchase abandoned branch lines	\$60,000
Shortline Operations	\$1,000
Farmer Rail Car Coalition	\$240
Support organic agriculture (no new cost)	
Support Canadian Wheat Board (No new costs)	
Total	\$62,240
Municipal Government & Transportation	
Revenue Pool Operating Grants	\$17,000
Infrastructure Improvements	\$50,000
Transit Assistance - General Programme	\$5,000
Transit Assistance for the Disabled	\$2,000
Total	\$74,000
Social Services	
Increase SAP Rates	\$60,000
Contact centre (no new costs)	

Basic Income Program - policy formation	\$1,000
Affordable Housing	
Low income Housing Units	\$40,000
Rentalsman Office	\$1,000
Advocacy	
Funding for Advocacy Groups	\$500
Legal Aid Commission	\$1,500
Pay equity Commission	\$1,500
Child Care (See Early Childhood Education)	
Community Based Organizations	\$10,000
Total	\$115,500
Health	
Primary Health Care Transformation	\$105,000
Population Health Strategy	\$69,500
Total	\$174,500
Environment	
Energy conservation	\$33,000
Water conservation	\$5,000
Waste management	\$5,000
Ecological auditing	\$5,000
Monitoring and compliance	\$4,700
Total	\$52,700
Culture	
Arts Board	\$3,000
Sask Culture	\$1,000
Multicultural Initiatives	\$500
Professional Development	\$1,000
Centennial Program	\$1,000
Heritage funding	\$1,000
New Initiatives	\$4,250
Total	\$11,750
Justice	
Community Policing	\$5,500
Youth referral agency	\$2,000
Community based programming	\$8,500
Legal Aid funding	\$5,000
Legal community advocacy program	\$500
Paralegal advocate services	\$2,000
Total	\$23,500
Aboriginal Peoples	
Economic, Health & Education Fund	\$50,000
Administration and Research	\$1,900
Total	\$51,900
Women's issues	
Status of women office	\$500
Wage equity initiatives (no new costs)	
Shelter programs	\$3,245
Total	\$3,745
GRAND TOTAL	\$956,635

Alternative Provincial Budget Expenditure Statement 2006-2007

In thousands of dollars

Expenditures as per government budget	\$7,711,558
plus: Additional Expenditures	\$956,635
Total 2006-07 Expenditures	\$8,668,193

2006-2007 Budget Balance Reconciliation

In thousands of dollars

APB 2005-2006 Revenues	\$9,496,269
less: APB 2006-2007 Expenditures	\$8,668,193
less: Additional Allocation to Debt Reduction	\$0
less: Additional Allocation to Capital Infrastructure	\$0
less: Transfer - Fiscal Stabilization Fund	\$0
Alternative Budget Balance 2006-2007	\$828,076

EDUCATION

Early Childhood Education

The United Nations Convention on the Rights of the Child highlights childcare as one of the fundamental rights that all children should enjoy. In addition, numerous Canadian studies, commissions and policy documents concur that quality child care is essential to addressing many of our most pressing challenges including promoting a healthy population, reducing child poverty, advancing women's equality, deepening social inclusion and building a knowledge economy¹⁰.

The earliest years of a child's life are key to predicting their ultimate success in school and life. These early learning experiences are crucial in determining factors for emotional and intellectual development and will ultimately affect how well a child will perform in school. Children from low-income families are at greater risk of hunger, abuse and neglect, and of being exposed to little or no quality childcare and early education programs¹¹. Children deserve to get off to a good start in life. Their early experiences in the home, in the neighborhood, in childcare, and in early education programs such as pre-kindergarten and kindergarten all affect how successful they will be later in life.

Creating more under funded childcare spaces is no solution. Under funding leads to high costs for parents, which leads to unaffordability, which results in empty spaces, which then affects funding, which then impacts the quality of programs. This is why creating additional spaces needs to be balanced with substantially increasing direct program funding for current spaces. We know that the issues of

¹⁰ Deborah Lowe Vandell and Barbara Wolfe. *Child Care Quality: Does It Matter and Does It Need to Be Improved*. Institute for Research on Poverty. Special Report no. 78. 2000

¹¹ Garson Hunter and Fiona Douglas. *Report Card on Child Poverty in Saskatchewan*. Social Policy Research Unit. Faculty of Social Work: University of Regina. 2005

affordability, accessibility and quality will be best addressed if we provide adequate support to current early childhood initiatives. If programs are well funded, reasonable fees can be charged, quality materials can be available and well-trained staff can be recruited and retained. This year's Alternative Provincial Budget suggests spending in the area of Early Childhood Education that seeks to provide this balance and address the development of a sustainable, quality child care system that is affordable and accessible.

Recommendations for Early Childhood Education:

- *\$3.3 million increase to Provincial Day Care subsidies*
- *\$500,000 for Day Care training and education*
- *\$500,000 for special needs grants for Day Cares*
- *\$250,000 for Day Care equipment*
- *\$250,000 for Family Care Policy*

Kindergarten to Grade 12

Property Tax Burden and Provincial Responsibility:

One of the longstanding issues in the area of K-12 education has been funding and specifically the provincial portion of that burden. Organizations such as SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) have long lobbied the government for a shift in the burden of education funding from property taxes to the provincial government.

The provincial government over the years has put the funding burden for education on the shoulders of property taxpayers. Presently, municipalities, as a group, still collect about 50% of school revenues, even after the recent announcement of the lowering of the rural share to a 40 per cent average¹². In most urban municipalities, education funding constitutes the largest part of property taxes. In fact, the property taxes collected for education in Regina, for example, is greater than that of the police, fire fighting services, public works, parks and recreation and general local government combined.¹³

The cost of the K-12 system is over \$1.2 billion. Over \$600 million, just over 50 per cent of the actual K-12 budget, is paid by the local school boards with revenue generated by municipal property tax. With the 8 per cent school tax credit on property tax bills—last year and this year—for all property classes, the overall provincial share had risen to roughly 45 per cent. Presently, with the new 38 per cent farmland tax credit, the provincial education share will be 60 per cent on farmland, but still only creeps up to roughly 50 per cent overall for all properties in the province. While the province has made an effort to take more of the financial burden for education, this funding arrangement still puts the burden of the cost of education onto Saskatchewan residents. Therefore, the Alternative Budget proposes that the provincial government fund 60 per cent of the total cost of education, which translates roughly into an extra \$130 million provided by the provincial government. With an already 'hot' Saskatchewan economy expected to rise by 2.7 per cent in 2006, coupled with the Stephen Harper's election promise to allow more of the province's natural resources money to flow back to the province, the provincial government should be in good financial standing to be responsible for 60 per cent of the education costs.

¹² The Regina Leader-Post. March 9, 2006, B4 "Tax relief will be felt: Calvert"

¹³ City of Regina, (2005). .2005 Budget. www.regina.ca/pdfs/2005_budget/Gen_Op_Budget_Sum.pdf, page 12.

Provincial Education Grants and Funding Inequity:

In order to qualify for provincial grants for education, school districts are required to meet specific criteria. Prior to the school district amalgamations this past year, approximately 15 rural school boards relied exclusively on property tax funding because they could not qualify for these grants.

The Saskatoon Public School District, the Saskatoon Roman Catholic Separate School District, the Regina Public School District, and the Regina Roman Catholic Public School District jointly presented a paper to the Minister of Learning outlining some rather substantial inequities in provincial education funding for rural students versus urban students. In this report it was noted that the difference per pupil for the 2005-2006 Education Funding Grant was approximately \$293 less per urban student. This meant that if urban school boards qualified for the same funding levels as rural school divisions the two public school divisions would receive an additional \$6,000,000, the Saskatoon Catholic School Division would receive an additional \$4,250,000, and the Regina Catholic School Division would receive an additional \$2,900,000.

This funding inequity has had a number of disconcerting consequences. To begin with, urban classes are much larger, but are also being provided with fewer resources. The four major urban school districts have average class sizes of about 25.6 students while everywhere else in the province averages about 16.9. This lower recognition of shared services has also posed an increasing problem for urban school districts. In both Saskatoon and Regina they are forced to fund many of the needed specialist positions such as educational psychologists, social workers, language therapists, and educational consultants out of property tax revenues. For example, Saskatoon employs roughly 30 of such professional support staff costing well over \$2,000,000 annually, yet the provincial grant recognition is only for about \$700,000 of that. Many parents who have children with special needs who require these types of services often move to the city where special services are generally easier to access and more available.

In 2004 there were 82 school divisions in Saskatchewan. After the amalgamation recommended by the Education Equity Task Force, there are now only 28 boards and the long-term objective is to further reduce this number to 15. Because of the unevenness of resources some divisions spent as much as \$14,000 per student and the least spent \$6,500 per student with an average of \$8,000 per student. Restructuring has created a number of problems of adjustment and reorganization that require additional funding.

Division Amalgamations and Restructuring:

In November of 2005, the Minister of Learning set up a committee of three persons called the 'Local Accountability and Partnership Panel' to research and recommend a governance framework for the new larger divisions. One of its major recommendations was for each division to establish a volunteer School Advisory Committee to assist Boards of Education to manage change. Other recommendations, which carry funding implications, are as follows:

- Boards of Education establish a senior administrative contact for each School Advisory Committee
- School Advisory Committees be provided with a budget allocation to provide for their meeting, communication and related operating expenses
- Principals be provided with professional development, networking opportunities, administrative release time and clerical support
- Boards of Education provide for ongoing orientation, training, development and networking
- Department recognize costs and support implementation early in 2006

Many of the recommendations that came out of the Panel were consistent with a Task Force headed by Michael Tymchak of the University of Regina in 1999-2000. The model developed here was termed School^{plus}. Both teachers and principals are very concerned over the workload involved under this model. In order for these changes to be successful an influx in funding and resources is needed to assure its sustainability.

Nutrition Programs and Staffing in the Community Schools:

There has been a recognition that children cannot learn if they are hungry. Money has been included in our Community School Grants to cover nutrition, but this has remained constant for a number of years and is estimated to be about \$0.15/per student/day short. This means that it would require another \$600,000/year for all 100 community schools.

At the present time there are also no funds available for preparing/training/on-going professional development for staff specifically hired to work in Community Schools. There is also no training module for the position of Community School Coordinator, a role so vital to the success of the program in each school. It is recommended that funding to Community Schools also include an allowance for these undertakings.

Alternative Budget Recommendations for K-12 Education:

- *Education Property Tax Offset of \$130 million*
- *Foundation Operating Grants of \$39 million*
- *\$36.9 million for additional capital expenditures*
- *\$9.2 million to community schools, plus an additional \$600,000 for adequate nutrition costs; for a total of \$9.8 million*
- *\$4.8 million for curriculum development*

Post Secondary Education

In the 1999 provincial election, the NDP campaigned on a promise to do away with tuition fees for post-secondary students in their first-year and the Liberal Party promised a \$1,000 annual rebate on tuition fees to all post-secondary students.

Some will remember the outcry then against ‘free first-year tuition.’ People wondered what politicians of the day were thinking—especially fiscally cautious ones such as Roy Romanow, Janice MacKinnon, and Jim Melenchuk. Instead, the coalition government provided an after graduation tax credit of \$350, raised to \$500 in 2005.

Since 1999, average university tuition fees in the province have increased by more than 50 per cent when adjusted for inflation. Saskatchewan university students generally pay the third highest tuition and fees in Canada, an average of \$5,526 this year. Students in professional programs such as medicine and law pay much more. Tuition fees at SIAST are also among the highest in the country.

Meanwhile, total student financial assistance for university students (e.g., loans and scholarships) has decreased by about five per cent, adjusted for inflation. More university students (63 per cent) here are graduating with larger debts (half Saskatchewan graduating students with debt owe \$20,000 or more) than in most other provinces, and they are taking longer to pay off their huge student loans.

In Canada, 40 per cent of students attending university come from high-income families, while only 16 per cent come from low-income families. In Saskatchewan, the percentage of low-income households

whose head of the family has completed any post-secondary education is the lowest in the country. Two-tiered post-secondary education is a fact. Post-secondary education has become less a public good and more of a private privilege for those who can pay.

Since 1999, university enrollment has remained stagnant in Saskatchewan while increasing on average 20 per cent across Canada—by 29 per cent in Manitoba where tuition has been frozen at \$1,720 less than here. To make things worse, Saskatchewan is losing more of its university graduates than any other province—a number equal to 20 per cent of the class of 2000. One reason is that it's easier to pay off a large student loan with the higher wages available in richer provinces.

There is little doubt that things would be quite different today if the campaign promises of 1999 had been kept. Reducing post-secondary tuition fees and increasing grants/bursaries makes economic and social sense and that is why most OECD countries have no or modest tuition fees.

Improved access and increasing post-secondary enrollments, along with job creation initiatives to keep graduates in the province, should be top priorities for the Saskatchewan government. A post-secondary education is a necessity in today's knowledge economy. The Canadian government estimates that more than 70 per cent of jobs created this year will require a college or university education. Post-secondary education today is the 'great equalizer.' Making a post-secondary education accessible to lower-income Saskatchewanians is an effective way to close the gap between 'have-nots and haves' in society. The economic returns that flow from having more university educated graduates are substantial and this translates into higher tax revenues and lower government transfers to individuals. The non-monetary benefits that flow to society are even greater.

Nations and regions that have successfully provided university education to more of their citizens benefit from higher rates of participation in political and social affairs, higher rates of charitable giving, lower crime rates, better population health status, and they adapt better to technological innovation. They also have a higher degree of social cohesion among racial, ethnic and income groups.

Increasing accessibility to post-secondary education regardless of one's ability to pay is the number one priority in this Alternative Budget. Tuition fees at our universities, regional colleges and SIAST will be cut in half over five years, beginning this year with a reduction of ten per cent. Grants to defray the cost of living expenses for low-income students and for rural post-secondary students who must live away from home are introduced in this budget. Co-op and other employment opportunities for students are expanded.

At the same time as fees have risen astronomically, post-secondary students in Saskatchewan have expressed serious concerns about a decrease in the quality of their education. The number of faculty at our post-secondary institutions has decreased significantly in recent years. Increases in operating grants to post-secondary institutions have not kept pace with operational and inflationary costs over the past decade. Rather than increase its funding for operating costs, that is, for the costs of educating students, the Saskatchewan government, pressured by the universities and following the lead of Ottawa, has instead greatly increased its funding for research and capital building.

In this Alternative Budget, increases in operating grants are targeted to those programs where most of the students are pursuing their post-secondary education. Increased operating grants are targeted directly for enhancements to the quality of post-secondary education, primarily for hiring more faculty and instructors.

This budget provides additional funding for significantly more places for students in key programs at SIAST. Wait times to enroll in some SIAST programs are longer than five years. This is unacceptable, particularly at a time when there are significant shortages in the province of skilled workers in many of the trades. The fact is that the large majority of young people never has or never will enroll in a university program. Currently, about 75% of young people never attend university. Our universities,

however, receive the lion's share of post-secondary funding. The balance is not right. Therefore, funding for significantly more students to enroll in targeted SIAST programs is planned over the next five years.

Our nine regional colleges across the province have not prospered in recent years. Enrolments are down significantly; new programs are needed. Saskatchewan remains the most rural province in Canada. One-half of young people live further than a commute away (80 km) from Regina or Saskatoon. Rural young people require enhanced opportunities for them to pursue post-secondary education and training close to home. Therefore, funding for significantly more students to enroll in university courses and in targeted SIAST programs at our nine regional colleges is planned over the next five years.

Student Tuition Fees:

The main argument for high tuition fees goes like this: paying for post-secondary education is a private investment made by the student, the return on that investment will be significantly increased life-time earnings. Canadian university graduates, on average, net 10 per cent to 15 per cent more in employment income over their lives compared to their counterparts with a high school diploma.

There are good reasons to expect that the return on investing in a university degree is significantly less for Saskatchewan graduates, however. Personal incomes are lower here and the gap in earnings between high school and university graduates is smaller.

Freezing, reducing or eliminating university tuition fees is not, as commonly argued, a huge subsidy for the wealthiest and for comfortable middle-class families, whose children constitute the biggest cohort of post-secondary students. In fact, what we have now with high tuition fees and loans resulting in big debt for lower-income students is a truly regressive system. The assertion that public money used to 'subsidize' tuition benefits only the wealthiest, ignores the fact that our personal income taxes are progressive; those with higher incomes end up paying more than others for post-secondary education as well as for health and every other public good or service.

Hugh MacKenzie showed in a recent study for the Rae Commission on post-secondary education in Ontario that huge increases in tuition coupled with significant reductions in personal income taxes, precisely what we've experienced in Saskatchewan, has resulted in a redistribution of income in favour of higher-income taxpayers, at the expense of largely middle-income parents of post-secondary students.

Further, MacKenzie's analysis of income tax data shows that the benefit from any reduction in tuition is distributed relatively evenly across income groups. The wealthy do not benefit more than middle or low-income families and students.

What share should government invest and what share should students themselves pay for a post-secondary education in Saskatchewan? We believe that the benefits of increased investments in post-secondary education outweigh the costs, by a significant margin. Presently, government funding for post-secondary education accounts for about six per cent of provincial spending, among the highest proportion spent on post-secondary education in Canada. Is this adequate? We believe not. Health care, by contrast, accounts for more than 42 per cent of provincial spending. The balance is not right.

In the provincial budget last year, government effectively froze university tuition fees for one year and promised a full review of student financial assistance. A serious review, as promised, has not been conducted, according to student union members who have taken part in the process. Governments in all but two of the other provinces have frozen and/or reduced tuition fees in recent years, and reviews of funding and student financial assistance programs have been completed in several other provinces.

In this Alternative Budget, we assert that a quality post-secondary education is a right accorded to all Saskatchewan citizens that must not be based on the ability to pay. Increasing accessibility to post-secondary education regardless of one's ability to pay must be a priority of the Saskatchewan

government in its advanced education policies. The best way to accomplish this is to reduce tuition fees at our universities, regional colleges and SIAST.

Alternative Budget Recommendations for Post-secondary Student Tuition Fees:

- ***Therefore, the Saskatchewan Alternative Budget dedicates itself to reducing tuition fees by 50% over the next five years, making tuition fees here the lowest in the country. We estimate that Saskatchewan students in universities, regional colleges and SIAST will pay \$150 million in tuition this year. We will cut tuition by 10% this year at an approximate cost of \$15 million.***
- ***Further, grants to cover all tuition costs will be awarded to students whose family incomes fall within the lowest 25% in the province. The cost for this year is estimated at \$18 million.***

Costs of Living Away from Home:

Tuition is not the only barrier to accessibility to post-secondary education in Saskatchewan. Students are also faced with ever-increasing costs of living and of the supplies that are needed to study like textbooks and computer software and hardware. A growing number of students also have costs associated with their children.

In Saskatchewan, there are more rural students who live further than 80 km away from one of our universities than anywhere in Canada; in fact, 52 per cent of young people in the province live further than 80 km from Saskatoon or Regina and must live away from home to attend university here, compared to 19 per cent of young people in Canada.

A lesser but still significant number of students enrolled in SIAST programs (in Saskatoon, Regina, Moose Jaw, Prince Albert, as well as in one of the nine regional colleges) must also live away from home to pursue post-secondary training. This is particularly the case for students in northern Saskatchewan.

The costs of living away from home for rural and northern students pursuing post-secondary education or training are prohibitive for a great many young people, especially those from low income families.

Within 40 km from a university, students from upper income families are 1.9 times more likely to attend than are students from lower-income families. Beyond 80 km, however, the ratio rises to 5.6, that is, while 18 per cent of upper income students who live beyond 80 km from a university do attend a university, only 3 per cent of low-income students attend.

For a student who must live away from home to attend university, we estimate that the total costs for eight months (i.e., tuition and other fees, books & supplies, living costs) range from \$13,000 for single students to \$20,000 for students with dependents. The student loan program in Saskatchewan allows for a maximum loan of \$9,350 for an eight month period of study. Thus, university students living away from must come up with an additional \$4,000 - \$11,000 per year to finance their education. While some of this additional money can come from employment income, the fact is that the majority of the additional money required to finance their university education comes from their parents/families, from bank loans and from personal savings.

Alternative Budget Recommendations for Costs for Students of Living Away from Home:

- ***Thus, in this Alternative Budget we create a student cost of living bursary, based on financial need, for students who must live away from home for post-secondary education and training. For students whose family incomes fall within the lowest income quartile, all costs of living are covered by the bursary. For all other students, the bursary amount awarded is determined financial need – bursaries decrease as financial need decreases. Students with family incomes that fall within the top income quartile are not eligible for the bursary.***
- ***We estimate the cost of the cost of living bursary program at \$50 million.***

Student Financial Assistance:

There are a great number of inadequacies with our dated student financial aid program. In his report on post-secondary funding in Ontario, Bob Rae concluded that “The system of student assistance is too complicated and provides too little support to lower and middle-income students. Student aid is badly broken.”

Grants, not loans, are required to assist lower income post-secondary students. Hence, grants for lower income students to cover tuition costs and the costs of living away from home were introduced in the preceding sections of this Alternative Budget.

Among the many inadequacies of our student loan programs, the following two are most important:

- Middle-income families are expected to contribute more than they are able to and at the same time are denied access to loan amounts that are needed.
- Maximum loan limits are too low and do not adequately cover total costs of post-secondary education.

Alternative Budget Recommendations for Student Financial Assistance:

- ***In this Alternative Budget, we increase the maximum loan amount from \$9,350 to \$14,000. Further, we reduce parental contributions to more realistic levels, and provide parents with unsubsidized parental loan options that would allow them to meet contribution expectations from future income. These measures will be of particular assistance to middle income families. There are no incremental costs for these measures as loans amount will be recovered over time.***

Co-op and other Employment Programs for Students:

Without opportunities to build savings, most young people are simply unable to take advantage of post-secondary education. For many years the Saskatchewan government has recognized this fact and provided various forms of student employment programs, for example, within our crown corporations during the summer.

While some of these student summer jobs pay exceptionally well, the main shortcoming is that they are rarely related to the student’s area of study and future employment.

Alternative Budget Recommendations for Employment Programs for Students:

- *We provide funding for the subsidization of work placement programs that link students to positions in their field. Many such programs already exist in the form of work terms that students must complete in order to earn their degrees. However, in most cases, it is the student in fact who pays to work.*
- *We create a program of job-sharing between employees who are retiring in one or two years and third or fourth year students who could eventually replace them. Such a program should provide for a smoother transition between incoming and out-going employees as well as keeping turnover costs down for employers.*
- *We allocate \$10 million to fund employers participating in these two new work placement programs for students.*

Operating Grants to Universities:

A major concern at all Canadian universities today is the inadequacy of funding from provincial governments.

Total provincial funding to universities includes three major kinds of funding: 1) grants for the operation of a university's educational programs (e.g., faculty and staff salaries/benefits, operational supplies and expenses, equipment, utilities); 2) funds for capital building and maintenance; and 3) funds for research.

Total provincial government funding decreased by over 11 per cent in Canada between 1992 and 2002 (as measured by funding per FTE student enrolment in constant 2002 dollars). However, total provincial funding in Saskatchewan, Manitoba and Quebec increased, with a 12 per cent increase in Saskatchewan being the largest increase in Canada.

The decline in total provincial government funding for post-secondary education has been, in part, a response to the federal budget of 1995 in which transfers to the provinces for health, post-secondary education and social programs were reduced significantly. The federal cash transfer for higher education and social programs has fallen by almost a third in real terms since 1995.

A decade ago, Saskatchewan was spending significantly less on post-secondary education than most other provinces. Provincial spending on post-secondary education as a share of total provincial expenditures has been increasing in Saskatchewan, from 5.1 per cent in 1992-93 to 6.5 per cent in 2002-03. In most other provinces spending on post-secondary education as a share of total provincial expenditures has been decreasing; in Canada, the share for post-secondary has decreased from 6.3 per cent in 1992-93 to 5.7 per cent in 2002-03.

While total provincial funding to universities has increased more over the past decade in Saskatchewan than in any other province, increases in grants for operating funds, which comprise the largest portion of total provincial funding, have not been as great as funding for research and for buildings.

Though operating grants have not been adequate, Saskatchewan's universities have benefited greatly from substantial increases in funding for many research and capital projects in recent years.

Between 1999-00 and 2003-04, the U of S received an average increase in research revenues of 30 per cent each year, amounting to a total of \$115.8 million in 2003, according to the annual U of S financial statements. The majority of research funding comes from the federal government and it has been

increasing very significantly. Though the province's share of research funding is smaller, it has kept pace with the rate of increased funding provided by federal government programs.

Revenue for capital projects at the U of S has increased at an average rate of 60 per cent in each of the years from 1999-00 to 2003-04, amounting to a total of \$45.8 million in 2003-04, according to the annual U of S financial statements. The majority of this funding comes from the province, though the construction of the CLS synchrotron at the U of S has resulted in large increases in federal contributions.

Thus, while total provincial funding for universities has increased over the past decade more in Saskatchewan than in other provinces, a significant portion of the increase in the past five years has been for research and capital expenses, and not for the operation of educational programs at the universities.

Overall, public expenditures on Saskatchewan's universities have risen significantly in recent years. The Government of Canada and the Province of Saskatchewan increased their combined spending on the U of S at an average rate of 11.4 per cent in each year between 1999-2000 and 2003-04, amounting to \$324.3 million in 2003. Much of this increased public spending has been for research and capital expenses, as these are the clear priorities of the universities and the federal and provincial governments.

The universities assert that tuition fees have necessarily risen to make up for inadequate provincial operating funding. The President of the U of S puts it simply: "As our provincial funding goes down, tuition fees must go up."

At the U of S and the U of R, the provincial operating grants increased by 16.9 per cent between 1999-00 and 2003-04, from \$214.3 million in 1999-2000 to \$250.5 million in 2003-04, an average annual increase of 4.2 per cent.

Increases in operating grants have fallen considerably short of the annual budget requests from the universities. As a result, faculty numbers have decreased, student to faculty ratios in classrooms have increased, and programs have been rationalized and prioritized, some programs have been downsized and a few have been terminated.

Twenty years ago, revenue from tuition fees accounted for less than 15 per cent of operating expenditures; today, tuition fees account for about one-third of what many universities spend to provide their educational programs.

The universities stress that tuition fees now account for a greater share of operating expenses because of the decrease in provincial funding. In Saskatchewan, however, it is at least as accurate to say that the province's share of funding a university education has decreased because tuition fees have increased so sharply.

Students have expressed their concerns about a decrease in the quality of their education. The number of faculty has decreased by about 12% over the last decade, part-time sessional lecturers and graduate students teach a quarter to half of the students in many colleges and faculties.

The results at the U of S, for example, are disturbing:

- 40 per cent of the undergraduate students dropout or fail;
- more than one-half of the 2000 Aboriginal students dropout or fail;
- almost every one of the 22 Departments in Arts & Science, where more than one-half of our students are educated, is seriously under funded according to Desrossier's formulas for distributing funding to the two universities;

- spending on scholarships/bursaries at U of S has been and remains the lowest in the country among the 15 medical/doctoral universities;
- Spending on student services in 2001 at U of S was 45th out of 47 universities in the country, though it has increased somewhat since then.

On top of all this, students now feel they are being educated in a mall as corporations have gradually crept into our universities by buying the rights to sell only one brand of soda on campus or by signing deals to have buildings or rooms named after their companies. Behind such cosmetic changes, lies the more insidious reality that many corporate executives are now on the Boards of Governors in both our universities which has led to an increase in research and programs designed to meet corporate needs.

In this Alternative Budget, we recognize the need for increased operating grants to our universities. However, such increased operating grants must be targeted to where most of the students are being educated and must go to enhancing the quality of undergraduate education, i.e., primarily to increasing the number of faculty who teach our students.

Alternative Budget Recommendations for Operating Grants to Universities:

- ***Therefore, this Alternative Budget will increase operating grants to Universities by \$22.5 million, that is by 10%. However, we target this increase in operating grants in the following ways:***
 - ***12.5 million: the hiring of new faculty where the student/faculty ratios are high.***
 - ***5 million: new lab equipment, computers, and library resources.***
 - ***2.5 million: undergraduate student scholarships/ bursaries.***
 - ***2.5 million: enhancement of student services.***

Expansion of SIAST:

The four campuses of the Saskatchewan Institute of Applied Science and Technology have played an increasingly important role in training people in the skills needed for participation in the workforce. SIAST has not received the increases in operating and capital grants that it requires to meet the needs of a rapidly changing skilled workforce in the province.

In recent years, we have heard much about the need for skilled workers in a variety of trades: in construction, manufacturing, information technology, and knowledge industries. Employers are regularly expressing concern over a shortage of qualified staff, difficulties in hiring, and the need for training. Among the most important and urgent needs for expanded programming and student spaces are the following:

- More specialized education for small occupation groups within the allied health and nursing fields.
- Supervisory skills and management training are rapidly becoming a priority for organizations.
- Development of the oil sands in Alberta and Saskatchewan is impacting the demand for industrial training.
- Large development projects in the resource sector will result in increased demand for heavy equipment operators, heavy equipment mechanics, and process operator training.
- As a larger proportion of small businesses in Saskatchewan increasingly rely on employees to understand entrepreneurial principles, entrepreneurial training is required.

- In response to the joint strategy related to early learning and child care, SIAST will play a lead role in expanding its training capacity, ensuring that child care workers are appropriately educated and the overall quality of training is enhanced through the establishment of early childhood demonstration centres.
- SIAST will increase its attention in preparing Saskatchewan youth, and in particular Aboriginal youth, to reach their full potential as full contributors and members of tomorrow's labour force. In particular, SIAST must work with K-12 school divisions in promoting career awareness in trades and technology sectors, providing work-based experiences, and creating entrepreneurship opportunities.

The fact that prospective students must wait up to five and more years to enroll in some programs is not acceptable to Saskatchewan young people and their families.

An expanded number of places for students at SIAST are needed, as well as enhanced capacities to adapt to quickly changing workforce requirements.

To accommodate the increasing number of students, SIAST requires very significant capital investments. There is at present considerable pressure on existing funding that exacerbates the shortage of classrooms, laboratories and shop areas on SIAST campuses. Learning spaces are both full and dated, particularly at Kelsey and Palliser Campuses, where the need to upgrade teaching and laboratory areas is critical. The expansion and redevelopment of teaching and laboratory spaces is an absolute necessity if SIAST is to meet the needs of industry and the student demand in our province.

Alternative Budget Recommendations for SIAST Expansion:

- ***Therefore, in this Alternative Budget, the operating grant to SIAST is increased by \$15 million, that is by 20 per cent. Capital investment in SIAST is doubled in this year, from \$17 to \$34 million.***

Expansion of Regional Colleges:

As noted earlier, one of the greatest costs for young students is moving away from home and paying the cost of living in either Regina or Saskatoon. Consequently, more mature students as well as young students who do not live in either Saskatoon or Regina are simply not able to pursue their educational goals because of the costs of moving or living away from their families. Grants to cover these costs of living away from home are required, as announced earlier in this Alternative Budget.

These very real circumstances illustrate the need to expand the community-based model of education within Saskatchewan's nine regional colleges. Our regional colleges provide opportunities for rural students to enroll in 1st and 2nd year university classes and in SIAST programs that are close to their homes. These opportunities must be expanded and enhanced.

Alternative Budget Recommendations for Expanding Regional Colleges:

- ***In this Alternative Budget, the operating grant to the regional colleges is increased by 20 per cent, from \$17 to \$20.5 million.***

Expansion of Apprenticeship & Trade Certificate Programs:

Overlooked and neglected for many years now, apprenticeship and other training in the trades is, similar to many SIAST programs, recognized as a pressing need by employers in industry and construction sectors. A great many more young people in the province can, and must be introduced to the trades and provided training for productive careers.

Alternative Budget Recommendations for Apprenticeship and Trade Certificate Program Expansion:

- ***In this Alternative Budget, funding to the Apprenticeship and Trade Certificate Program is doubled, from \$10.5 to \$21 million.***

Budget Recommendations for Incremental Costs for Post-Secondary Education and Training:

- | | |
|---|------------------------------|
| • <i>10% cut in tuition for all post-secondary students</i> | <i>\$15 million</i> |
| • <i>Low-income tuition grant program</i> | <i>\$18 million</i> |
| • <i>Cost of living bursary program</i> | <i>\$50 million</i> |
| • <i>Co-op and Other Student Employment program</i> | <i>\$10 million</i> |
| • <i>Targeted Increase in Operating Grants to Universities</i> | <i>\$22.5 million</i> |
| • <i>Expansion of SIAST</i> | |
| <i>Operating</i> | <i>\$15 million</i> |
| <i>Capital</i> | <i>\$17 million</i> |
| • <i>Expansion of Regional Colleges</i> | <i>\$3.5 million</i> |
| • <i>Expansion of Apprenticeship Training</i> | <i>\$10.5 million</i> |

Total Incremental Costs ***\$161.5 million***

2005-06 Budget Estimates for Post-Secondary ***\$396.8 million***
Incremental Costs in this Alternative Budget ***\$161.5 million***

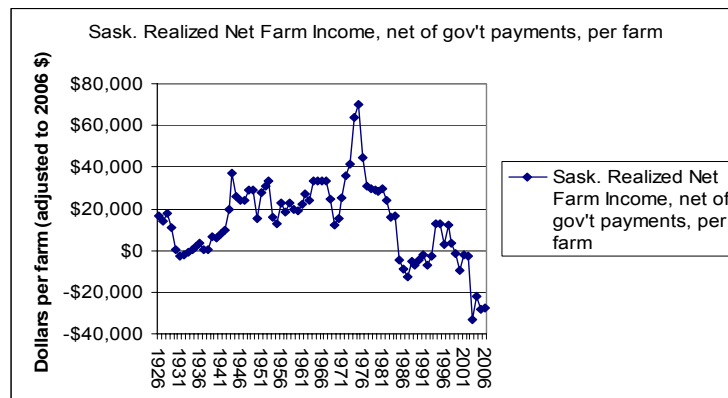
2006-07 Alternative Budget for Post-Secondary ***\$558.3 million***
(40.5% increase)

AGRICULTURE

Saskatchewan's agricultural sector is currently under tremendous pressure from a dysfunctional globalized market economy dominated by a few large corporate players. This food system, based on energy-intensive production and distribution systems, is unsustainable due to dwindling energy supplies and ecological imbalances.

Government policies have penalized smaller-scale family farm operations that are ecologically and socially sustainable. The gradual erosion of government regulations in the public interests and the implementations of 'free trade' policies threaten the livelihoods of many Saskatchewan farmers. The following graph illustrates how realized net income for Saskatchewan farmers has been plummeting.

Agriculture and Agri-Food Canada's net farm income projection for Saskatchewan farmers in 2006 is bleak at a projected average of *negative* \$27,000 per farm¹⁴.



As reported by the National Farmers Union (NFU), while Saskatchewan farmers and rural communities have been struggling with the farm family crisis, most corporate agribusinesses operating in Canada achieved record or near record profits in 2004¹⁵. This power imbalance has created instability for both farmers and consumers as corporations use their market power to drive down prices for farmers and wages for workers even as they drive up prices for consumers. While wheat prices haven't risen in 30 years, consumers are paying three times as much for bread.

There are numerous initiatives within the power of the provincial government that would support and strengthen the sustainability of family farm agriculture in Saskatchewan. Current initiatives that give farmers more power - including the Canadian Wheat Board and the Farmer Rail Car Coalition - need continued support from the provincial government. Additional support for organic agriculture initiatives while re-evaluating government financial support for intensive livestock operations is another way the provincial government can strengthen appropriate-scale, locally owned food production within the province.

The Canadian Wheat Board

The Canadian Wheat Board (CWB) is a farmer-controlled collective, orderly marketing agency designed to help farmers control marketing costs and maximize wheat and barley returns. The Canadian Wheat Board operates as a single-desk seller of Canadian food-grade wheat and barley, thus capturing premiums in the marketplace that are returned to farmers. The combined premiums from the CWB—prices, marketing cost savings, transportation, etc.—amount to nearly \$700 million per year¹⁶. With the loss of the Crow Benefit in 1995, farmers lost about \$700 million per year. The effects on rural western Canada of that loss was devastating — over \$7 billion in net farm income over the following 10 years. Losing the CWB will have an equally large cost. Saskatchewan will again bear the largest portion of this loss.

It is unlikely the Government of Saskatchewan will be able to backfill further farm income losses caused by any diminishing of the CWB. Given that such deregulation amounts to a transfer of wealth from

¹⁴ "Saskatchewan net income disaster continues", National Farmers Union news release, February 10, 2006.

¹⁵ "The Farm Crisis and Corporate Power", National Farmers Union, 2005.

¹⁶ "The CWB: What is it worth?" National Farmers Union flyer, 2005.

farmers to the private agri-food and transportation sector, it is not good public policy. The Government of Saskatchewan should make all possible efforts to urge the Government of Canada to retain the CWB.

Rail Lines and Transportation

The restructuring of the provincial grain handling and transportation system as a result of the ending of the Crow rate in 1995 has substantially increased grain transportation costs to farmers. The collapse of a comprehensive railway system and the consolidation of elevator services have increased transportation of grains by semi-trucks, causing great wear and tear on rural roads. Saskatchewan farmers are traveling greater distances to market their grain and the extra costs involved in increased railway freight costs, elevator tariffs, on-farm storage and trucking are coming out of their own pockets.

The provincial government has already set a positive example through its financial contribution to the Farmer Rail Car Coalition (FRCC). It is important that the Saskatchewan government continues to support this initiative through financing and legal advice. The Alternative Budget allocates \$240,000 as a conditional loan to the FRCC to allow it to continue to function until it obtains the federal rail cars. In addition to this, the province should consider selling provincially owned rail cars to the FRCC at a reduced rate, which would benefit the entire province.

The provincial government should also take a proactive step in exercising its rights under the Canadian Transportation Act and purchasing all Saskatchewan rail lines scheduled for abandonment or demolition. The economic and strategic importance of these lines could then be evaluated and either sold to local co-operatives, communities, regional railways, or scrapped if necessary. In certain circumstances, the provincial government should consider retaining ownership of track if communities or cooperatives are unable to shoulder this economic responsibility.

Although an important community and agricultural revitalization initiative, the operation and maintenance of shortline railways can be costly. To encourage the continued efforts of communities and cooperatives, the provincial government should allocate \$1 million to distribute to shortline operations within the province to be used on upgrading and maintenance of rail lines. Distribution would be based on application criteria including community need, traffic levels and contribution to keeping traffic off highways.

Alternative Budget Recommendations for Rail Lines and Transportation:

- *\$240,000 as a conditional loan to the FRCC to aid in its efforts to purchase federally owned rail cars.*
- *\$60 million to purchase 1,500 miles of abandoned track at a scrap value of \$40,000/mile; much of this amount, along with the cost of maintenance, could be recovered over time, which results in an actual cost of \$3 million.*
- *\$1 million to support provincial shortline operations.*

Intensive Livestock Operations

In an environment of unregulated global competition, Saskatchewan agriculture has undergone dramatic changes in the past 20 years. Intensive livestock production has been gaining a foothold, as evidenced by the burgeoning numbers of large-scale cattle and hog production facilities in the province. Since 1986, cattle numbers have increased from approximately 1.6 million to 2.95 million in 2005¹⁷. In the

¹⁷ Cattle on Saskatchewan farms, July 1, 1982-2005, Saskatchewan Agriculture and Food Livestock StatFact, published February 15, 2006

same period, hog population increased from 608,000 in 1986 to 1.395 million today¹⁸. Saskatchewan is now a major supplier of beef and pork, accounting for 17 percent of Canadian beef production and 10 percent of pork production. Hog production has largely passed out of the hands of family farmers into the control of large, vertically integrated hog production corporations.

The support and encouragement of the provincial government for an increasing number of intensive livestock operations, particularly hog barns, is unsustainable and alarming. The shift toward such livestock production, also known as ‘factory farming’, places great strains on local and regional ecosystems and operates as an unsustainable venture. Many, but not all, of the risks associated with these operations are due to the storage and treatment of this manure. The large amounts produced in a concentrated area poses a serious threat to the health of our water, air and soil, to human health, to the welfare of the confined animals and the economy of surrounding communities.

The province’s past experience with bankrupt or floundering large-scale hog barns owned by the Saskatchewan Wheat Pool, Premium Pork and Community Pork Ventures has pointed out the fallacy of such investments. Rather than financially supporting such high-risk ventures, the provincial government should promote smaller-scale family farm production using sustainable methods. The Saskatchewan government has devoted \$500,000 in a four-year partnership with the University of Saskatchewan to research supports for organic certification systems. Research into soil and weed management on organic farms was most recently funded to the tune of \$286,000 through the Agricultural Development Fund. This pales in comparison to the millions the government commits to supporting the hog industry whose 75 percent ownership of Big Sky Hog Farms includes \$15 million from Sask Investment.

Alternative Budget Recommendations for Intensive Livestock Operations:

- *The Alternative Budget recommends that the provincial government re-evaluate its financial support of intensive livestock operations and begin a modest divestment of ownership. For the 2006-07 budget year, \$2 million should be diverted from ILO investment to greater investment in organic certification programs and supports for farmers wanting to make the transition from conventional to organic production through the Agricultural Development Fund.*

Growth of Organic Agriculture

The increase in organic agriculture in Saskatchewan has partially been a response to both competitive global market conditions and the high cost of chemical inputs such as nitrogen fertilizers, pesticides and herbicides. According to Canadian Organic Growers, Saskatchewan’s organic acreage in production in 2004 accounted for 60 per cent, or 722, 283 acres, of Canada’s total organic production. Although Saskatchewan hosts over one-third of the nation’s organic farmers, only 1,245, or 2.5 percent of farmers in the province practice organic production. The value of Saskatchewan organic production is estimated to be more than \$130 million annually and the industry continues to expand.

The majority of Canada’s organic products are exported as bulk grain and oilseed products to the United States, European Union and Japan. The Canadian organic market has been reporting growth of 15 to 20 per cent per year since the late 1990s. Agriculture Canada estimated organic retail sales would reach \$3.1 billion in 2005. The industry’s market share is expected to increase to 10 per cent of the Canadian retail market by 2010.

The value and importance of organic agriculture to our province and communities needs to be recognized by the Saskatchewan government. As noted above, the provincial government should

¹⁸ Pigs on Saskatchewan farms, July 1, 1982-2005, Saskatchewan Agriculture and Food Livestock StatFact, published February 15, 2006

consider divestment in the province's industrial hog production to support more sustainable methods of agriculture.

Food Insecurity

Just as producers are more insecure as a result of the integrated global food system, consumers in Saskatchewan and Canada have less security of access to healthy nutritious food than existed before 1980. The post-war social security era of family allowances, social welfare, Unemployment Insurance, pensions and minimum wage policies served as a cushion against any apparent wide spread hunger. Currently, food insecurity has its roots in the falling real income for the lowest 20 per cent of Canadian families. Since the first Canadian food bank opened in 1981, they have been rapidly expanding; in 2005, there were 639 food banks across Canada as well as child hunger programs established in a large proportion of schools.

Food health and safety is also a major issue with concerns about toxic chemical residues used in production and the long-term impact of food additives used for preserving and artificial flavoring and color.

In the context of supporting a long-term objective of food security, the Alternative Budget would shift policy and expenditures within the Saskatchewan department of agriculture and food to include the following initiatives:

- 1) **Food Charter:** Development of a provincial food charter as a policy framework for a sustainable regionally based system of food production, processing and distribution.
- 2) **Local food systems:** Promotion and support for more direct producer to consumer access through local Farmers Markets, urban garden projects, family "good food box" projects, collective kitchens and school based nutrition programs.

Alternative Budget Recommendations for Food Insecurity:

- ***The Alternative Budget recommends an allocation of \$1 million to establish a Provincial Food Charter and to support Buy Saskatchewan food security initiatives through existing local food system networks including Food Secure Saskatchewan.***

MUNICIPAL GOVERNMENT AND TRANSPORTATION

Revenue generation and cost sharing by the provincial and municipal governments continue to be controversial and are important pieces in evaluating how municipal services are able to be rendered. The issue of K-12 funding for education and the burden that it has placed on the individual property tax payer over the years has already been discussed in some detail under the K-12 Education section of this budget. An additional concern over funding responsibility in this area as it relates to municipal property taxes, however, is the possible implementation of a base tax.

Base Tax

Under a base tax system, every property owner pays the same property tax-level for all properties, irrespective of the actual property value. The present ad valorem system of property taxation—the more valuable the property the more property tax is collected from the owner of that property—is both fair and equitable as suggested by recent court decisions in B.C. and Alberta. Base taxes are regressive in nature because less expensive property owners, typically lower income earners, pay a larger portion of their income to property taxes. This ultimately has a negative effect on low-income earners and positive benefits for typically higher-income earners who own more expensive properties, which would

otherwise be taxed at a higher rate. Roughly the same number of tax dollars is generated via both the mill rate system and the base tax system, however, CCPA maintains that the current system is a more fair and equitable option for Saskatchewan.

Consideration of the implementation of a base tax in Regina came within one vote in 2004 within City Council. Presently the Canadian Federation for Independent Business is again vigorously pursuing this matter with City Council in the hopes of seeing its realization in the near future. Therefore, the Alternative Provincial Budget proposes that the base tax option be removed from the municipal agenda effective April 2006.

Revenue Sharing Pool

The alternative budget also proposes that the provincial revenue sharing pool for operating grants be re-established. A percentage of provincial revenues from all taxes and royalties could fund the pool. The pool should include an equalization formula to assist communities who have, on average, low property assessment values.

The revenue sharing pool of the province has been reduced by more than 40 per cent since 1984. To restore this pool to its pre-1986 level would require an additional \$100 million per year over the next 5 years. The recent commitment by the province to Revenue Sharing was \$20 million and about half of that was 'one time' money. The provincial government needs to commit more adequate, ongoing funding for Revenue Sharing pools. Therefore, the alternative budget proposes an initial commitment of \$17 million with that money being allocated to community identified needs, support for local goods production, and jobs at public sector wage rates.

Essential Services

Essential services offer a wealth of employment opportunity within communities. When these services are contracted out to private firms, however, the economic impacts are rarely favourable. Contracting out results in long-term economic loss to the community as profits run the risk of being transferred out of province. With respects to essential service, the alternative budget then recommends that all essential services be staffed directly by the municipal workers and not contracted out to private firms.

The alternative budget continues to support that emergency services be funded from the municipal property tax assessment in the basis of property market value.

We also recommend that social policy areas of health, education, housing, public transportation and social planning be funded by income taxes, corporation tax and resource royalties via the provincial and federal governments. Minor funding (5 per cent) of administrative support services and advocacy, should be provided by municipalities for locally elected boards or advisory committees. We also call for the removal of forced contribution of municipal tax dollars (generally 5 per cent capital funding) to federally and provincially mandated social projects. This required funding puts an added stress on municipalities already struggling to provide adequate services to its residents. Often this mandatory funding precludes municipalities from opting out of proposed federal and provincial projects that potentially would help meet the needs of Saskatchewan people.

Infrastructure and Buildings

Sufficient capital funds for community buildings and infrastructure maintenance programs should be jointly and equally funded through a long-term agreement between the cities and the combination of federal and provincial governments. Federal and provincial funds must be committed to essential urban and rural infrastructure maintenance (roads, bridges, and utilities) on an ongoing basis and funding

should not be based simply on resource revenues. While the province's new \$32 million of 'one time' money for unconditional capital funding is a welcomed announcement, it does not address the problem of insufficient infrastructure funding in the long-term. Even with the Municipal Rural Infrastructure Fund (MRIF) cost shared program and the recent \$18 million federal New Deal funding, it is estimated that there are still local infrastructure deficits of at least \$50 million per year.

Therefore, the alternative budget proposes \$50 million in additional funds to compensate for infrastructure deficits in the 2006-2007 budget year.

Mobility for people with disabilities

Transportation for people with disabilities is a major concern for people needing to access essential services in or outside their community. It is vital that affordable and accessible transportation for those with disabilities be municipally, provincially and federally supported in order to meet rising demand. The provincial government website notes that special needs transportation (paratransit) provides a critical link in meeting the needs of people with disabilities¹⁹. Conversely, the website goes on to say that the Municipal Transit Assistance Program for People with Disabilities program is not available to municipalities for new service due to budget constraints (ibid). With no ability to increase the number of vehicles in use or hours of service, the growing number of registered users increases competition among passengers for trips. Federal money from the New Deal announcement may possibly be a solution for mobility issues concerning the disabled, however, the cities must designate a portion of that money (the federal New Deal money could be as much as \$25 million) to paratransit issues. For example, in Regina, the money from the federal government could increase the total money spent on transit, in the city, to \$4.8 million in each of the next two years²⁰. Allocation of funds, however, has yet to be determined and all too often people with disabilities are not targets of new funding. Therefore, the provincial government also needs to commit additional long-term funding to the Provincial Transit Assistance Program for People with Disabilities.

Public Transportation for Urban and Rural Residents

Access to affordable transportation is a major barrier for urban residents in terms of employment, child-care and access to other essential services. In, 1987, the transportation allowance for people on social assistance was eliminated and has yet to be restored. Today, an adult on social assistance receives \$205 as a basic monthly allowance (those individuals on the increasingly encompassing Transitional Employment Allowance Program receive \$195 basic allowance per month), yet the cost of an adult monthly city bus pass, in Regina for example, is \$54²¹. Realistically \$54 a month is just not affordable for the poor who already lack sufficient money to cover basic living expenses. Presently, the city of Regina offers a \$15 monthly-pass for people on social assistance or the Transitional Employment Allowance. This is an example that should be followed by all municipalities in the province. As well, transportation is quickly becoming the biggest issue for these groups in rural Saskatchewan. Low, income and physically challenged persons in rural Saskatchewan often find it extremely difficult to access affordable transportation to needed services. Social and economic benefits for Saskatchewan derive from providing affordable and accessible public transit and mobility for disadvantaged groups. In addition, recent rate increases by the Saskatchewan Transportation Company (STC) ensure that rural disadvantaged individuals miss out on social and economic benefits that a province like Saskatchewan could provide them. The alternative budget proposes that \$5 million dollars be put towards creating a

¹⁹ Government Relations (2006). www.gov.sk.ca/mrd/protransit.shtml

²⁰ City of Regina website. "Fiacco announces good news: no municipal increase in 2006 and surplus in 2005".

²¹ Regina Transit (2006). www.reginatransit.com

program to subsidize the acquisition and operation of energy efficient public transportation units for citizens throughout Saskatchewan.

The alternative budget also argues that recreational, cultural and leisure services and facilities should be funded primarily by provincial and municipal general revenues and not through expensive user fees. The alternative budget supports the idea that user fees and rental rates are appropriate for facilities that accommodate minor sports but refutes the notion of unaffordable user fees that prevent participation from low-income people.

Alternative Budget Recommendations for Municipal Government and Transportation:

- ***\$17 million for the increasing of provincial Revenue Pool Operating Grants***
- ***\$50 million for infrastructure***
- ***\$2 million for transit assistance for the disabled (there is no guarantees the cities will put the sufficient federal money towards this, if they do how much will it be?) -index for inflation***
- ***\$5 million for the a general transit assistance program***

Total \$74 million

SOCIAL AND ECONOMIC SECURITY

The persistence of poverty and a lack of social and economic security for the most vulnerable residents of Saskatchewan is a troubling reality for our province. The Alternative Budget proposes a vision of economic security and social support in the creation of a province that treats all people with dignity and equality. In pursuing this goal, we address adequate levels of social assistance and the concept of a basic income, child poverty, adequate and affordable housing and funding for community based organizations.

Saskatchewan Assistance Program and the Transitional Employment Allowance (TEA) Program

The inadequate levels of social assistance rates provided to Saskatchewan's most economically vulnerable people continues to be troubling as the cost of living rises. The Saskatchewan Assistance Plan (SAP) basic allowance for everything except shelter and utilities increased a mere \$10 in 2005 to \$205 per month, with an unchanged additional allowance of \$50 for persons with disabilities. Although the full payment of utility rates under SAP is a positive initiative, shelter allowances remain inadequate as the gap between rental rates and allowances continues to grow. These rates make it increasingly difficult for social assistance recipients to meet their basic needs.

One of the most significant changes to the Saskatchewan welfare system in the past decade has been the creation of the Transitional Employment Allowance (TEA) Program under the *Building Independence* program. Originally designed to increase labour force attachment for employable welfare recipients, the TEA Program has become the only program for which most applicants qualify, including those unable to work at the time of application and people with disabilities. This program reduces benefits to its applicants with the justification of supplementing wages earned rather than being the sole provision of income. In this manner, it encourages any form of employment as a deterrent to welfare.

Forcing new social assistance applicants into the TEA Program has had significant consequences for income security in Saskatchewan. Structured differently than the still functioning Saskatchewan Assistance Plan (SAP), recipients of TEA receive fewer financial benefits, including a cap on payment of utility bills, no guarantee of damage deposits for rental accommodations, provisions for special needs

or clothing and furniture grants. The lack of ensured full payment of utilities, combined with insufficient provisions for shelter when compared to market rates for housing, entrenches poverty. Under TEA, a single parent with one child can expect to experience a monthly budgetary shortfall of \$137 based on average market rates for shelter and utility costs²².

As the social welfare system in Saskatchewan continues to be altered, most of the poor in Saskatchewan, including people with disabilities, no longer qualify for SAP but are streamlined into the TEA program. TEA's significantly lowered benefits and capped utility payments continue to perpetuate poverty among those who are unable to work or secure decent paying employment. The intent to shift people off of welfare programs into low-paying and insecure employment does not adequately address poverty in Saskatchewan.

While labour force attachment programs such as the Provincial Training Allowance are recognized as important, compulsory welfare-to-work programs that do not adequately address the needs of applicants, such as the TEA program in its current form, are alarming. The Alternative Budget echoes the recommendations of the Regina Anti-Poverty Network and similar groups in the province, in eliminating the TEA Program so that there is one social assistance program to address the needs of social assistance recipients.

Alternative Budget Recommendations for Social Assistance Programs:

- ***The Alternative Budget allocates \$60 million to increasing the basic rates of the Saskatchewan Assistance Program by \$70/month to a total of \$275 and raising the disability allowance by \$50/month to \$100/month, and indexing this rate to the Consumer Price Index.***
- ***The elimination of the TEA Program would result in an additional \$30 million dollars for a total of \$90 million to contribute to the increased costs SAP administration and payments for former TEA recipients. Essential benefits including full payment of utilities, damage deposits, special needs payments, emergency assistance funds and clothing and furniture grants need to be ensured for recipients.***

Contact Centre

The Contact Centre has replaced caseworkers as the initial contact between individuals needing social assistance and the provincial government. The Contact Centre processes new applicants for either program and all ongoing TEA program clients' financial benefits and questions, which has dehumanized the social assistance system and posed serious obstacles to clients who are unable to access telephones. The lack of a proper assessment for welfare applicants and staff continuity in handling cases is also troubling.

Alternative Budget Recommendations for the Contact Centre:

- ***Eliminate the current Contact Centre and use the \$6 million spent on the Centre to re-establish a variety of means of holistic assessment and personal contact. A means of proper assessment of applicants is also needed, as previously promised by the provincial government.***

²² Garson Hunter & Kathleen Donovan. (2005). "Transitional Employment Allowance, Flat Rate Utilities, Rental Housing Supplements and Poverty in Saskatchewan". Social Research Policy Unit, University of Regina.

Clawback to the National Child Benefit Supplement

The Saskatchewan government must address the current clawback to the National Child Benefit Supplement (NCBS) for people receiving social welfare benefits. The National Child Benefit program is designed to allocate a per-child benefit to low-income working families with children. The provinces and territories have integrated this supplement into the basic allowance component of provincial social assistance payments. Since this integration has not resulted in a significant increase in social assistance payments, the province has saved a considerable amount of money as a result of federal funding. These savings, also known as NCB reinvestment funds, are significant – in 2005, the National Child Benefit Progress Report estimated Saskatchewan's to be \$40.5 million. Supportive Building Independence programs including the Saskatchewan Employment Supplement, Federal Health Benefit and Rental Housing Supplement, all aimed at low-income working families, instead receive benefits from these reinvestment funds. Yet, as federal funding for NCBS is directed towards the general revenue coffers of the province before being spent on government programs, it is unclear how much of this reinvestment is actually spent on supportive programs for low-income families.

Despite its reported aims to reduce child poverty, this program has been limited in its benefits to families on welfare. For these families, increased benefits are only available after labour-force attachment. Extra federal funding has also encouraged a reduction in provincial contributions to welfare benefits for children²³. By ending the clawback to the NCBS program, the provincial government would truly be addressing its goals of ending child poverty by extending additional benefits to the poorest Saskatchewan families.

Alternative Budget Recommendations for Clawbacks to the National Child Benefit Supplement:

- ***The Alternative Budget echoes the National Welfare Council in calling for the redesign of the National Child Benefit to end the clawback. We call for the \$40.5 million in reinvestment funds for the National Child Benefit Supplement to include families on social assistance, as this would truly reduce child poverty.***

Basic Income

The concept of a Basic Income advocates the unconditional and universal assurance of an adequate income to every adult person in the province to ensure a life with dignity and self-determination. This non-taxed income provides a basis of economic security for everyone and would not prevent individuals from receiving other means of income from other assistance programs, employment or investments, of which these dividends would be taxed. In addition to fundamental economic security, a Basic Income also provides recognition to socially undervalued unpaid labour undertaken by caregivers and volunteers.

As the most direct way of redistributing our society's wealth, a Basic Income would ensure income necessary to meet basic needs while protecting our citizen's human rights without the stigma of social assistance. Although short-term costs are necessary, long-term costs to our health, social and justice systems would be greatly reduced through the eradication of poverty.

The provincial government should take a bold step in becoming a model for the rest of the country and the world by implementing an unconditional Basic Income.

²³ Hunter, Garson & Miazdyck, Dionne. "Current Issues Surrounding Poverty and Welfare Programming in Canada: Two Reviews", Canadian Centre for Policy Alternatives, June 2004.

Alternative Budget Recommendations for a Basic Income Program:

- *The Alternative Budget allocates \$1 million towards a collaborative research effort between provincial and federal officials, academics and community-based organizations to create an implementation plan for a Basic Income Program.*

Child Poverty

In 2003, 17.6 per cent of all Canadian children under the age of 18 lived in households below the poverty line, despite long-standing promises to end child poverty. Saskatchewan's rate of child poverty continues to be higher than the national average, with 40,000 children, or 18.3 per cent, living below the LICO poverty line. The depth of poverty experienced by these children, as measured by how far below the poverty line their family's income falls, is expressed through the fact that in 2003, the average poor Saskatchewan family with children required \$6,500 to reach the poverty line.

This persistence of child poverty has numerous implications, including increased food bank use, living in substandard housing and increased likelihood of poorer health. Low wages for workers and the inability of the provincial government to adequately address poverty experienced by vulnerable peoples has contributed to this unrelenting child poverty.

The proposed solutions to ending child poverty have links with many other recommendations within this alternative budget including raising the minimum wage, ending the National Child Benefit clawback, increasing safe and available housing, strengthening social assistance programs and addressing food security.

Adequate and Affordable Housing for All

The accessibility of adequate and affordable housing for all Saskatchewan residents is a pressing issue. The vacancy rate in Saskatchewan for rental housing, especially in low-income rentals, is virtually zero. Rental rates have also increased beyond the means of low-income families as many rents exceed the shelter allowance provided by the Department of Community Resources²⁴. The 2004 Focus on the People Report has calculated the increase in average rent per year at 2 per cent and 3.5 per cent a year if utilities are included. Thus, DCR income support rates are not keeping pace with the rising costs of shelter, as there has not been a meaningful increase in social assistance rates since 1984. To further complicate matters, a large portion of people receiving Social Assistance payments (SAP) use from between \$30 to \$100 per month of their basic allowance to pay their rent at the expense of other basic living needs such as food and clothing. This particular problem becomes exacerbated as the provincial government shifts more Social Assistance recipients to the Transitional Employment Allowance Program where recipients receive significantly less income support²⁵. Families eligible for subsidized housing based on gross family income also face excessively large waiting lists.

Housing issues for Saskatchewan low-income families are intensifying, especially in the larger urban centres. Lack of home ownership in these areas has contributed to poor housing issues in the core areas of cities. Roughly 65 per cent of all housing available in the core areas of Regina in 2001 were rental properties²⁶; which suggests a trend of higher than 70 per cent rental properties in 2006. These high

²⁴ Focus on the People Report, 2004

²⁵ Garson Hunter & Kathleen Donovan. (2005). "Transitional Employment Allowance, Flat Rate Utilities, Rental Housing Supplements and Poverty in Saskatchewan". Social Research Policy Unit, University of Regina.

²⁶ City of Regina (2001). Neighborhood Profiles. www.regina.ca/content/infoservices/urban_planning/neighborhood_profiles.shtml.

percentages become problematic when many core area rental properties do not maintain a sufficient living standard. For many landlords, keeping up their properties is not worthwhile due to the cost factor and the present high demand for low-income housing. Thus, low-income families are often times left to rent unsuitable, unsafe, substandard housing. Rent controls, put in place to ensure safe housing is provided to all residents of Saskatchewan, is essential.

The Centenary Affordable Housing Program is a government program presently trying to meet the needs of those who need quality low-income housing. However, this program requires that applicants meet certain income qualifications difficult to meet for the very poor²⁷. This program is also based on third party group intervention, which implies that government agencies are not committed to permanently creating and sustaining low-income housing free from the influence of the private market. This results in the escalation of unsafe low income-housing situation as the poor compete for 'slum' rental units.

The Rental Supplement Housing program is another initiative created by the provincial government aimed at helping low-income people obtain accessible, affordable housing. The housing supplement given to low-income people is predicated upon the actions of landlords to maintain a certain standard of upkeep in their properties. If the landlord fails to meet standard requirements, low-income renters fail to receive the supplement and are therefore subjected a continuing of substandard housing²⁸. These government programs, while aimed at assisting low-income earners rent suitable housing, are still missing the mark for the poor people in Saskatchewan.

There are currently 30,400 government-supported affordable housing units in our province. The Saskatchewan Housing Corporation (SHC) owns approximately 18,400 units, with the balance owned by non-profits, co-operatives and private interests²⁹. Unfortunately, the present supply of low-income housing does not meet demand. The Saskatchewan government needs to provide more adequate, affordable housing to low-income families.

Alternative Budget Recommendations for Adequate and Affordable Housing for All:

- ***The Alternative Budget proposes that the province, in conjunction with municipal governments, allocates more funds toward regulation and enforcement of minimum rental standards in the low-income rental market. This addresses the current municipal attempts to force landlords to raise the standard of housing. We propose the expenditure of \$1 million for the enforcement and regulation of minimum rental standards to increase both the quality of living accommodations for the poor and the appearance of Saskatchewan cities.***
- ***The Alternative Budget also proposes the allocation of substantial provincial funds to increase the quantity and quality of government social housing units. This increased funding, in concert with federal and municipal contributions, could significantly extend the availability of adequate, affordable housing to these priority groups:***
 - ***very low-income individuals and families***
 - ***Aboriginal communities (in larger urban centers and particularly in the north)***
 - ***Persons living with disabilities who require housing that accommodates their particular needs***
- ***The Alternative Budget proposes the expenditure of \$40 million for the creation and acquisition of new social housing units during the fiscal year of 2006-07. In combination with federal and commercial mortgage money, this amount would create more than 2300 new units of social housing for the province.***

Total: \$41 million

²⁷Saskatchewan Housing Corporation. (January 30-31, 2006) "Housing Initiatives In Saskatchewan-A Presentation for Choices and Opportunities for Change Conference" .

²⁸ Hunter & Donovan, 2005

²⁹ Saskatchewan Community Resources and Employment (2006) www.dcre.gov.sk.ca/housing/overview.html

Community Based Organizations

Community-based organizations (CBOs) are a vital component of delivery of many different types of services in Saskatchewan. CBOs employ knowledgeable, skilled staff who provide essential services for the disadvantaged in Saskatchewan including people with mental and physical challenges, women leaving violent relationships and young children at risk.

The present funding structure for community-based organizations is unstable and competitive. This funding structure fosters an imbalance in services while stripping co-operation from agencies that would otherwise be collaborating on community issues. Lack of funding also creates crushing workloads for CBO employees that make it nearly impossible to provide adequate services to clientele. Often, funding is not long-term but provided on a grant-by-grant basis that is insufficient in sustaining these important services.

Dr. Marion Jones, who conducted a study on social reform and labour market participation among vulnerable groups, states that empowering CBOs was a critical key in connecting at risk populations and employment³⁰. Empowerment is synonymous with funding when considering the effectiveness of CBOs. It is critical CBOs receive the proper core-funding they desperately require.

The shifting of provision of vital services from the provincial government to community-based organizations has had a negative impact on wages, benefits and working conditions for workers in CBOs. Public sector employees who provide similar services earn on average \$8 more an hour³¹. This discrepancy totals \$15,360 per year at minimum. These low wages result in high turnover and recruitment problems that create a lack of continuity in care which ultimately affects the clients in a negative fashion.

The November 7th, 2005 Throne Speech announcement of \$30 million (over 3 years) to CBOs is certainly welcome news. However, a major portion of that funding (\$21 million) went to organizations under the Saskatchewan Association of Rehabilitation Centres (SARC), while roughly 400 other CBOs were left to compete over the remaining \$9 million. A simple calculation shows that \$22,500 will be given to each non-SARC CBOs over three years (if divided evenly between the 400 CBO's). In this commitment, the provincial government suggested that this money go toward the training, recruitment and retention of staff in addition to client benefits and operating costs, but many organizations have to put this money strictly toward wages to address chronic worker underpayment. An additional \$7,000/year per non-SARC CBO will not increase wages and provide funding for recruitment and retention as well as buoy operating costs plus provide benefits all at the same time. It has been identified that all the money to be received from the provincial government will not even bring wages up remotely close to \$15/hr in the last year of the mandate (2007), whereas a worker with similar employment and qualifications working for Department of Community Resources would earn at least \$20/hr today. As well, just recently, the government announced that the non-SARC CBO's must use the new funds for both non-salary items as well as salaries, thereby ensuring wages for these employees will not increase even minimally. All this, despite government promises of equal pay between government employees and all CBO's. It also should be noted that SARC's lobbying power provided the impetus for significant provincial funding, with prior threats to the government to shut down their operations if funding increases were not received. The disparity in funding among CBO's is consistent with the metaphor 'the squeaky wheel gets the grease'.

³⁰ Citizens Budget Commission. Economic Security Presentation, Regina Hearing, November 24, 2005

³¹ Canadian Union of Public Employees Community Based Organization Labour Alliance Job Evaluation Study, 2000.

In addition, SARC received the major portion of the new government funding because they had developed a human resources service plan with the provincial government. Other CBOs, wanting information on how they could also develop this initiative, were not given any clear directives by the government on the process of development and implementation, despite indications from then Department of Community Resources and Employment Minister Joanne Crofford that funding would be made available to CBOs for this. As well, for the 400 different CBO's to come up with a collective human resources plan in order to obtain funding from the provincial government is near impossible, especially with a new agreement already in place. This has resulted in 400 provincial CBOs directly or indirectly left out of significant funding that would ensure the continuation of quality services provided to the people of Saskatchewan. It should be noted that the non-SARC CBO's should also receive a 24 per cent increase over 3 years in keeping with the money received by SARC.

Alternative Budget Recommendations for Community Based Organizations:

- ***The Alternative Budget will increase funding to non- SARC community-based organizations by \$40 million over the next three years, with an immediate down payment of \$10 million in this year's budget. These funds will be for the allocated towards:***
 1. ***Immediate wage equity down-payment.***
 2. ***Equal pay with provincial government employees within three years for all CBOs***
 3. ***Funding for all CBOs to recruit, train and retain staff (above the funds needed to reach pay equity with provincial government employees)***
 4. ***Pension for workers in day cares and early childhood development.***
 5. ***Funding for sick leave and other basic benefits.***
 6. ***The creation of specific government policy utilized to direct CBOs in the creating a human resources services plan.***

Total : \$10 million

HEALTH CARE

Sustaining Public Health Care in Saskatchewan

It is important to acknowledge Canada's health care successes. Provinces are reforming public health systems to shorten wait times and improve access. In Saskatchewan, for example, wait times for surgery and diagnostic procedures have been significantly reduced, and the numbers of each have significantly increased in the past two years. These efforts need continued and enhanced support. It would be counterproductive to get sidetracked by costly privatization experiments. Let's learn from our own and other countries' successes—not repeat the failures. That said, we believe that public health care in Canada, and also inevitably in Saskatchewan, is under serious threat and may well crumble in the coming five years

There are plenty of good ideas out there on how to reform Medicare: bulk buying pharmaceuticals, expanding home care, primary care reform, community clinics, and illness prevention.

We can look to Sweden, and other European countries, for many worthwhile ideas. Eight-five per cent of health care is publicly funded in Sweden compared to only 70 per cent in Canada. The Conference Board of Canada notes Sweden has extensive prescription drug coverage, health promotion programs and seniors' health services. Sweden also has a comprehensive social-welfare system, including generous child care and free university tuition. There is a lot to learn from other countries about investing in both health care and in the social determinants of health, such as income, education and early childhood development.

Two-tier health care is a very real possibility unless significant steps are immediately taken to sustain public health care in the province. The very real threat of increasing privatization is best addressed by refocusing our efforts in the following key areas.

1. Reinvesting in our universal single-payer system. The single-payer system should be expanded beyond the basket of services offered in hospitals or by doctors. In the long-term, this would ensure a more rational, cost-effective and sustainable use of all health care services. It is the long-term we must always keep firmly in mind.

2. Controlling Total Costs. We should avoid shifting costs between the publicly and privately funded sectors of the health care system. Our concern should be to control total costs. At the end of the day, citizens pay the total bill for health care, whether through their taxes, their premiums on insurance policies, or the fees they pay directly for health services. The total bill should matter more than the individual portions. It should represent value for money, and it should be affordable by people who are sick and in need of health care.

3. Investing in accelerated transformative change. Enhancements in preventative care and a genuine shift of focus from ‘illness’ to ‘wellness’ are long overdue and much needed. Modernizing and transforming the health care system also involves the evolution of primary care—people’s first point of contact with the health care system. We need, for instance, to shift the focus away from hospitals and medical treatments and to break down traditional barriers among health care providers. We introduce such significant steps, bold actions, in this Alternative Budget. In this Alternative Budget, we increase total funding to the Department of Health by 10% for this year. The majority of this increase in funding is targeted to the enhancement of primary health care and to improving the population health for Saskatchewan people.

Primary Health Care Transformation

The lack of an effective primary health care delivery system exacts a much steeper price from the province’s lower income socio-economic groups than from those with middle or higher incomes. Children, seniors, low-income earners, women, northern and aboriginal residents are at noted disadvantages under a less than effective primary care system. Primary health care services are normally the first point of contact people have with the health care system. They are also the most frequent point of contact.

Primary health care, as defined by the World Health Organization, “...is the first level of contact of individuals, the family and the community with the health system bringing health care as close as possible to where people live and work and constitutes the first element of a continuing health care process.....Primary health care addresses the main health problems in the community, providing promotion, preventative, curative, supportive and rehabilitative services accordingly.” The benefits of reforming health care delivery along the lines of the primary care model have long been recognized. As emphasized in the government’s 2001 Health Action Plan:

We know that primary health care is simply a better way of delivering basic, front-line health care. It is a reorganization that makes better use of our health providers and is fundamental to the sustainability of our publicly funded, publicly administered health care system.

The progress in reforming primary health care in the province has been slow in coming and small in magnitude. More is needed, much more, in order to accelerate a transformation in the health care

system. If the system is not transformed, then ever rising costs will not be sustainable. Without transformation, we will inevitably see the introduction of more and more private health care and a two-tier system.

Therefore, in this Alternative Budget, we propose major initiatives, that include both new money and the reallocation of some monies within Health, to genuinely reform primary health care. These bold initiatives will put Saskatchewan in the forefront of reform to public health care in Canada.

Reforming fee-for-service payment for family physicians. Fee-for-service reimbursement must be phased out in favour of a salaried model for a much greater number of family physicians.

The fee-for-service system of remuneration for family physicians provides inappropriate incentives to reward high-volume family physicians instead of encouraging those physicians who attempt to incorporate chronic disease management, health promotion and disease prevention within their patient care. Fee-for-service also contributes to a poor distribution of family physicians so that many health regions cannot ensure that medical services will be available in their communities, while other communities are oversupplied.

Fee-for-service does not provide employment conditions that promote interdisciplinary co-operation, and does not provide for on call arrangements, travel expenses, continuing medical education, reasonable hours of work, sick leave, maternity leave, pensions, and other employment benefits for family physicians.

In this Alternative Budget, first we expand the number of **community health centres** that will employ salaried physicians, nurse practitioners and a full range of other health professionals to provide health services 24 hours a day, 7 days a week. Services will include: health assessment, illness prevention, and health promotion; education and support for self-care and diagnosis and treatment of episodic and chronic illness and injuries; primary reproductive care, palliative care, and primary mental health care; co-ordination and provision of rehabilitation services; co-ordination of and referral to other health care services, including specialist services, home care, long-term care, supportive care in hospital, at home, or in a long-term care facility, and emergency services.

Community health centres will be attractive workplaces for an increasing number of young family physicians. They will permit health regions to offer higher incomes and employment benefits to retain and recruit physicians, rather than relying on unpredictable fee-for-service remuneration.

The effort to create and sustain primary health care teams across the province has not been successful, in our view. Community health centres, with salaried family physicians and a full complement of other health providers, will eventually replace the present primary health care teams in most of the urban and small urban locations in the province.

Second, in order to enhance the reimbursement to family physicians that will remain on fee-for-service, **the fee schedule for physicians will be revised significantly**: fees for services that are needed in the primary care model will be increased; some other fees, including some specialist fees, will be reduced. If negotiations with the Saskatchewan Medical Association for such revisions are not successful, then a revised fee structure will be legislated.

These enhancements to primary health care delivery will require a significant infusion of money over the short and mid-term. Over the longer-term, we are convinced that providing high quality primary health care will lead to significant reductions in costs for acute and hospital care. These costs and savings will be carefully tracked and reported to the people of Saskatchewan.

Alternative Budget Recommendations for Primary Health Care Transformation:

- *We allocate \$104,140,760 for these enhancements to primary health care in this Alternative Budget.*
- *We will significantly increase the resources of the Health Quality Council of Saskatchewan to include quality improvement work, evaluation and reporting on primary health care reform in the province.*

Promoting Healthy Living and Saskatchewan's Population Health Strategy

In general, people with more education are healthier than people with less. People with secure, well paying jobs are healthier than those without them. Children born to middle class families are healthier than children born to the poor. It is not simply an issue of any one factor, but a combination of these factors that reduce our risk of disease or increase our chances at good health. (Ken Fyke, Commission on Medicare 2001)

Going back as far as the federal government's LaLonde report in 1974, it has been recognized that health promotion and disease prevention must be given a central place in any sustainable health care system in Canada. Sadly, health promotion and disease prevention have been given lip service for more than 30 years. In this Alternative Budget, we propose some genuine action.

Saskatchewan Health has developed a reasonably comprehensive strategy for enhancing the health of Saskatchewan's population. We provide significant funding for implementation of the strategy in this Alternative Budget.

The Strategy emphasizes 'upstream' approaches that work to address root causes of ill health by focusing on changing the **conditions** and **environments** in which people live, work and play. By developing healthy public policy, creating supportive environments and strengthening a community's ability to take action on issues, the Strategy will work to remove or reduce barriers that make it harder for some people to be healthy than it is for others.

There are four areas for action that are targeted in the population health strategy. We have added a fifth area in our Alternative Budget proposal:

1. Enhanced Mental Well-Being –To improve the conditions that support positive mental well-being for Saskatchewan residents by promoting: resilience; connectedness; and, citizenship.
2. Decreased Substance Use and Abuse—To reduce tobacco use and the harm it causes in the population and especially in children and youth. To reduce alcohol and drug use in the population and especially in children and youth.
3. Accessible Nutritious Food—To increase opportunities for people to enjoy more nutritious food in homes and community settings. To reduce the economic, geographic, social and cultural barriers that limit healthy eating habits. To advocate for food policies that promote and protect the health of Saskatchewan residents.
4. Active Communities—To increase opportunities for regular, enjoyable physical

activity in communities, schools and workplaces. To reduce the economic, environmental, social and cultural barriers that limit participation in physical activity. To create safe environments that encourage/support physical activity.

5. HEALTHY WORKPLACES STRATEGY—We add workplaces as a 5th area of focus for our population health strategy.

We recognize employment and working conditions as two key determinants of health status. Stress, workload, un- and under-employment, inflexible working arrangements, job insecurity, occupational health and safety hazards and illnesses, and difficulties balancing work and family are conditions that all contribute to poor physical and mental health.

Our approach to health care requires us to address these conditions in the workplace *before* they create chronic health problems—such as back injuries, cardiovascular disease, stress, occupational diseases, and long-term disabilities—that fall to our health system to try to fix. Governments often overlook the costs to our health care system created by workplace injuries and disease. Creating healthy workplaces is a tremendous investment in the long-term health of our population and will reduce overall costs to health care, workers compensation, and disability programs.

Our Strategy for Healthy Workplaces includes a variety of initiatives and programs under the auspices of several government departments. Through the Department of Labour, new workplace policies and legislation will include such measures as: guaranteed sick leave and paid leave for family illness or responsibilities, strategies to more fairly distribute work and work time, the development of a Balancing Work and Family Protocol, and strategies to reduce workload and stress.

We will fund the creation of a Workers' Health Centre that would focus on the prevention of workplace injury and disease. Qualified staff would support the work of workplace Health and Safety Committees, supply workers and employers with technical information and research, and provide expertise in modifying the workplace. Detecting the cause of an injury in one worker at a specific site has frequently led to preventive measures for other workers.

We propose the following measures be taken in the health care sector: increase the number of full-time positions in the province (only 41 per cent of health care positions in the province are full time); reduce working hours thereby creating more full time positions; increase staffing levels and fund the replacement of workers on leave; create a new program requiring employers to demonstrate reduced occupational health dangers in every Saskatchewan workplace; and, increase opportunities for training, retraining, and career laddering for health care workers within the province.

Saskatchewan Alternative Budget Proposal

To genuinely address the challenges of improving the health of Saskatchewan's population will require a number of innovative and coordinated initiatives across sectors in each of the five key areas highlighted above. Significant incremental investments are also required.

Increases to several other Departments announced in this Alternative Budget are targeted to address significant social determinants of health. In particular, some increased funding to the Department of Community Resources and Employment is targeted to low income citizens, social housing, and day care; some increases to the Department of Learning are targeted for early childhood development and learning and for **School^{Plus}**; some increases to the Department of Advanced Learning and Employment are targeted for education and training for low income students; and some increases to the Department of

Aboriginal Affairs are targeted for social housing, and for improved education and employment opportunities for Aboriginal children and youth.

Alternative Budget Recommendations for Health Care:

- ***We commit to allocating a total of \$69,427,180 in the Alternative Budget for this year in order to begin implementation of this population health strategy in the province. We further commit to increasing this allocation on an annual basis over the next five years.***
- ***Allocation of this funding will be the responsibility of a newly created Integrated Forum for Population Health comprised of Assistant Deputy Ministers and other senior managers from a number of Departments, including but not limited to Community Resources, Learning, Corrections and Public Safety, First Nations and Métis Relations, Labour, Justice, Northern Affairs, Culture, Youth & Recreation. Where appropriate, funding will be allocated to one or more of these other Departments that will play a central role in programming.***
- ***Effective population health promotion programs are multi-faceted and long-term. This needs to be taken into consideration when evaluating outcomes. Since the ultimate benefits of improved health may take years, it is important to look at outcomes that contribute to successful change over time as well as changes in health status. We will expand the mandate (and the resources) of the Health Quality Council of Saskatchewan to include evaluation and reporting on population health status in the province.***

• ***Incremental Costs for Health proposed in this Alternative Budget***

<i>Four per cent increase across the board for inflation</i>	<i>\$115,711,960</i>
<i>Primary Health Care Transformation</i>	<i>\$104,140,760</i>
<i>Strategy for Promoting Health Living and Preventing Chronic Disease for Saskatchewan's Population</i>	<i>\$69,427,180</i>
<i>Total Incremental Costs</i>	<i>\$289,279,900</i>
<i>2005-06 Budget Estimates for Health</i>	<i>\$2,892,799,000</i>
<i>Incremental Costs in this Alternative Budget</i>	<i>\$289,279,900</i>
<i>2006-07 Alternative Budget for Health</i>	<i>\$3,182,078,000</i> <i>(10% increase)</i>

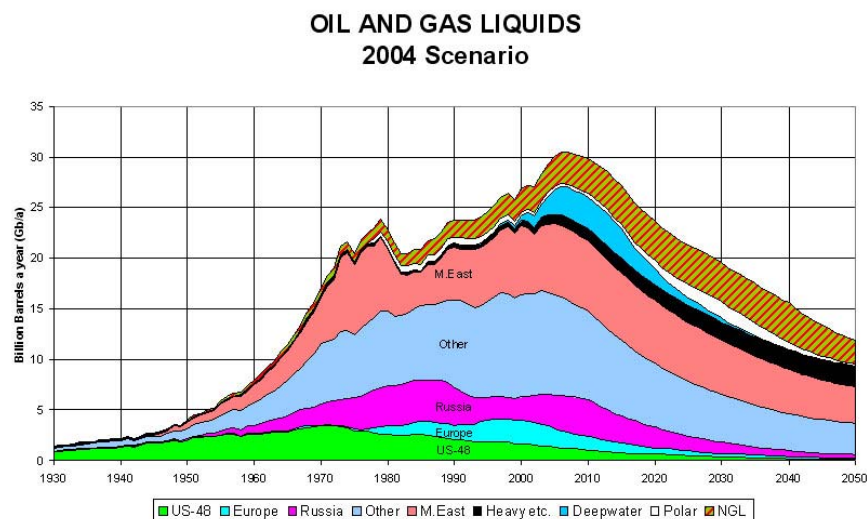
ENVIRONMENT

A number of substantive pressures with implications for life in Saskatchewan tell us that we need to significantly change our current social and economic structures. If unchecked, these pressures could have devastating consequences for our small population.

Everyone in the world depends completely on the Earth's ecosystems and the services they provide, such as food, water, disease management, climate regulations, spiritual fulfillment, and aesthetic enjoyment.³² Our global systems provide \$3 trillion worth of goods and services for the people on this planet and they are currently being degraded or used unsustainably. The full costs of the loss and degradation of these ecosystem services are difficult to measure, but available evidence demonstrates that they are substantial and growing.³³

As a resource-rich province, our renewable and non-renewable resources face increasing stress as a result of global changes and unsustainable practices. As climate change becomes a more pressing issue, changes to our water systems will be its most likely results. Climate change will increase the amount of water-stressed lands, change much of our northern forests and reduce or restrict the availability of water for human use.

The availability of non-renewable oil and gas around the world has peaked or will peak soon. This will put even more upwards pressure on prices and significantly limit our access to petroleum energy into the future. In the prairies, the extraction of conventional oil in the Western Canadian Sedimentary Basin (WCSB) has peaked and is in decline. The following graph illustrates the currently available petroleum products worldwide.



Natural gas also presents a serious concern with the current available Canadian reserves and our high rates of exports to the United States. At an export rate of 56% of our production, exports of natural gas are growing faster than domestic consumption. Natural gas reserves peaked in 2001 and despite huge exploration efforts, reserves are falling; we currently have less than 9 years of proven reserves in Canada.

In the face of threatened resources and climate change, the theory of ecological sustainability is compelling. The four concepts involved with this theory stress attention to scale, community self-

³² Millennium Ecosystem Assessment, 2005, *Synthesis Report*, World Resources Institute, Washington, D.C., pp. 16-17.

³³ Ibid.

reliance, traditional knowledge and the wisdom of nature's own designs as a model for sustainability.³⁴ As proposed by Paul Hawken in *The Ecology of Commerce*, the creation of a sustainable society requires a system of production and consumption where every act is sustainable and restorative.³⁵ A first step in achieving environmental sustainability in Saskatchewan will be to set up provincially funded directional or transition programs to encourage action from all of society and to reduce barriers to creating a more sustainable society and economy.

Water Conservation

As a first consequence of climate change, our future supplies of potable water are threatened. We must begin to replace or reduce current water use through local grey water systems, recycling of water, water treatment systems and reduced water use systems. On a small scale, the example of the Craik Eco-Centre shows that it can be done for a single rural building location.

As incidents like Walkerton, North Battleford and Katchewan show, when source water for human use is jeopardized, a host of other costs are unleashed including health care costs, social disruption, decreases in labour productivity and replacement of infrastructure. To avoid or reduce the ancillary costs, a precautionary or preventative approach is required.

The Alternative Budget recommends that a pilot reduced water use supply system or sewage treatment system be piloted in a small rural town, village or remote location in northern Saskatchewan at a cost of \$5 million. This funding would provide for the pre-design work, establishment and continued assistance for the project.

Energy Conservation

As one of the first and more substantive actions, the provincial government must begin to institute a reduction in our dependence on fossil fuel energy and replace it with renewable energy supplies and energy conservation retrofits both for the home, our businesses and our transportation systems.

The Alternative Budget recommends \$3 million be spent on the re-establishment of the Energy Conservation Development Authority with its mandate to monitor energy use, research alternatives and strategies and to plan for the most benign and environmentally sensitive energy use framework for the province of Saskatchewan. The Alternative Budget further recommends \$30 million for the establishment of an Energy Conservation, Retrofit & Tax Credit Fund to assist individual families, businesses and industries in retrofitting and replacing old energy inefficient systems with new efficient systems.

Waste Management

Saskatchewan residents dispose of approximately 1 tonne of waste materials every year, of which most can easily be reused and recycled. We must begin to fully utilize this resource and develop management loops and systems to limit or decrease significantly the amount of garbage being disposed of into landfills.

The Alternative Budget recommends an expenditure of \$5 million for the establishment of a Provincial Waste Diversion Fund that would encourage local initiatives to minimize waste and divert remaining wastes into current resource cycles. This fund would encourage the development of local employment

³⁴ Van der Ryn, Sim and Stuart Cowan, *Ecological Design*. Island Press, Washington, D.C. 1996. p. 7.

³⁵ Paul Hawken, *The Ecology of Commerce: A Declaration of Sustainability* (New York: Harper Collins, 1993), xiv.

and local businesses through creative usage of current waste. It would encourage participation between municipalities, communities and businesses and job creation.

Ecological Auditing

In the same way as Saskatchewan monitors government expenditures through the Provincial Auditor, we must be equally cognizant and forthright about what those same dollars are doing to and for the environment. Natural capital must be included in auditor's reports so that we can measure the full impacts of our actions. We need to have visible indicators of ecological sustainability to understand what we do and push us or direct us to be more sustainable.

The Alternative Budget proposes the expenditure of \$5 million to establish an Environmental Auditor for the Government of Saskatchewan. Its responsibility, authority and independence mandate the Environmental Auditor to audit and publicly report on the environmental impact of all government departments and crown corporations.

Environmental Monitoring and Compliance

To better understand our impacts on the environment, more provincial efforts at monitoring and encouraging compliance with current standards are necessary. There is a need for both a more vigorous compliance system through toughened environmental standards and an increased number of provincial staff to monitor and ensure compliance.

The Alternative Budget recommends an expenditure of \$2.5 million to increase provincial Conservation Officers and an expansion of their mandate to more effectively monitor and respond to wildlife infractions. Further to this, the Alternative Budget also recommends an expenditure of \$2.2 million to establish a new set of Environmental Resource Officers with the express mandate to be available to help individuals and small businesses reduce their impacts on the environment. This would be augmented by website assistance tools and education programs.

Alternative Budget Recommendations for the Environment:

- | | |
|---|------------------------------|
| • <i>Energy Conservation -</i> | <i>\$33 Million</i> |
| • <i>Water Conservation -</i> | <i>\$ 5 Million</i> |
| • <i>Waste Management -</i> | <i>\$ 5 Million</i> |
| • <i>Ecological Auditing -</i> | <i>\$ 5 Million</i> |
| • <i>Environmental Monitoring and Compliance -</i> | <i>\$ 4.7 Million</i> |

Total: \$52.7 Million

CULTURE

Culture is an important element of the Saskatchewan economy. There are over 18,000 cultural workers in the province, from archivists to visual artists (Stats. Can. 1996). The direct and indirect impact on Gross Domestic Product in 1995 was over \$650 million for the cultural sector in Saskatchewan (Stats. Can). The sector represents substantial export revenue for the province.

The cultural sector is labour intensive, including both employed and self-employed workers. The workforce is highly educated, trained, diverse and highly motivated but low income. There are hundreds of cultural organizations in Saskatchewan, some voluntary and some professional, from local recreation boards to the film industry. Government funding allows many programs such as theatres, libraries, museums, organizations and individual artists to thrive.

The richness of the arts and cultural community has become an international yardstick for the attractiveness of a community as a place in which to work, to build, to live, to learn and to visit. It is a measure of the health of a community. Culture has a direct impact on the vitality of other sectors such as tourism, education and health.

Funding For the Cultural Sector

In Saskatchewan cultural funding is dismal. Over one quarter of cultural funding comes from gambling revenues, with the rest from general revenues.

The ultimate goal for cultural funding is to establish an allocation to culture of 2 per cent of general expenditures to be achieved over five years. One per cent allocation for **arts only** was the principal recommendation of the 1990 *Arts Strategy Task Force*.

Gambling is a regressive tax. Government cultural funding relies heavily on lottery dollars. The cultural sector has been unfairly forced into dependence on this form of taxation. Yet the actual cost of transferring lottery/gambling generated dollars to general revenue would be less than \$14 million.

As with the *Arts Strategy Task Force*, we maintain that the objective for allocation of resources for the cultural sector should be to reduce reliance on lottery/gambling funding and **ultimately return to general revenues**. This must be done in such a way as to **retain the arms-length funding principle**. The cultural sector has developed a sophisticated, democratic decision making process. With any shift from lottery funding it is essential to retain this independence that is an integral source of creativity, community strength and development.

Reports, Policy, Retarded Action

There have been more than twelve policy, task force and strategy reports but little has come of them. The *Arts Strategy Task Force Report* identifies one of the major barriers to development of the sector as **'too many studies and too little action.'** Under staffed and under funded cultural programs and policy face an "up hill" contest. There are critical reports that could be implemented at little cost to government and of great benefit to cultural workers.

One of these, *Status of the Artist* (1993), proposes to give artists equity with other workers in such areas as collective bargaining, health and safety, work benefits, and open access to assistance programs. The government initiated 'enabling' status legislation in 2002, but the Act is limited to an enunciation of principles. The cultural community has called for the establishment of a *Status of the Artist* arm's

length body with representation from cultural workers. Its function would be to assist the implementation of the 1993 Status of the Artist Report Recommendations and the 2004 Minister's Committee to act on behalf of the interests of artists.

The **Saskatchewan Arts Board**, founded as a unique experiment in 1948, and copied across Canada, can be viewed as the research and development aspect of the culture sector, funding individual artists, organizations and projects. Yet funding for the Board has been inadequate for years, in fact in current dollars receives less funding than 15 years ago. Emergency funding, finally granted in '03, extending to '05 remains insufficient to meet the need for individual assistance, to sustain funding for key organizations or to meet demand for project assistance. As well, it cannot meet the demands for development of new art forms, particularly in the area of technological development. In comparison, Manitoba spends \$9 per capita against Saskatchewan's \$5.30.

The *Arts Strategy Task Force Report*, (1990), designed to be the foundation of cultural policy, should be reexamined and implemented. Many recommendations can be implemented at minimal cost, but of great benefit to artists and the cultural sector.

Cultural industries have benefited from the **Cultural Industries Development Fund** in recent years, but this has by no means addressed the programs and policy recommendations contained in the *Cultural Industries Development Strategy Report*. The current Fund would represent 36 per cent of the amount recommended in the *Strategy*.

Heritage organizations play a critical role in Saskatchewan's cultural community. Heritage funding has suffered severe cuts in the last few years. This has to change. The Alternative Budget proposes a major addition to the Heritage Foundation funding bringing it to \$1 million.

Multiculturalism is currently supported by the Lottery-funded Multicultural Initiatives Fund (MIF) with a budget of \$250,000 a year. The demand for this fund far outstrips the amount available, and scarcely addresses the wide breadth of activities multicultural groups need to do. Multiculturalism in Saskatchewan, as is the case nationally, has been left by default to Culture. However, the concerns these groups address are much broader. In addition to an increase in the MIF, the multicultural community identifies the need for a study of the economic and social impact of multiculturalism. What impact do the festivals like Regina's Mosaic, or the internationally renowned dance troupes, have on the well-being of the people within the culture groups presenting these events, and what impact do these activities have on society in general? Government should make this inquiry. The information would help to identify what in Saskatchewan will attract immigration to the province. An immigration strategy needs to be initiated; one that offers, for instance, a made-in-Saskatchewan solution to ongoing dilemmas such as education and trade accreditation.

Programming

Cultural program funding has been cut or remained stagnant over the years. Critical programs have been barely maintained. The impending retirement of many cultural workers /managers (baby boomers) for years under compensated (as with many in the non-governmental organization, NGO, sector) and challenges in recruiting and retaining new workers adds additional stresses to the cultural sector. The Alternative Budget proposes:

- The allocation of basic **programming funds** should be increased by \$3 million to the global budget of the Arts Board, \$.5 million to the Multicultural Initiatives Fund, \$1 million to SaskCulture and \$1 million to the Heritage Foundation to enable these agencies and programs to meet basic development demands.

- Allocation of funds to arts organizations to recruit, train and retain staff with a target of equal pay with provincial government employees within four years.
- A comprehensive **immigration strategy** will require considerable consultation across government, educational, labour and social agency lines. An allocation of \$1 million will move this initiative forward and begin the process of placing appropriate infrastructure to achieve the goals of a strategy.
- The provincial centennial in 2005 was the first of a series of such celebrations for communities and organizations across Saskatchewan. ABC proposes an additional \$1 million be established to support these centennial initiatives in arts, culture and multiculturalism.
- The **Saskatchewan School of the Arts** was cut from provincial funding; we propose \$1 million expenditure on **professional development and training programming**.

Research Funding and New Initiatives

The Culture, Youth and Recreation Department (CYR) has received the collective wisdom of the community through reports prepared over the last 15 years. Much of this research needs updating, as it becomes increasingly difficult to speak of the current cultural impact within the province. The community has contributed greatly to research but it is now time for the government to shoulder the balance of the burden. This research is a top priority and should achieve:

- a) Updated cultural statistics obtained through a regular reporting mechanism.
- b) Economic and Social Impact study of Multiculturalism.

Many of these proposals, including research and policy implementation, will require appropriate increases in CYR Department staff resources.

Alternative Budget Recommendations for Culture:

- ***Basic Programming:***
 - ***\$3 million Arts Board programming***
 - ***\$1 million SaskCulture programming***
 - ***\$.5 million Multicultural Initiatives Fund***
 - ***\$1 million professional development and training***
 - ***\$1 million centennial program funding***
 - ***\$1 million Heritage funding***
- ***New Initiatives:***
 - ***\$1 million Status of Artist Commission, implementation of equity programs***
 - ***\$1 million pay equity for culture sector workers***
 - ***\$.75 million Cultural Industries Development Strategy implementation***
 - ***\$.5 million Cultural research program***
 - ***\$ 1 million Immigration Strategy***

Total \$11.75 million

JUSTICE

It is very clear from the public and media discourse that a major issue for Saskatchewan is the justice system. In particular, the role of the police, and their relationship to the community (especially the Aboriginal community), effective alternative measures programs in the corrections field, and ready access to effective legal representation are important factors for the justice system.

SOME IMPORTANT FACTS

There are some salient facts about the justice system that are worth keeping in mind:

- At present, some 78 per cent of jail admissions for adults in Saskatchewan are persons of Aboriginal descent; (Statistics Canada, *Adult Corrections in Canada 2002/03*);
- According to a recent survey by the Crown, Legal Aid, Kilburn Hall, the Bail Supervision Officer, and youthful offenders themselves, between 60 per cent and 70 per cent of youth on remand are there because of what are called system-generated offences (breach of curfews, abstention from alcohol or drug consumption clauses, etc.), rather than new substantive criminal offences;
 - Proportionately, it would appear that far more Aboriginal people face system-generated charges than non-Aboriginal people. Therefore, any decrease in the incidence of system-generated offences would undoubtedly reduce the disproportionate jailing of Aboriginal people;
 - The federal Department of the Solicitor General conducted a study which showed that incarceration actually increases recidivism by 6 per cent; that is, we are making matters worse by jailing people;
- Saskatchewan currently spends more than 80 per cent of its adult corrections budget on jails and other correctional institutions; and
- Community policing and accountability to the public are ideas that have been embraced by many key leaders in policing, but these principles need to be more widely understood and adopted by rank and file police officers, police commissions, municipal councils, and the public.

Proposals for Changing Policing, Corrections and the Broader Justice System

Research and Education:

Additional resources should be supplied to the Saskatchewan Police College to incorporate training for police recruits on Aboriginal misconception training, community policing and restorative justice. As well, additional resource should be allocated to enhance academic programs in this area (e.g. the Police Studies program at the University of Regina, and the Native Law Centre and the Aboriginal Justice Worker Program at the University of Saskatchewan). These programs can build on their existing strengths and serve as centres of research and education on topics such as community policing, First Nations models of peacemaking and tribal policing, Aboriginal legal traditions, and restorative justice program models.

Handling of Complaints Against the Police:

The provincial government should be commended for having amended *The Police Act* in 2005 to provide for a civilian-led provincial Public Complaints Commission. It is vital that the Commission be funded adequately in order to fairly address grievances filed. It is also important to provide education and training for police commissioners in matters such as community policing and the role and methods of civilian oversight of policing.

Screening, Diversion, and Alternative Measures for Youth:

The Alternative Budget proposes that all youth and adult court matters be first referred to an appropriate youth or corresponding adult agency to determine whether to proceed with alternative measures or to send the matter to court. In this way, system-generated offenses could divert many offenders away from the court system.

Programs such as the Regina Alternative Measures Program (RAMP) and Help Eliminate Auto Theft (HEAT) provide alternative measures for youth, but more needs to be done. Community-based organizations such as the John Howard Society can play key roles in this regard.

Diversion of Corrections Resources from Institutions to Community-Based Programming:

Because more than 80 per cent of the corrections budget goes to jails and institutions, there should be a transfer of a portion of this money into community-based programming such as:

- Community schools and programming, partly through **School^{PLUS}**, to address the high dropout rate of those who are in trouble with the law;
- An intensive interdisciplinary program to deal with the sexual exploitation of young people involved in the sex trade;
- Programming to deal with street gangs. Programming to deal with gang activity should be a harm reduction initiative, rather than a punitive approach. The Federation of Saskatchewan Indian Nations report, *Alter-natives to Non-Violence Report* (July, 2003) should form the basis for this strategy;
- Programs for the prevention, assessment, treatment, and management of FASD victims;
- Community based interventions to address existing and emerging addiction problems. The initiative should include a follow up after detoxification, rather than punitive measures to force treatment and quarantine;
- Establishment of the youth (and, eventually, adult) agencies to augment the availability and use of alternative measures;
- Implementation of the recommendations of *The Commission on First Nations and Métis Peoples and Justice Reform* should be a priority. Included in the implementation process should be the establishment of a body to oversee the implementation. This body should be similar in nature to the Aboriginal Justice Implementation Commission established in Manitoba to monitor the implementation of recommendations made by the Manitoba Aboriginal Justice Inquiry. Funding for research initiatives including research focusing on police recruitment strategies for Aboriginal persons as well as studies targeting innovative policing delivery models for Aboriginal communities are essential components of this initiative.

Legal Aid Funding:

Funding for the Legal Aid Commission is also an issue of concern for the residents of Saskatchewan who are in need of advocacy. Presently, Legal Aid lawyers are overworked due to insufficient numbers of lawyers working within the legal aid system. The supply of legal services for low-income people is not meeting demand. In 1982, over 27,000 cases were taken on by legal aid³⁶ and by 2002 that number had been reduced to 21,489 cases.³⁷ The reduction is not a result of fewer people needing Legal Aid, but in fact it is due to the number of cutbacks to funding. The result of provincial under-funding is lengthy delays for trial consequently resulting in system-generated offenses that further entrench the poor in the legal system. The expiry of a federal cost-sharing program has exacerbated the under-funding problem.

³⁶ 1982 Saskatchewan Provincial Annual Report

³⁷ 2001-2002 Saskatchewan Provincial Annual Report

As well, in 1983, the Devine government drastically reduced the range of services offered by Legal Aid by restricting it to serious criminal offences and some family law matters. Sadly, the full range of services has not been reinstated by either the Romanow or Calvert governments. Legal Aid staff used to provide many services to poor people, including assistance with landlord and tenant problems, debt matters, workers compensation, and social assistance and employment insurance appeals. For many years, several anti-poverty advocacy groups have tried to provide some of these advocacy services but these organizations have been run primarily by low-income people who volunteer their time. If negotiated settlements cannot be achieved, these volunteer advocates make representation to judicial bodies. The work done by the volunteers is vital legal work that needs to be funded directly by public funds and handled by trained legal professionals.

The Alternative Budget proposes that the Saskatchewan government uphold the letter and spirit of the Charter of Rights and Freedoms (which states there be fairness and equal protection under the law) by increasing funding to Legal Aid in order to quell the build up of demand for legal services in the poor community. This includes sufficiently increasing the funding to hire more staff for the existing range of services and adding enough to reinstate the full range of poverty law services. There also needs to be funding to permit special test case litigation on issues that concern low-income people. A special branch of legal aid in Manitoba, the Public Interest Law Centre, provides an excellent model for Saskatchewan Legal Aid services in the area of broad public representation for issues concerning low-income people.

Costing of These Proposals:

A much larger proportion of current spending in the corrections field goes to institutional facilities than to community based programs. The Alternative Budget recommends concerted planning and phased implementation by government officials to divert existing funding from custodial institutions to effective, community-based programs with rehabilitative and restorative goals. Targets should be adopted that, within five years, at least 50% of the program funding of adult offenders will go to community-based programs (as opposed to institutions) and 80% of programs funding youth will go to community-based and open custody services (as opposed to closed custody).

Alternative Budget Recommendations for Justice Programs:

- ***New initiatives in Research and Education to enhance culturally relevant community policing, recruitment of Aboriginal Police Officers, and restorative justice programs: \$5.5 million***
- ***Establish and operate a model youth referral agency: \$2 million***
- ***Community-based programming: \$8.5 million (including 4.1 million for School^{Plus} as recommended by the Task Force on the Role of the School [2001])***
- ***Legal Aid \$5 million - reinstatement of legal aid services and funding for a public interest law centre.***
- ***Funding of a Legal Community Advocacy Program .5 million***
- ***Direct funding of paralegal advocate services: 2 million***

Total: \$23.5 million of new expenditure.

ABORIGINAL PEOPLES

Saskatchewan's indigenous peoples continue to experience the consequences of a history framed by colonial relations. Historically, therefore, they have not been treated equitably within the province's economic structure. Today, Aboriginal exclusion continues unmitigated, marked by dimensions of class, race, and gender differences. Unfortunately, current demographics suggest that the province's mistreatment of Aboriginal peoples will occur on a larger scale unless action is taken to reverse the current trends. According to the 2001 federal census, Saskatchewan has approximately 17 per cent of the status Indian population of Canada. The self-declared Aboriginal population is forecasted to make up 20 per cent of the total population by 2010 and 25 percent by 2015. As well, the 17-24 Aboriginal age group is the fastest growing demographic in the province. Thus, there are major implications to consider when contemplating the role of Saskatchewan Aboriginals in the province's future.

Economically, the statistics demonstrate that Aboriginal people, especially Aboriginal women, have been largely 'shut out' of economic activity in Saskatchewan. Statistics Canada state that Aboriginal people have roughly half the income of non-Aboriginals, are three times more likely to be receiving social assistance than non-Aboriginals and are four times as likely to be unemployed (2004). Therefore, the Saskatchewan government has a legal and ethical responsibility to change these conditions.

Recommendations for the futures of Aboriginal peoples in this province must begin by recognizing and supporting their right to self-determination. Concretely, we acknowledge the authority of the Royal Commission on Aboriginal Peoples and its recommendations. At the Kelowna First Ministers meeting with Aboriginal leaders in November 2005, Premier Calvert stated that he was only willing to move part way towards recognition of Aboriginal rights, by merely agreeing *in principle* to include First Nations in all planning issues affecting matters of concern to them. This commitment must move from a statement of principle to a public policy that actually *implements* recognition of self-determining rights.

That said, a key and initial strategy for changing current conditions is to reach proper land claim settlements with Saskatchewan First Nations, with full transfer of natural resources, in order to fulfill the obligations of the treaties signed over a century ago. Therefore, parallel to the 'Peace of the Brave' settlement between the James Bay Cree and the Province of Quebec, the ABC advocates for a new Nation-to-Nation relationship between the provincial government and the First Nations. This process would include a provincial commitment to fund the purchase of privately held lands where appropriate and available, to settle land claims and to ensure appropriate transfer of natural resources. This agreement will recognize that First Nations are entitled to share in the benefits from natural resources that accrue within their entire traditional territories. New governing boards will be established in key resource sectors with representation from each Nation. As well, an annual payment will be made to the tribal governments, involved with economic and community development, by the province. These payments will be adjusted annually to reflect the total value of production in the forestry, hydroelectricity, and mining sectors. Agreements would include provisions ensuring minimums regarding access to employment for northern residents and Aboriginal peoples.

Saskatchewan must view the Aboriginal peoples of this province as valued human resources. In addition, Aboriginal people as Saskatchewan residents reserve the right to be employed in Saskatchewan's growing economy. Therefore, it is incumbent upon the provincial government to adequately fund those Aboriginal organizations that actively pursue the provision of skilled training to Aboriginals. By training and linking Aboriginals to employment opportunities, these organizations provide Saskatchewan with skilled labour that will help ease the impact of the looming labour shortage in the province.

Therefore, the Alternative Budget proposes the development of an Aboriginal Economic, Health, and Education fund based on a model of co-management and co-design by both the provincial and Aboriginal governments or their representatives. The Aboriginal Economic, Health and Education Fund's purpose is to promote the well being of Saskatchewan's Aboriginal people through the settling of land claims. Such a fund would provide additional provincial support for land claim issues not addressed by federal funding. As well, an active provincial stance must be taken to settle "special" land claims where there is clear provincial responsibility. Essentially, the Fund would provide economic progress for the Aboriginal peoples in the province through gained access to land and natural resources. (Conditions for urban Aboriginal residents will be improved by the implementation of recommendations made elsewhere in this document.)

The Fund would also be a commitment to provincial support for the health and education of Aboriginal people with the exception only of institutions and programs deemed to be federal obligations as a consequence of treaty. The Fund would pledge the full extent of provincial programmatic and budgetary capacity in the health, education and economic development portfolios.

To meet the above commitment, the Fund would include one-time start up costs for health and education initiatives that would result in long-term jobs for Aboriginal peoples. The Fund would also be used to help fund Aboriginal training and employer networking organizations that are proven agencies with regards to stimulating employment among Aboriginal peoples. The Fund would also serve to strengthen the K-12 Aboriginal educational system by putting more resources in place to effectively emphasize maths and sciences as well as help address barriers to learning in the school setting.

Alternative Budget Recommendations for Aboriginal Peoples:

- ***The Alternative Budget allocates \$50 million to establish the co-designed and co-managed Aboriginal Economic, Health and Education Fund (AEHE Fund). The funding would roll over from one year to the next allowing for the accumulation of funds for long-term projects***
- ***The Alternative Budget also allocates \$1.9 million to administer the AEHE Fund and assist other related Aboriginal agencies whose mandate is to conduct research and establish a meaningful and more productive Aboriginal presence in the Saskatchewan economy.***

WOMEN'S ISSUES

The year 2006 is the 25th anniversary of Canada's ratification of the Convention on Elimination of Discrimination Against Women (CEDAW). Both improvements and stalemates in the condition of Saskatchewan women have been evident since Canada's ratification and there is still work to be done. Important recognition of issues affecting women has been evident in the Action Plan for Saskatchewan Women, first released in October 2003 and updated in March 2005. Despite advances, increased funding for the Status of Women office, initiatives to combat wage based gender discrimination and violence against women are needed.

Alternative Budget recommendations for the Provincial Status of Women Office:

- ***Revise the Function and Structure of the Provincial Status of Women Office***
- ***Funding to the Status of Women Office should be increased from its current budget of \$380,000 to an annual budget of \$500,000:***
 - ***\$250,000 - for salaries (4 positions)***
 - ***\$150,000 - earmarked for grants to community based and women's groups***

- *\$100,000 - for on-going research activities performed by professional, independent researchers to undertake collection of data and analysis of government programs, policies, and initiatives with the aim of determining areas of highest priority for gender budget analysis*

The Status of Women Office needs to become more strategically and intensively involved in the development of policies of particular urgency to women. To strengthen the Office's connection to Saskatchewan communities, the Office should be engaged in on-going, active outreach activities with women's organizations so that qualified women will be encouraged to apply. Hiring criteria should not privilege those who have been in government for a long time to ensure those with the most relevant experience and knowledge are recruited. The four staff positions within the Office should be structured so there is a balance of time spent working within government and time spent time with women's groups in the province. A balance shall be struck in resource utilization between working with women's organizations and the provincial government.

The Saskatchewan government should ensure sufficient resources and capacity within the Status of Women Office and other government departments to conduct gender based analysis of all government policies, programs and budget initiatives.

Through its Action Plan for Saskatchewan Women as introduced in 2003, the provincial government has recognized numerous issues of importance to women. Its four main goals of economic security and equality, safety, health and wellbeing, and participation in leadership and decision-making have outlined 57 actions to which the government has committed. Progress has been evident with numerous initiatives including childcare and healthcare and the Alternative Budget encourages continued emphasis and progress for this Action Plan.

Strategies for Addressing Gender Based Wage Discrimination

The Saskatchewan government has now completed its pay equity program in the civil service, including government departments, CIC Crown Corporations, Treasury Board Agencies, boards and commissions, SIAST and regional colleges and the health sector. This program needs to be extended to first cover all publicly funded employees such as the education sector including universities, before expanding to the private sector.

We also need a comprehensive strategy to offer training for women in non-traditional occupations, including an enhanced Apprenticeship program. Pay equity initiatives, as currently defined and structured, will never correct the inequities that result from women's segregation in a narrow range of occupations: 80 per cent of all women are confined to one quarter of all the jobs. To reduce the gendered wage gap, we need an aggressive action plan to train more women to enter occupations traditionally dominated by men.

Women continue to suffer disadvantages in training and employment due to inadequate childcare and parental leave options. Under the umbrella of federal childcare legislation, the Saskatchewan government must play a lead role in developing standards and accountability strategies to ensure that child care is adequately funded, staffed, and regulated to meet the needs of all employees, including non-standard employees. Services must be planned in a way to continue to ensure that public dollars go directly to not-for-profit care.

As addressed in the Employment section of this budget, labour standards must be strengthened to collapse the gap between 'good jobs' and the 'bad jobs' where women are disproportionately employed.

Funding must be enhanced for the regulatory bodies that have traditionally acted as vehicles for addressing injustice, such as the Human Rights Commission, the Labour Relations Board, Occupational Health & Safety, and Legal Aid. A lack of adequate resources has diminished the role of these critical resources; enhanced funding and policy directives are needed to restore capacity for monitoring and enforcing statutory rights of citizens.

Violence Against Women

A 2005 study undertaken by the Provincial Association of Transition Houses and Services of Saskatchewan has indicated that most women accessing shelters and services in the province are poor, with little education, overwhelmingly Aboriginal and have children who have witnessed violence. These women often face overwhelming challenges beyond the physical, sexual or psychological abuse they have suffered, including poverty, racism, a lack of education and employment opportunities, addictions or mental health issues including Post Traumatic Stress Disorder, and a lack of adequate and safe housing.

It is essential to increase social assistance rates and the availability of safe, affordable housing. Government funded follow-up programs for women who have left shelters through shelter outreach staff would assist women in developing healthy social support networks, better financial management, support with child rearing, education choices and avoiding addiction relapse. Community anti-violence education taken on by women's shelters and organizations must also be made a funding priority, as education plays a key role in prevention.

The provincial government also needs to fund children's programs in shelters that include both education and counseling services for children as well as available childcare spaces.

Violence against women in the northern part of the province is a serious problem that needs to be addressed. For a variety of reasons, women who are being abused are not safe in these communities. The lack of housing is a primary concern; when women experience violence, they have no safe place to turn to in their communities. If the Department of Indian and Northern Affairs Canada does not build and fund annual operational costs for a shelter in this region, the provincial government should shoulder this responsibility.

In addition to addressing violence against women through shelter services, a priority of the provincial government, in collaboration with Aboriginal Women's groups, must be to monitor the effects of the recent allocation of \$2 million to improve the investigation, reporting and analysis of unsolved cases of missing aboriginal women.

Alternative Budget Recommendations to Combat Violence Against Women:

- \$480,000 for an Outreach staff position in 12 provincial shelters to facilitate follow-up support services for women after they leave shelters.
- \$680,000 for community anti-violence education as facilitated by 17 provincial service providers
- \$85,000 for funding children's programs in shelters and services providers including education and counselling, day cares and children's activities
- \$2 million to build a shelter in the northern region with an additional \$500,000 in yearly operations

APPENDIX A

VOLUNTEERS AND CONTRIBUTORS

Once again the CCPA-SK would like to extend a whole-hearted thank you to all of our volunteers, staff and contributors who made this year's Alternative Budget the informed, influential and educational piece that it is. Although the following organizations and individuals contributed greatly to this project with their time and expertise, there were many others who may not be mentioned here who also offered their input and assisted in the final editing and review process of this Budget. Thank-you to everyone who contributed in anyway to the completion of this year's Alternative Budget. We look forward to your continued support and input on future projects.

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If anyone was inadvertently missed from the list of volunteers and presenters, we humbly apologize.