

2004-2005
Saskatchewan
Alternative Budget of Choice:
A Budget for Equity

MESSAGE FROM THE BOARD OF THE SASKATCHEWAN OFFICE OF THE CANADIAN CENTRE FOR POLICY ALTERNATIVES

The Canadian Centre for Policy Alternatives (CCPA) was founded in 1980 in Ottawa to promote progressive research on economic and social issues facing Canada. In addition to its National Office, the CCPA presently has offices in British Columbia, Manitoba, Saskatchewan, and Nova Scotia.

It was in May of 2000 that a broad coalition of activists and academics met to begin the process of establishing an office in Saskatchewan and an interim board was named for the task. The Saskatchewan Office of the CCPA will monitor current developments in the Saskatchewan economy, study important trends that affect the lives of people within the province, and demonstrate that there are thoughtful alternatives to the limited perspectives of the business community and the Saskatchewan government.

As one of its first projects, the Saskatchewan Office took on the coordination and facilitation of the Saskatchewan Alternative Budget of Choice (ABC). The ABC was a project started by a group of community activists in 1996. Since then, an ABC has been released every year involving democratic consultations with the communities affected by budgetary decisions made by our government. Thus, the budget itself has evolved over a number of years and has come to represent an important perspective in the political debates of our province surrounding the yearly government budget. CCPA is also engaged in supporting the production of the federal alternative budget and those in Nova Scotia, Manitoba, and B.C.

The Saskatchewan Office is happy to present the 2004-2005 Saskatchewan ABC. We hope that this budget can be used not only as a tool to influence government decisions but also as an educational tool for community organizations to develop viable alternatives to current government policies. We hope you enjoy reading this budget and you find it contains ideas that could improve the quality of life for everybody in our province.

***In Solidarity,
Executive Board—Saskatchewan Office of the Canadian Centre for
Policy Alternatives***

OUR PRINCIPLES

1. Economic policy should be committed to full employment.

A main priority of government policy should be the creation of meaningful jobs, the avoidance of job losses, and the recognition and valuation of unpaid and volunteer labour.

2. The eradication of poverty should be a major priority of economic policy.

With the input of people who experience poverty or who are at risk of poverty, and in consultation with community anti-poverty groups, public fiscal policy should take concrete measures to raise everyone's income above the poverty line, whether that income is derived through employment or transfer payments.

3. Policies should provide for a more equitable distribution of income and wealth in our society.

The construction of a fairer tax system and the redistribution of the wealth gained from the province's natural resources are both key to moving towards more equitable distribution of wealth. Policies should work towards economic equity between men and women and equitable treatment of all individuals and families including same sex and non-traditional families. Policies should endeavour to be inclusive and promote benefits for marginalized sectors of society.

4. Policies must promote environmental protection and improvement.

A sustainable economy is based on the wise use of non-renewable resources, principles of conservation, reuse, and recycling. Environmental protection and enforcement need to be built into our economic decisions.

5. Policies must acknowledge and promote the crucial role of public services and social programs in the province.

Health, education, and social programs must continue to be universally accessible, comprehensive, portable, publicly administered, and non-profit. Policies should protect existing public services and crown corporations from being privatized, ensure they are accountable to the community, and promote the social and economic benefits of public ownership in our economy.

6. Economic policies should protect and strengthen the rights of working people, both inside and outside the collective bargaining framework.

Both public and private sector workers should enjoy the protection of minimum labour standards and their enforcement should be significantly strengthened.

7. Community based economic development should be a priority of the provincial government.

Policies should reflect a commitment to democratic community control and promote developments that are geared towards meeting community needs. Policies should promote environmentally, socially, and economically sustainable communities and regions based on the above principles. As a priority, a general progress indicator (provincial social audit) should be developed as a measure of the real socio-economic progress in the province as opposed to the traditional Gross Domestic Product (GDP) indicator.

OBJECTIVES

1. To provide a means by which the people of Saskatchewan can have input into significant public policy decisions to ensure that the interests of the majority and those with less influence in our society are being served.
2. To develop a consensus approach to budget-making among progressive organizations and individuals and to use the alternative budget process to build links among various communities (e.g. labour, environment, aboriginal) in order to develop a broad consensus on social and economic alternatives.
3. To develop and prepare alternative budget documents which can be used to provide the public with choices and alternatives to those of the current government.
4. To help mobilize and educate for an economic policy agenda which promotes the interests of working people and the less affluent in society.

BACKGROUND

All levels of government have been focused on reducing debt and deficits, cutting back on public services and increasing integration in a global marketplace, no matter how painful and distasteful the fallout from these policies. Mainstream media, controlled by corporate interests, have led us to believe that there are no alternatives (TINA) to the policies of free trade, privatization, deregulation, high unemployment, and cuts to social programs.

The purpose of producing alternative budgets is to counter this agenda by demonstrating that even within the constraints of current economic realities, progressive, people-centred choices are available. With different priorities and assumptions about expenditures and revenues, progressive policies can be instituted while still addressing some of the fiscal realities facing our province.

A second but equally important purpose for the alternative budget is that it creates a process to facilitate the participation of interested groups and individuals in the development of alternative visions and policies for the province. The process involved in developing the alternative budget can be used as an educational and organizing tool and is just as important as the budget document itself.

This is the ninth Alternative Budget of Choice produced in Saskatchewan and the third budget to be co-ordinated by the Saskatchewan Office of the Canadian Centre for Policy Alternatives. Many hours of volunteer labour have gone into its production, and everyone involved is now more informed about how budgets are made and some of the difficult choices involved. We welcome all citizens of this province who are concerned about a sustainable, people-centred economy to get involved in this process.

BUDGET OVERVIEW 2004-2005

The Saskatchewan Alternative Budget of Choice projects a 3% growth for 2004-2005. We propose revenue generation of \$7.5 billion and expenditures of \$7.9 billion. This results in a total revenue shortfall of \$405 million.

We expect 19% more revenue than the government's third quarter 2003 estimates. The greatest portion of the ABC revenue source is from heavier reliance on royalties and taxes from our natural resources and from fairer corporate and personal taxes.

The ABC will once again reduce government reliance on gambling revenue by \$25 million and reduce Provincial Sales Tax by one half percent (to 5.5%) at a cost of \$58.4 million.

Total program spending in the ABC will remain stable from 2003 at about \$1.1 billion over the government's third-quarter projects.

Once again, there is \$225 million in the education property tax offset that appears as both an expenditure and a revenue source. Note that this \$225 million of revenue is merely a transfer of the source for education expenditures from municipal property taxes (which are correspondingly reduced) to provincial general revenues. The shortfall in revenue is made up through the more progressive provincial personal and corporate income tax system and resource rents. Thus, for most people the tax consequence is neutral or lower.

Since there is no longer money in the Fiscal Stabilization Fund (FSF) (see Tompkins [2003] at www.policyalternatives.ca/sk for more on the FSF), the ABC, in the interest of transparency, terminates the fund, transferring any residue to general revenues for use in social programs. At the same time government is urged to adopt greater transparency in the financial affairs of the Crown Investment Corporation and other crown corporations.

The ABC expects to take a \$200 million dividend payment from Crown Investment Corporation in 2004-2005. In view of the government's lack of candor regarding the financial contribution of the crowns it may be time for public debate on the matter.

One further inequity regarding Saskatchewan revenues has recently come to light: the federal-provincial equalization practice. As the ABC notes elsewhere the practice of the federal government clawing back more than 100% of oil and gas revenues generated in the province is manifestly inequitable and must be renegotiated.

The shortfall between revenue and expenditures this year will produce a deficit. The combination of serious negative effects in agriculture including recurrent drought, the BSE cattle effects, and worse than usual forest fires are partly to blame for reduced revenues. But the provincial practice of under-taxing international corporate actors in our economy is at least as responsible (see Weir [2004] at the CCPA-SK website for more on tax cuts and resource royalties).

However, it makes no sense to react to a budget deficit (see Tompkins [2003] at the CCPA-SK website for more information on balanced budgets) this year by punishing our population further with program cuts, lay-offs, and increases in regressive consumption taxes. In a time of low interest rates and for a brief period Saskatchewan can sustain a deficit budget without resorting to counter-productive measures.

Our budget will have an impact on job promotion in health, environmental stewardship, housing, agriculture, community organizations, culture, and education.

This budget focuses on social reinvestment with people working and generating additional revenue and thereby reducing welfare costs.

To account for inflation and economic growth between the Government's Third Quarter Report in February 2003 and our revenue estimates for December 31st 2004 we have multiplied government estimates of the corporation, income, and sales taxes by 2.25% (three-quarters of an assumed growth rate of 3%).

The ABC is a socially, environmentally, and fiscally responsible budget. We encourage people to examine the numbers and consider the alternatives.

Table 1
2004-2005 ALTERNATIVE BUDGET OF
CHOICE REVENUE PROJECTIONS
(in thousands of \$)

	Third Quarter 2004-2005		Difference From Government
	Government Estimate	ABC	
Corporation Capital	\$378,300	\$556,547	\$178,247
Minimum Corporation Tax		\$20,000	\$20,000
Corporation Income	\$337,900	\$430,728	\$92,828
Fuel	\$353,200	\$361,147	\$7,947
Individual Income	\$1,249,600	\$1,317,716	\$68,116
Education Property Tax Offset		\$225,000	\$225,000
ABC's high income tax		\$5,000	\$5,000
Wealth Transfer Tax		\$40,000	\$40,000
Sales	\$851,700	\$793,291	-\$58,409
Tobacco	\$168,300	\$172,087	\$3,787
Other	\$77,100	\$78,835	\$1,735
Taxes	\$3,416,100	\$4,000,351	\$584,251
Natural Gas	\$198,000	\$316,800	\$118,800
Oil	\$722,900	\$1,156,640	\$433,740
Potash	\$111,900	\$190,230	\$78,330
Other	\$37,100	\$43,500	\$6,400
Non-Renewable Resources	\$1,069,900	\$1,707,170	\$637,270
Crown Investments Corporation of Saskatchewan	\$200,000	\$200,000	\$0
Saskatchewan Liquor and Gaming Authority	\$351,000	\$326,000	-\$25,000
Other Enterprises and Funds	\$54,600	\$54,600	\$0
Transfers from Crown Entities	\$605,600	\$580,600	-\$25,000
Fines, Forfeits and Penalties	\$11,300	\$11,300	\$0
Interest, Premium, Discount and Exchange	\$48,100	\$48,100	\$0
Motor Vehicle Fees	\$122,200	\$122,200	\$0
Other Licences and Permits	\$46,100	\$46,100	\$0
Sales, Services and Service Fees	\$89,200	\$89,200	\$0
Transfers from Other Governments	\$18,200	\$18,200	\$0
Other	\$20,200	\$20,200	\$0
Other Revenue	\$355,300	\$355,300	\$0
Own-Source Revenue	\$5,446,900	\$6,643,421	\$1,196,521
Canada Health and Social Transfer	\$645,300	\$645,300	\$0
Equalization Payments	\$7,300	\$7,300	\$0
Other	\$205,400	\$205,400	\$0
Transfers from the Government of Canada	\$858,000	\$858,000	\$0
Revenue	\$6,304,900	\$7,501,421	\$1,196,521

Table 2-PROGRAM PROPOSALS 2004-2005

EXPENDITURES (in 000s of dollars)	
Education - Post Secondary	
Cut Tuition Fees	\$29,000
Needs Based Student Stipends	\$10,000
Enhanced Student Employment	\$10,000
Targeted Increase, Operating Grants, Universities	\$20,000
Expansion of Regional Colleges	\$5,000
Expansion of SIAS	\$5,000
Schools Plus - Transition to Post Secondary	\$500
Total	\$79,500
Education - K - 12	
Education Property Tax Offset	\$225,000
Foundation Operating Grants	\$39,000
Additional Capital Expenditures	\$36,900
Community Schools	\$8,800
Curriculum Development	\$4,800
Total	\$314,500
Agriculture	
Food Security	
Food Security Secretariate	\$10,000
Reregulate markets under provincial jurisdiction	
a) require public markets	No cost
b) encourage formation of marketing boards	\$1,000
Income Support Program	\$100,000
Sustainable Agriculture	
Family Farm Protection Act	No cost
Redirect research funds to alternative agriculture	No cost
Limit & control growth of industrial farms	No cost
Transportation	
Purchase abandoned branch lines	\$3,000
Purchase closed elevators	\$300
Increase taxes on inland terminals	-\$1,000
Establish New Farm Families	
Provide for Land Bank Policy	No cost
Beginning Farm Families Program	\$20,000
Total	\$133,300
Municipal Government & Transportation	
Revenue Pool Operating Grants	\$32,500
Infrastructure Improvements	\$17,000
Transit Assistance - General Programme	\$5,000
Transit Assistance for the Disabled	\$2,000
Total	\$56,500

Social Services	
Income and Food Security	
Increase SAP Rates	\$60,000
Affordable Housing	
Low income Housing Units	\$40,000
Community Job Creation/Retrofit Program	\$20,000
Advocacy	
Funding for Advocacy Groups	\$500
Legal Aid Commission	\$1,500
Pay equity Commission	\$1,500
Child Care	
Provincial day Care Subsidies	\$3,300
Training/Education for Daycares	\$500
Special needs Grants for daycares	\$500
Daycare Equipment	\$250
Family Care Policy	\$250
Community Based Organizations	\$10,000
Total	\$138,300
Health	
Primary Health Care Reform	\$50,000
Home Care and Community Services	\$47,000
Pharmacare	\$30,000
Women's Health Strategy	\$15,000
Long Term Care Strategy	\$17,000
Healthy Workplaces Strategy	\$20,000
Total	\$179,000
Environment	
Environmental Restoration Employment	\$10,000
Energy Conservation Development Authority	\$2,000
Retrofit program	\$7,000
Expanded Recycling	\$5,000
Renewable Energy Development Tax Expenditure	\$5,000
Climate Change Fund	\$25,000
Total	\$54,000
Culture	
Arts Board	\$3,000
Sask Culture	\$1,000
Multicultural Initiatives	\$500
Professional Development	\$1,000
Centennial Program	\$1,000
New Initiatives	\$4,000
Total	\$10,500
Justice	
Community Policing	\$5,000
Amend the Police Act	No cost

Youth Agency to screen Youth Court matters	\$2,000
Community based programming	\$9,500
Total	\$16,500
Aboriginal Peoples	
Economic, Health & Education Fund	\$50,000
Administration and Research	\$1,900
Total	\$51,900
Francophone Affairs	
Bilingual Degrees	\$5,000
Health Fund	\$2,500
Total	\$7,500
Special Initiatives	
Schools Plus	\$70,300
Fetal Alcohol Programmes	\$10,000
Women's Initiatives	\$3,000
Public Utilities Review Commission	\$500
Equity for the North Initiative	\$12,500
Consultation on Trade Agreements	\$500
Total	\$96,800
GRAND TOTAL	\$1,138,300

Table 3	
Alternative Budget of Choice Expenditure Statement 2004-2005	
(in \$ '000s)	
Expenditures as per government budget	\$6,768,431
plus: ABC Additional Expenditures	\$1,138,300
Total ABC 2004-05 Expenditures	\$7,906,731

Table 4	
ABC 2004-2005 Budget Balance Reconciliation	
(in thousands of dollars)	
ABC 2004-2005 Revenues	\$7,501,421
less: ABC 2004-2005 Expenditures	\$7,906,731
less: Allocation to Debt Reduction	\$0
less: Additional Allocation to Capital Infrastructure	\$0
less: Transfer - Fiscal Stabilization Fund	\$0
ABC Budget Balance 2004-2005	-\$405,310

NOTE: The question is how will the government make up for its *shortfall of \$405 million* in its upcoming budget. There are three possibilities: 1.) cutting current expenditures 2.) hiding the deficit through creative accounting 3.) increasing revenues and spending. The ABC holds that cutting spending further is not an option for

this government. First, government must maintain the services that the citizens of Saskatchewan need like providing safe water, quality health care and education, economic development, and a clean environment. The government must increase, not cut, current levels of spending in order to uphold its responsibilities to Saskatchewan citizens. Second, the positive economic “spin-offs” of its increased spending will increase government revenues in the long run. Such increased government revenues due to increased government spending will far outweigh a deficit of \$405 million and create a better Saskatchewan society.

Unfortunately, we fear that government may use creative accounting, like the Fiscal Stabilization Fund (FSF), to hide this shortfall. The ABC demands transparent and clear budgetary statements from the government. Indeed, one of the main reasons for doing an alternative budget is to make the government accountable for its actions in spending on government services and in generating revenues. Citizens should not be forced to pour over pages of government documents or play telephone tag with bureaucrats in order to get straight answers on the way their government collects and distributes money.

There is the option contained in the ABC itself. The ABC creates a better and more equitable Saskatchewan society by asking business and the wealthy to pay their fair share of taxes. Such a fairer taxation system creates more revenue for government that can be spent to stimulate the Saskatchewan economy. Thus, in dealing with its budgetary shortfall, we strongly recommend that the Saskatchewan government increase its revenues through fairer taxation and higher resource royalties and spend more to increase economic activity as opposed to cutting essential government services or resorting to accounting tricks to leave an illusion of a balanced budget.

Finally, Goodale recently stated that Saskatchewan was to receive \$120 million, which would lower the ABC deficit to \$285 million, because of the unfair equalization formula. But it is one-time money to solve a political problem for liberal MPs running in the west come next election and it does not solve the problem with the principle of the equalization formula.

REVENUE GENERATION

The objectives of the Saskatchewan Alternative Budget of Choice revenue generation policies are to promote a more equitable distribution of income and wealth and by doing so provide the income necessary to finance the rest of the ABC programs. This is done through a combination of two measures:

- 1) restructuring provincial tax policies to make them more progressive and to ensure that wealthy individuals and corporations pay their fair share of taxes, and
- 2) through the overhaul of royalty and tax policies on the province's natural resource sector to ensure that we get our fair return from the exploitation of our resources while ensuring that our environmental and community based economic development goals are met.

The ABC recognizes that the debt/deficit problems that have constrained public policy in recent years have largely been the result of unfair revenue policies and not due to excessive spending on public programs. Consequently, the ABC bases virtually all of its alternative programs on the additional revenues that revamped tax and resource rent policies are able to provide. The ABC contends that economic growth, properly defined, measured, monitored, and regulated can further environmental goals. In fact, removing government subsidies for inappropriate resource extraction, energy production, transportation, and capital development will go a long way toward reducing the environmentally harmful effects of economic growth, while also freeing financial resources for human capital development.

TAXATION

Saskatchewan is a large province with a small number of people but we have achieved great things. Where our economy has grown and thrived, it has had to be through a co-operative approach, people working together. One of the expressions of this co-operative approach has been the building of an activist state which has played a big part in the economic development of the province using the fruits of economic development to construct a system of infrastructure: roads, communications and power; and social services—health, culture and education, to enliven even further our economic and personal well-being. Saskatchewan people have always been willing to pay our fair share toward this co-operative system. The problem is, over the past years, the system of taxation has been skewed away from those most able to pay and toward those less able to pay; it is no longer as fair as it once was.

IRRESPONSIBLE TAX CUTS

For over a decade, the country and this province have been subjected to a tax slashing mania and governments have squandered their revenue sources. In 2000, the Federal government introduced tax cuts that will take \$100 billion out of Federal revenues by 2005—\$85 billion coming from reduced personal and corporate taxes. (Annex 1, 2003 Budget at <http://www.fin.gc.ca/ec2003/eca1e.html>) That is a staggering amount of money! Considering that high income people benefit the most from reductions in corporate and even personal income taxes, this new policy represents a massive shift from the poor to the rich. The Government of Saskatchewan has been reckless too.

Between 2000 and 2003, the Saskatchewan government introduced income tax cuts that have reduced revenues by some \$400 million. Working with only three income categories, the changes, as shown in the following table, made the tax structure more favorable for the rich. By indexing the income categories to inflation in 2004, the government has solidified this structure.

Changes in Saskatchewan Income Tax Rates (on Taxable Income)

2001	2002	2003	2004
11.5% on first \$30,000	11.25% on first \$30,000	11.0% on first \$35,000	11.0% on first \$36,155
13.5% on next \$30,000	13.25% on next \$30,000	13.0% on next \$65,000	13.0% on next \$67,145
16% on remainder	15.5% on remainder	15.0% on remainder	15.0% on any remainder

For example a person with \$20,000 of taxable income paid at a rate of 11.5% in 2001 but only slightly lower (11.0%) in 2003 while a person with \$90,000 of taxable income paid at a marginal rate of 16.0% on their income over \$60,000 in 2001 but only 13.0% in 2003. This can amount to a lot of money for the rich. According the Saskatchewan Tax Calculator, previously on the Saskatchewan Department of Finance's website, a single person with no children making \$30,000 in taxable income would pay \$240 less in provincial income tax in 2003 as compared to 1999. However, a single person with no children making \$150,000 in taxable income would pay \$6863 less in provincial income tax in 2003 as compared to 1999! That is a \$6623 difference! Obviously, Saskatchewan's new tax system benefits the rich much more than the poor. Moreover, the \$6863 tax cut to the person making \$150,000 is \$6863 less that the government has to spend on crucial social programs which are important to us all. Indeed, the person making \$30,000 a year gets \$240 extra, but even this benefit is outweighed by new and increased user fees (such as higher university tuition, new school fees, and higher fees to use community facilities like swimming pools, etc.) that have resulted from the decrease in government spending created by tax cuts to the wealthy.

The effect of these cuts in income tax was offset by about \$140 million through increasing the sales tax base and a sales tax credit system. Still a drop in provincial revenues of \$260 million is significant. But there was more.

Between 2000-2002, the Saskatchewan government reduced the small business corporate income tax rate from 10% to 6% (it will go to 5.5% in 2004 and 5.0% in 2005). Thus, the tax expenditure for small businesses increased from \$55.6 million in 1999 to \$106.4 million in 2003. Further, the income threshold for the small business tax rate was increased from \$200,000 to \$300,000 in 2002. Thus, on top of the \$260 million lost in personal tax income tax reforms that helped the rich, the government lost another \$50.8 million by lowering the small business taxes between 1999 and 2003. These two tax reforms created \$310.8 million in tax cuts since 2000. The title of small business corporate income tax may itself be a misnomer. When people hear "small business" they usually think of the "mom and pop" store on the corner. However, the provincial government defines small business as "Canadian-controlled private corporations". Such a definition includes companies that are much bigger than just mom and pop stores.

Several recent provincial budgets have shown a "surplus". However, much of the surplus came from years of provincial government cutbacks under the Romanow government of the 1990s. These cutbacks represent a refusal by the NDP provincial government to replenish the social capital built up through investment and careful management in the province's systems of education, health, transportation, social services, culture, and rural infrastructure, not to mention the environment. When we remember how governments have been shirking their responsibilities it becomes clear, there was and is no surplus.

The idea that we should "spend" the surplus by cutting taxes was a shortsighted and irresponsible way to manage the province's physical, social, and economic environment. If the Saskatchewan government had not pursued an

irresponsible agenda of tax cuts to the wealthy and “small business” since 1999 it could have fulfilled its obligations to adequately fund social programs that communities across our province need.

Let’s look at what this irresponsible tax cut *really* cost. For many of us not used to large numbers it is hard to imagine what a \$310.8 million cut in Saskatchewan tax revenues might be worth to the provincial budget. What could have been improved if these tax cuts were not made? For comparison purposes here are the costs of some important programs.

Sask Prescription Drug Plan	\$200 million
Highway construction	\$85 million
Highway maintenance	\$136 million
Saskatchewan Crop Insurance	\$117 million
Entire Department of Education	\$552 million
Child Care	\$22 million
Entire Post-Secondary Education	\$358 million

(figures from Saskatchewan Estimates 2003-2004)

Obviously, cutting taxes is much easier than raising them. But if we undermine government revenues today, the programs they would have paid for will not easily be restored in the future. The ABC would go in the opposite direction. The aim of the revenue generation portion of the ABC is to bring the system back to the cornerstone of fair taxation: ability to pay.

PROGRESSIVE TAXATION

Governments raise revenue by taxing economic activity and wealth accumulation: there are taxes on income (personal and corporate), wealth (property, capital), and consumption (sales, tobacco, gambling). Governments also raise money by charging private companies rent on the use and exploitation of our natural resources. Sometimes called royalties, they are levied on oil, gas, potash, uranium, and other resources.

A key concept in fair revenue generation has been “progressivity” (i.e., those who are able to pay more should pay proportionately more than those who are less able to pay)—as the benefits one receives from economic activity rise, the percentage of those benefits paid in taxes should rise. In fact, the only truly progressive tax is the income tax. When we combine all of the taxes at all governmental levels and calculate their effect it becomes clear that we already have a flat, not a progressive, system of taxation. So if we make the income tax any less progressive than it is right now, we will make the total tax system effectively regressive. The same will be true if the government increased consumption taxes like the sales tax. That means the tax system will be taking money from the poor and giving it to the rich, exacerbating a dangerous trend already begun by the market. Plainly, if the tax system is not progressive, the wealthy will make off with the lion's share of these tax cuts. The ABC is strongly against cutting overall taxation. Rather the ABC’s main thrust is to start to move Saskatchewan’s revenue generation away from regressive taxes and towards progressive taxes. Under our proposals, low- and middle-income people would pay less and higher-income people would pay more. The following outlines the kinds of changes that are needed.

CONSUMPTION TAXES

General sales taxes (the PST): The rich consume more than the poor, hence they pay more sales tax. But as a percentage of their respective incomes, the rich pay less. So the PST is somewhat regressive and the more the province relies on such a tax for revenue, the more regressive the tax system is.

· *For the 2004-2005 budget year, we propose a 1/2 percentage point reduction in the PST (to 5.5%) but without any broadening of the PST base. This reduction in the PST will reduce the revenues of the ABC by about \$72.6 million.*

Gambling—A Tax by Any Other Name: Gambling is a consumption tax and is also the most regressive tax there is. It is an extremely profitable activity for both private and public providers, and study after study demonstrate it collects a much greater proportion of income from the poor than the rich. Although gambling revenues are often used for activities that accrue to the public good, the same could be said of all taxes; gambling revenues are no more valuable than any other revenue source. Gambling is said to be a “painless tax” in that the only people who pay the tax are those who want to. However, this is an illusion. Unlike many other forms of taxable activity, gambling has many deleterious effects on society and especially on the poor; gambling can become an addiction and lead to misery. People will always gamble but in depending on gambling revenues to bolster provincial revenues (to the tune of approximately \$200 million per year), the government is in the position of being both “addict” (by relying on these revenues) and “pusher” (by dealing in this substance to addicts). Moreover, because of the highly regressive nature of gambling taxation, revenue generation by this means amounts to a wholesale transfer of income from the poorer to the richer.

The ABC insists in the most forceful way that the government should get out of the business of pushing gambling and wean itself away from this noxious addiction, thereby setting an inspiring example for the rest of the country.

· *As part of a 10-year phase-out of gambling, the ABC is reducing its revenue from gambling this year by \$25 million. The provincial government should do the same.*

WEALTH TAXES

Residential Property Taxes: One of the most common forms of wealth tax is residential property tax. However, this is not a very efficient or equitable form of wealth tax. Indeed, several studies show that residential property taxes fall disproportionately on the poor. Right now, property taxes go toward municipal services and education. Roughly 60% of the costs of education in the province are paid for out of local property tax revenues and 40% from provincial general revenues. This is the highest such percentage in Canada, with some provinces relying fully on provincial funding for K-12 schools. The ABC has proposed and still proposes that this proportion be reversed i.e. 60% of education costs from provincial revenues and 40% from property taxes. This would mean that for Saskatchewan taxpayers on the whole, the amount paid from their taxes toward education would remain proportionately the same but that less would come from regressive property taxes paid locally and more would come from the more progressive income taxes paid to the province; thus the poorer would pay somewhat less and the richer would pay somewhat more.

· *The ABC would transfer approximately \$225 million of the funds currently collected in municipal education taxes to be collected by the provincial government through its more progressive taxation system (mostly income taxes). We call this the “Education Property Tax Offset”.*

Wealth Transfer Tax: In the early 1970s, the federal government transferred to the provinces the power to tax inheritances. Saskatchewan had this tax until 1976, but Alberta’s refusal to levy the tax made it difficult (but not impossible) for other provinces to continue to do so. Billions of dollars in tax revenue from the wealthy have been lost to the provinces over the years. This is a progressive tax. We strongly recommend that Saskatchewan implement such a tax, with an exemption on family farms and estates under \$2 million.

· *The ABC's very modest estimate is at least \$40 million could be raised through a wealth transfer (inheritance) tax.*

Corporation Capital Tax: Corporate taxes should be seen as a charge for the publicly owned infrastructure and services that corporations use in abundance. When a business is established in an existing community it takes advantage of the existing infrastructure, the services, and the well-developed market for its products. It hires employees trained by the local schools and universities. Thus, corporations have an obligation to support the community through proper levels of taxation.

There is a constant fear that corporations will leave the province if the government was to raise corporate tax rates or resources royalties and this mass exodus of business would paralyze our economy. However, these arguments are generally unfounded for two reasons. First, Saskatchewan has a primarily resource-based economy. If corporations were to leave the province they could not take our trees, potash, natural gas, minerals, wheat, or oil with them. Natural resources would remain after a corporation has left and could be extracted by another private company or a co-operative using seed money from the government. Further, as was done in the 1970s before Devine's privatization of SaskOil and the Potash Corporation of Saskatchewan, the government could use crown corporations to develop our natural resources and all of the profits would go straight to general revenues.

Secondly, for non-resource based companies, the decision to move away from Saskatchewan would be based on more than just the rate of taxation. Companies would have to consider the costs of moving in terms of building completely new infrastructure in their new location and abandoning existing infrastructure in Saskatchewan. Further, a Saskatchewan with accessible post-secondary education and free quality health care would provide companies with excellent human renewable resources and no costs related to the provision of health insurance for their employees.

The provincial government levies a capital tax on institutions with a minimum of \$10 million in capital. For corporations, this tax is charged at a rate of 0.6% of taxable capital, while financial institutions are taxed at 3.25% (0.7% for "small financial institutions"). In 2002, an additional \$5 million exemption was allowed, rising to \$7.5 million in 2004, and \$10 million by 2005 when the total possible exemption will be \$20 million. It will remove 100 corporations from the tax rolls and reduce the capital tax of all the rest. This threshold is the highest among the provinces.

· *The ABC would lower the threshold to \$2 million and estimate that an additional \$169.7 million could be collected.*

INCOME TAXES

Corporate Income Tax: Saskatchewan's corporate income taxes are no longer among the higher ones in the country. The rate on private Canadian-controlled corporations (called small business by the government) was reduced from 10% to 6% in 1999-2002, to 5.5% in 2004, and will drop to 5% in 2005. Meanwhile, the effective tax rate for manufacturers after the Manufacturing and Processing Profits Tax Reduction is only 10%. Other corporations are supposed to be taxed at a rate of 17%.

But Saskatchewan has a less visible method of kicking back a sizeable portion of the corporate tax it collects—tax expenditures. Tax expenditures are taxes which the government foregoes collecting and they should be regarded and recorded as expenditures. This budget item is usually well hidden. In last year's budget the government gave back almost half (49%) of the corporate income taxes that it raised.

Under the federal Corporate Income Tax system, corporations 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 so it is impossible to know how much tax will be received from year to year. Thus, this system of stockpiling tax credits creates extreme volatility in corporate income tax. Of course, the more tax credits a government gives out, the more volatile its corporate income tax revenue will be. As with the personal tax reform, the current fiscal crisis of the government is of its own making. To avoid such volatility in its yearly revenues the government must reduce its irresponsible use of tax credit schemes. These taxes foregone are gifts to capital that we can ill afford to make and which may well be of little use in encouraging economic activity.

· The ABC would cut corporate income tax expenditures by half. This would increase general revenues by approximately \$85.2 million.

Corporate Minimum Tax: Given how many profitable Saskatchewan corporations pay no taxes every year, a corporate minimum tax (such as exists in the US and Ontario) would appear to be essential.

· The ABC estimates that about \$20 million could be raised by the institution of a Corporate Minimum Tax.

Personal Income Tax (PIT): For more than a decade, changes to the Saskatchewan income tax system have not been driven by a desire to make the system more fair, progressive, and comprehensive. Rather, the need to generate income tax revenues to compensate for reductions in other forms of revenue and onerous debt has led to an unplanned mix of flat taxes, income surtaxes, and various tax credits.

In the past, provincial income taxation was tied to the federal tax categories. Now the two have been decoupled. There are advantages and disadvantages to the new system. On the one hand, the ability to move away from a federal income tax system that is rapidly becoming more regressive might allow Saskatchewan finally to have a more progressive income tax. For example, in the past, the tax brackets were determined by the federal system and they could not be made more progressive by the province although the province could set a more progressive level of taxation for each higher bracket. Another possible advantage is transparency. Rather than adjust the provincial tax system through the use of surtaxes, the provincial government can now set its own tax brackets, tax levels, and its own tax credits and these can be clearly distinguishable from those of the federal government.

But there may be practical disadvantages to provincial independence in income tax setting. Under the new tax-on-income system, taxing decisions of one province may impact indirectly upon the taxes of all the others, but that province is under no moral or political obligation to consider this effect. If one province, say Alberta, sets a low and not very progressive tax structure, will the other provinces follow this lead in order to “compete”? Although this may explain the reluctance of Saskatchewan to set a more progressive tax structure, we think that the claim at least is overblown.

Now that the province’s debt to GDP ratio has been significantly reduced and tax rates have been made independent of federal tax rates, the Government of Saskatchewan had the opportunity to revisit the tax system to deal with a number of problems. However, the government chose to give massive tax breaks to the wealthy with its “flatter” tax brackets.

Under the current system, every dollar of income is subject to tax and the personal tax credit is at a very low number. People who are at or below the poverty line cannot afford to pay income taxes. The system should ensure

this be the case. It can be achieved by enhancing the personal tax credit, or by working with the federal government to ensure the poor have zero taxable income. The elimination of the Saskatchewan Flat Tax was a positive step towards this goal.

The current federal tax brackets are extremely flat, with little difference between the provincial tax rates for any of the tax brackets (11% for the lowest to 15% for the highest). Further, the partial inflation indexation of tax brackets has eroded the real value of the income levels at which higher tax rates take effect. In fact, when combined with federal taxes, Saskatchewan's lowest tax bracket pays the highest rate of taxes in Canada, except for Quebec. At the same time the comparative rate for Saskatchewan's highest tax bracket is among the lowest in Canada.

The ABC would reverse the irresponsible tax cuts of the Saskatchewan government. In Saskatchewan, the highest income tax rate is applied to incomes of approximately \$103,000. The income tax rate structure could benefit from an increase in the number of tax brackets, making the tax brackets more progressive, a lowering of tax rates on incomes less than \$40,000, and an increase in the highest tax rate. More careful study and planning is needed

- *The ABC would undertake a review of the Saskatchewan income tax system and establish a Federal-Provincial Working Group to make the income tax system fairer.*
- *As an interim measure the ABC would add two new higher income categories. This would raise approximately \$5 million in additional revenue.*
- *As a further interim measure the ABC will begin to undo the government's tax cuts to the wealthy by making our personal income tax brackets wider and more progressive. ABC changes to personal income tax would generate \$40 million in revenues.*

NATURAL RESOURCE REVENUES

Over the past two decades, billions of provincial public funds have been spent on resource mega projects in the energy, mining, hydroelectric, and forestry sectors, most of which have involved collaboration with and dependence on multinational companies. These mega-project developments create relatively few and very expensive jobs, and with technological change, more and more workers are facing layoffs in order to provide job security for a few.

All of these projects pose substantial environmental risks, but few, if any, provide a net return on the investment or sufficient job creation to justify the environmental or financial risks. This form of mega-project resource development mainly benefits the big multinationals and leaves the people of Saskatchewan with relatively few jobs, with debts, and with environmental damage. In northern Saskatchewan this type of development has led to major upheavals in traditional economies and huge social costs. The ABC proposals begin a process of reorienting the economy towards a more community-based and environmentally friendly form of development.

RESOURCE RENTS

The Province owns its resources. What must be determined is how we can gain the highest returns from that wealth, both now and in the future.

The ABC calls for a more environmentally and socially just approach to resource development. We would place a moratorium on future mega-project developments, especially in northern Saskatchewan (see below) while ensuring the people of this province get a fair return from their resources. A major part of Saskatchewan's debt has come from drastically reduced royalty rates on natural resource production throughout the 1980's and 1990's,

especially on oil and potash production (see table below). While oil, natural gas, and mining industries have recorded excellent sales and profits in recent years, the people of Saskatchewan are still coping with many severely under funded vital public services. To make matters even worse, the provincial government has continued to lower royalties and taxes, or give tax holidays for the oil and potash sectors despite extremely profitable years for both of these industries. In general, ABC policies regarding resource rents ensure a fair return to the province, and promote more environmentally sustainable development and inter-generational equity.

Table 6: Non-Renewable Resource Revenues

Allan Blakeney NDP Government (1979-1982):

Total government revenues—annual average	\$2,254 million
Royalties and taxes—annual average	\$707 million
Resource revenues as a percentage of total revenues	31.4%

Grant Devine PC government (1983-1991):

Total government revenues—annual average	\$3,302 million
Royalties and taxes—annual average	\$501 million
Resource revenues as a percentage of total revenues	15.2%

Roy Romanow NDP Government (1992-1997)

Total government revenues—annual average	\$4,838 million
Royalties and taxes—annual average	\$635 million
Resource revenues as a percentage of total revenues	13.1%

Additional resources that would have been raised if the royalty and taxation rates of the Blakeney period had been maintained:

(1) Grant Devine's government:	\$5.14 billion
(2) Roy Romanow's government:	\$4.999 billion
(3) Total lost revenues:	\$10.139 billion

Source: *Saskatchewan Energy and Mines Statistics Yearbooks, Saskatchewan Budget Speeches.*

Oil and Gas: Based on the royalty and tax structure in Alaska, Saskatchewan would collect an additional \$433.7 million for a total of **\$1,156.6 million** in oil royalties in 2004-2005. Similar increases in natural gas revenue would result in the ABC registering an additional \$118.8 million on top of the third-quarter projected revenues of \$198 million. The ABC's total revenue collection from the natural gas industry would amount to some **\$316.8 million**.

Potash: The ABC intends to raise potash rents to about one-fifth of the total value of sales (that is, back to the rent levels in the Blakeney era) generating about **\$190.2 million** in rents and taxes. This represents about \$78.3 million in additional revenue for the provincial government over the \$111.9 million projected to be collected by the government in 2003-2004 third-quarter report.

Uranium: The ABC will continue the 5-year process of phasing out uranium mining. While mining continues the ABC would substantially increase rents to help offset long-term environmental costs. We estimate that this increase in uranium royalties would general **\$2.9 million** in additional revenue for the province. In addition legislation should ensure that mining companies clean up the mine sites upon completion of operations.

Forestry: The ABC recommends that the government do a major review of the forest industry to examine the value of forests beyond pulp and timber and conduct a comprehensive socio-economic and environmental evaluation of the industry. Also, forestry should be managed according to the principles of the Forestry Stewardship Council (FSC). As a first step an immediate doubling of stumpage and royalties would generate an

extra *\$3.5 million* in general revenues.

TRANSFERS FROM THE GOVERNMENT OF CANADA

This is a very important part of the Saskatchewan provincial budget yet it is far too small and, what is worse, incredibly variable from year to year. Indeed, the formulae by which the transfers are calculated lack transparency, and the resulting dollar values are difficult to project and are not known far enough in advance to facilitate proper provincial planning. First, the Canada Health and Social transfer is too small. At an estimated \$645 million, it will amount to about \$650 per person in Saskatchewan. With the Federal Government in the middle of a \$100 billion 5-year tax cutting program, yet still turning up “surpluses”, there is no justification for it to be tight-fisted in its investment in provincial health and social programs.

Second, the Equalization Payment, as estimated by the provincial Government in its Third Quarter Report, will be only \$7.3 million down phenomenally from the \$172.3 million estimated in its 2003-2004 budget. Thanks to a study at Queen’s University, we now know that the drop is caused by the Federal Government “clawing back” over 100% of Saskatchewan’s increased revenues from resource royalties such as oil and gas. This has resulted from three factors. First, as in any income maintenance program, the higher a province’s income, the less support it receives—i.e., its net gain is its additional income less the support that was clawed back. Second, the exclusion of Alberta from the equalization “standard” makes Saskatchewan the resource rich province. Finally, these problems would be resolved if our province could move out of the recipient category. However, since Saskatchewan is part of the standard, any increase in revenues, while improving our position, also raises the standard that we need to meet.

This is a ridiculous situation! It encourages us to give our resources to the resource corporations rather than to use them as a public resource and tax them accordingly. The ABC urges the provincial government to enter into negotiations with the federal government and provincial counterparts to drastically revamp the current equalization system. In particular, we call for the inclusion of all, or a significant portion of, Alberta resource revenues into the equalization formula as well as the introduction of measures that significantly reduce the effective rate of claw back for provinces that experience increases in resource revenues.

EXPENDITURES

ECONOMIC SECURITY AND SOCIAL SUPPORT

INCOME SECURITY
SOCIAL HOUSING
COMMUNITY JOB CREATION
COMMUNITY BASED ORGANIZATIONS
ADVOCACY, LEGAL AID, PAY EQUITY
CHILDCARE / CHILD POVERTY
MINIMUM WAGE

The ABC advances a vision of *economic security and social support* for all people in Saskatchewan. Earnings in the labour market play a significant role in providing economic security for most people for most of their lives. However, we must also rethink the relationships between paid and unpaid work and economic security, as a means of enhancing social and financial support for all through public programs (in conjunction with fairer taxation, discussed elsewhere in this Budget). Increasing reliance on the labour market at a time when low-wage, insecure, and part-time jobs are becoming more and more predominant is contrary to the economic interests and social well-being of the residents of our province.

INCOME SECURITY PROGRAMS:

- *The ABC advocates an immediate review of social assistance rates with the intent of bringing them up to levels that meet real basic needs and the actual cost of shelter and then indexing these rates to the consumer price index.*
- *As a first step towards this plan we recommend a 20% increase in social assistance rates (a 25% increase in social assistance rates for persons with disabilities). This represents a total expenditure of approximately \$60 million.*
- *The government conduct a detailed feasibility study for the implementation of a Basic Income program that will guarantee economic security for all residents of Saskatchewan, regardless of their position (or lack thereof) in the paid labour force.*

SOCIAL HOUSING:

- *The creation of 2300 new social housing units in 2004-2005 at a cost of \$40 million*

COMMUNITY JOB CREATION:

- *The ABC would allocate \$20 million toward a Community Job Creation Program with a special emphasis on the cooperative sector.*

COMMUNITY-BASED ORGANIZATIONS:

- *The ABC would increase funding to community-based organizations by \$40 million over the next 4 years, with an immediate down payment of \$10 million in this year's budget.*

- 1.) *Equal pay with provincial government employees within four years.*
- 2.) *Funding for CBO agencies to recruit, train, and retain staff.*
- 3.) *Pensions for workers in day cares and early childhood development.*

4.) Funding for sick leave and other basic benefits.

ADVOCACY ORGANIZATIONS:

- *Allocation of \$.5 million to fund advocacy services for those who are most economically vulnerable, and who can benefit from advice and help in appealing social assistance decisions, resolving disputes with landlords, and other vital matters.*
- *Allocation of \$1.5 million to the Legal Aid Commission to handle some of the most difficult cases affecting access to justice for poor people.*
- *Allocation of \$1.5 million for the establishment of a Commission to oversee Pay Equity.*

CHILD CARE:

The day before last year's provincial budget, the government announced new resources for child care spaces and resources, and the first provincial subsidy increase for low-income parents in many years.

This was welcome news, but we still have a long way to go in comparison to other jurisdictions. Sweden provides childcare spaces for all children between 1_ to 6 years of age. In our own country, Quebec is moving toward a universal child care system, complemented with enhanced family support policies.

In the short term, the ABC would build on provincial enhancements with the following proposals:

- *\$3.3 million toward further raising the provincial subsidy for low-income parents.*
- *\$500,000 toward increasing education and training resources in the child care field (i.e. workshops, conferences, staff development, and training).*
- *\$500,000 to enhance special needs grants and to assist early identification and intervention in special needs children in all child care settings.*
- *\$250,000 to general resources, equipment, and the provision of services currently provided by some child care programs (e.g. lunch programs).*
- *\$250,000 seed money to develop a 5-year plan for the orderly development and implementation of a comprehensive family care policy, and the accompanying support services, which children and families have long-needed and awaited.*

CHILD POVERTY:

Since 1989, when the House of Commons unanimously committed to eliminating child poverty by the year 2000, Canada's child poverty rate has grown nationwide from 14.4% to 16.5%. Although Saskatchewan has seen a drop in the child poverty rate from 20.1% (1989) to 18.1% (2000), the level in Saskatchewan has remained higher than the national average. The depth of child poverty in Saskatchewan has decreased somewhat as well, but most poor families are still living well below the Low Income Cut Off line (LICO). While a reduction in the level and depth

of child poverty is welcome news, the slow progress indicates that at the present pace child poverty will not be eliminated anytime soon.

The federal move to reduce and limit redistributive transfers to the provinces and the provincial dependence on labour market solutions have not helped the many poor families who rely on social assistance. The stagnant social assistance rates and the dollar for dollar replacement of the children's allowance portion with the Canada Child Tax Benefit have excluded the poorest children, those who come from families that are not participating in the paid labour market. The high rate of child poverty is also a product of low wages. In a United Nations comparison of 14 rich nations Canada has the 13th highest percentage of low-wage workers. With 29% of workers receiving low wages in Saskatchewan, the situation here is even worse than the dismal national average of 23.7%. Saskatchewan is falling far behind Canada and the rest of the rich nations with both a higher than average child poverty rate and percentage of low-wage workers.

The child poverty rate in the province would be even higher without the existing social programs. In order to really address child poverty, these social programs need to be built on redistributive federal transfers and should include those on social assistance. The solution would also include a commitment to higher wages, food security, provincial housing policies, access to transportation, and childcare, and a focus on the needs of Aboriginal children. A serious effort to reduce child poverty in Saskatchewan is a necessary social investment for the future of the province.

MINIMUM WAGE

While not a budgetary item, the minimum wage is closely tied to poverty reduction and any increases in social assistance benefits. In 2002, the Government of Saskatchewan increased the minimum wage by 65 cents to \$6.65 per hour. This was significant progress. However, 2 years have gone by and it is time to make another increase. It would now take a minimum wage of \$7.75 per hour for an individual working full-time to reach the LICO line.

The ABC would immediately raise the minimum wage to \$7.75 and then index it to the Consumer Price Index.

COMMUNITY JOB CREATION PROGRAM

A good job with a socially adequate wage is the best protection from poverty; however, we need more innovative job creation strategies than simply providing more tax cuts for those who need them least. This strategy has only led to increasing economic inequality.

There are many valuable services that will not or should not be provided by the market. Therefore, we need job growth targets for the public, co-operative, and community sectors as well as the private sector.

There are many strengths to the community economic development and worker co-operative models. They strengthen the local economy because any profits remain in the enterprise to improve wages, create jobs, or invest locally. By maintaining local capital these models can unleash untapped developmental potential to create quality jobs in Saskatchewan.

The ABC would take back some of the tax breaks given to business and the wealthy and earmark the resources for community economic development and worker co-op initiatives in communities and neighbourhoods with high unemployment.

SOCIAL ASSISTANCE RATES

The inadequate levels of income support provided to our most economically vulnerable citizens is one of the most troubling social issues we face as a province. It has been 22 years since social assistance rates have had any relationship to cost of living indicators. The rates have rarely increased since 1982 while the cost of living has risen by 70% during the same period.

The adult basic allowance for everything except shelter and utilities is \$195 per month. This works out to only \$6.50 per day. The additional allowance for persons with disabilities is only \$50, and potentially a small mobility allowance. These rates make it impossible to meet basic needs and food bank usage continues to grow as persons on social assistance fall further and further below the poverty line. Studies by the Regina and District Food Bank consistently show that approximately 90% of food bank users are persons on social assistance and half are children.

Shelter allowances have also remained stagnant. There is a desperate need to raise these allowances to meet current rental costs combined with the enforcement standards for rental accommodations. The growing gap between rental rates and shelter allowances has forced people to cover excess shelter costs out of their basic allowances. Parents should not have to choose between paying the rent and adequately feeding their children.

The Building Independence Programs, including the Child Benefit and the Saskatchewan Employment Supplement have provided some additional supports for low-income working families with children. However, those children whose families are wholly reliant on social assistance are no better off than they were before since the Child Benefit rate is practically the same amount as the previous benefit for children on social assistance.

There is no doubt that the number of people receiving benefits from the Saskatchewan Assistance Plan (SAP) has dropped significantly over the course of the past 10 years. It should be noted, however, that 1993 was a high point for the welfare roles due to federal offloading of social obligations. Furthermore, as long as welfare rates are as low as they are, it is possible for persons to tie together limited income with the Building Independence Programs so that they are no longer eligible for social assistance but remain desperately poor. Then there are those people who have been left without income because it is decided that they have not done everything in their power to gain or maintain financial self-sufficiency. This includes people who have lost their jobs and have no other social safety net on which to fall back.

While the number of persons on the SAP has been declining, the number receiving assistance on Saskatchewan Reserves increased by 7,500 between 1992 and 1998. This is significant given that on-reserve benefits are based on provincial welfare rates.

Maintaining low social assistance rates and tightening eligibility is a cruel and illogical way of promoting labour force attachment. The vast majority of low-income people want to be productive regardless of income. Certainly, the vast majority of persons on social assistance are already productive in partial employment or activities that are not monetarily rewarded.

Persons on social assistance are raising children, looking after friends and family, and volunteering in the community. We must recognize and reward work outside of the labour market and redefine our concepts of productivity. Maintaining low social assistance rates only forces people away from productive time and time preparing for the labour market, and into time and energy spent on meeting emergency needs.

Let us stop the silly rhetoric about the disincentives of the so-called welfare wall, and start a dialogue around economic citizenship and the right to a fair share of the economic pie for all.

BASIC INCOME

In recent years there has been a resurgence of the idea of Basic Income. A Basic Income would provide an unconditional, adequate income to ensure a life with dignity and self-determination to every adult person. Basic Income would not be taxed, and would not prevent individuals from receiving additional categorical forms of assistance that they may require (eg., disability allowances, child care subsidies). Basic Income would provide a floor of economic security for all individuals, to which they could add (if they so choose) income from the labour market, from entrepreneurial activities, or from investment. These additional sources of income would be taxed in a fair and progressive manner. Basic Income would provide financial recognition to those individuals who perform essential, socially valuable work that is unpaid, such as family caregivers and community volunteers and activists.

As a universal program, a Basic Income would not stigmatize low-income people the way that social assistance has. It would also remove the *means testing hoops* that individuals have to jump through in order to gain and maintain the income necessary to meet their basic needs. It would be the simplest way to ensure all citizens the means to a decent standard of living which is a moral and legal commitment we have under the United Nations Covenant on Economic, Social, and Cultural Rights.

Economic growth, in and of itself, has not provided a more equitable distribution of wealth nor a significant decline in the rate of poverty. A Basic Income would be the most direct redistribution of wealth to eradicate poverty.

A Basic Income would cut down on administrative costs by simplifying income security programs and bringing them under one umbrella. However, it need not displace public sector workers but allow more social workers to do what they are trained to do, which is social work and community development, rather than financial administration.

While a Basic Income may be slightly more expensive than the status quo in the short-term, it would significantly reduce long-term costs to our health, justice, and social systems through the eradication of poverty.

Public health experts are increasingly recognizing that poverty and the constant financial strain associated with it pose the most widespread threat to public health. A growing body of research also shows that inequality has a spillover effect that harms society as a whole. Beyond a certain minimal income, life expectancy and many quality of life indicators depend more on the internal distribution of wealth than on increases in overall income. Communities and the people in them are healthier if there is a narrow gap between rich and poor. A Basic Income could do wonders for our overall quality of life.

For those presently on social assistance, a Basic Income would provide a more generous benefit with less intrusion in their lives. It would grant greater security of existence and allow additional work revenue without penalty.

The working poor would also see an improved standard of living and the more generous and unconditional benefit would provide a better bargaining position for decent wages, employee benefits, and working conditions.

While the ideal would be to have a Basic Income Program at the national, and eventually the international, level, it does have to start somewhere. Saskatchewan has a rich history of creating progressive and universal social programs that have become models for the rest of Canada. The eradication of poverty in Saskatchewan through the implementation of an adequate and unconditional Basic Income would allow us to continue that proud tradition.

- ***The ABC allocates \$1 million toward an implementation plan for a Basic Income Program to be unveiled in 2005.***
- ***The ABC allocates \$58 million toward raising social assistance rates; a 20% increase for fully employable persons, and a 25% increase for persons with disabilities.***

ADEQUATE AND AFFORDABLE HOUSING FOR ALL

There are currently 33,000 government supported affordable housing units in our province. The Saskatchewan Housing Corporation (SHC) owns approximately 19,000 units, with the balance owned by non-profits, co-operatives, and private interests.

The 2002 Annual Report of the SHC outlined the Centenary Affordable Housing Program as a new initiative of SHC and the Canada Mortgage and Housing Corporation (CMHC). This program has targeted the creation of 1,500 new, affordable housing units over 5 years (an average of 300 units per year). Presuming this target is reached, this initiative will add less than 1% per year to the existing stock of social housing, and most of the government funding will come from the federal level.

The Saskatchewan government needs to play a much more significant role in ensuring adequate, affordable housing to all residents of the province as a social right. This is particularly true because, notwithstanding some recent announcements of federal funding for particular local projects, the Government of Canada has virtually abandoned its role in creating and sustaining social housing since the Martin budget cuts of the mid-1990s. Much more needs to be done by all three levels of government to rebuild our inventory of social housing through construction of new units, acquisition and renovation of existing housing stock, and affordable home ownership plans for low income people.

The ABC proposes allocating substantial provincial funds to increasing the quantity and quality of social housing units. This increased provincial funding, in concert with federal and municipal contributions, could significantly extend the availability of adequate, affordable housing to these priority groups:

- low-income individuals and families (including single parents and many seniors)
- Aboriginal communities (in larger urban centres, on reserves, and particularly in the north)
- persons living with disabilities who require housing that accommodates their particular needs

The ABC proposes the expenditure of \$40 million for the creation and acquisition of new social housing units during fiscal year 2004-05. In combination with federal funding and commercial mortgage money, this amount would create more than 2300 new units of social housing for the province.

SUMMARY: ECONOMIC SECURITY AND SOCIAL SUPPORT ADDITIONAL/ NEW EXPENDITURES***Income Security:******Increase in Social Assistance Rates: \$60 million******Affordable Housing: Creation of******Low-Income Housing Units: \$40 million******Community Job Creation Program: \$20 million******Community Based Organizations: \$10 million******Advocacy:******Increased Funding to Advocacy Groups: \$.5 million******Legal Aid Commission: \$1.5 million******Pay Equity Commission: \$1.5 million******Child Care:******Raising Provincial Daycare Subsidies: \$3.3 million******Increased Training and Education for Daycares: \$.5 million******Enhanced Special Needs Grants for Daycares: \$.5 million******Daycare Equipment: \$.25 million******Family Care Policy \$.25 million******TOTAL \$138,300,000***

HEALTH CARE

**PRIMARY CARE
HOME CARE
PHARMACARE
LONG TERM CARE
WOMEN'S HEALTH
HEALTHY WORKPLACES**

Our health care system and attempts to reform it have been at the centre of public policy debates in this province and across the country for a decade. Despite the fact that the Commission on the Future of Health Care in Canada (Romanow Commission) was given substantial endorsement in the 2003 federal budget, the recommendations remain largely unimplemented.

Increased funding dedicated to primary care, catastrophic drug costs, home care, information technology and telehealth, research, and diagnostic services has been extended to the provinces, although the details of these transfers are still being determined.

It is now widely accepted within health policy that a wide range of social and economic factors determine one's health status. These include income, social status, education, employment and working conditions, social and physical environments, social support networks, gender, and culture. These factors have more of a bearing on health status than the system itself. Any measures that weaken our social programs, increase inequality, or burden the poor and elderly with additional financial burdens such as prescription drug costs are counter-productive to good health.

Recently, the federal government has appointed a Minister of State for Public Health with the mandate to make the public health system across Canada stronger and more responsive and to create a new Canada Public Health Agency. The mandate will include preparedness for health risks such as communicable diseases. There is considerable interest by public health stakeholders in ensuring that health promotion and addressing health determinants are considered in this initiative.

Building and maintaining a strong universal social safety net, including a broader public health presence, is a critical part of creating a healthy society. Equally important is community development that emphasizes education, employment, public transportation, and clean water, as well as provides opportunities for fitness, recreation, and community involvement for its citizens.

PRIMARY HEALTH CARE REFORM

The government should enhance medicare by reforming primary care delivery and fully funding primary health services, emergency services, and home care, followed by long-term care, pharmaceuticals, and restoring the dental plan to ensure citizens have equal access to required health services without financial barriers.

If Saskatchewan is going to reform its primary health care delivery system, with the objective of greater emphasis on disease prevention and health promotion, primary care reform must not be limited to alternate payment schemes for physicians. Physicians are mainly trained to provide diagnosis and medical treatment to individuals who become ill. Health promotion and disease prevention, however, require us to address health determinants in

the community. For this task, we need a full team of health providers from various disciplines including pharmacists, nurses, nutritionists, social workers, mental health workers, and other health providers who have the skills and abilities to focus on prevention in the community, not to just provide services to individuals.

Under current funding policies, most of the funding for medical services is captured by fee-for-service payments to doctors. The proposed multi-disciplinary model of primary care delivery could not expand to serve significant numbers of patients without shifting the majority of family physicians from fee-for-service to salary. Without such a shift, the province will have to bear the increased cost and inefficiencies of providing two parallel primary care systems, one with salaried physicians employed in multi-disciplinary primary care clinics governed by health regions, as well as the present fee-for-service walk-in clinics.

Saskatchewan's fee-for-service walk-in clinics are popular because they have extended hours and are an alternative to busy emergency departments. But they do not provide continuity of care and are very expensive, partly because of high volumes of billings for minor or self-limiting illnesses. In fact, a Manitoba study in 1987/88 revealed that 13,794 patients who had seen a physician in a walk-in clinic saw another physician within 24 hours. Thus, real primary care, which is integrated with other community-based health and social services focusing on "whole population" needs, emphasizing preventive services, and delivered by a multidisciplinary team, remains elusive.

Saskatchewan citizens need access 24-hours/7 days a week to a full range of primary health care services, including telephone access to physicians, registered nurses, and other health care providers. Primary health care services should be provided in community health centre settings employing teams of multi-disciplinary and salaried health providers. Primary health care services would include:

1. access to health assessment, illness prevention, and health promotion;
2. education and support for self-care, diagnosis and treatment of episodic and chronic illness and injuries;
3. primary reproductive care, palliative care, primary mental health care;
4. co-ordination and provision of rehabilitation services;
5. co-ordination of and referral to other health care services, including specialist services, home care, long-term care, supportive care in hospital, at home, and in long-term care facilities, and emergency services.

The fee-for-service system of remuneration for physicians provides inappropriate incentives to reward high-volume physicians instead of encouraging those physicians who attempt to incorporate health promotion and disease prevention within their patient care. Fee-for-service also contributes to a poor distribution of 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 inter-disciplinary 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 physicians.

Fee-for-service must be phased out in favour of a salaried model for Saskatchewan physicians. This will free physicians from the managerial and administrative duties associated with operating small businesses as well as reducing significant overhead costs that are needlessly duplicated in group and individual physician practices. It will also permit family physicians to work in concert with health regions and other health providers to meet the medical needs identified by the region and the community, as well as the needs of walk-in patients. Finally, it 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 ABC recommends that the principles of primary health care be embraced by the health regions and be implemented throughout the system. These principles include public participation, appropriate technology, accessibility, intersectoral collaboration, and health promotion. We also recommend enhanced partnerships between nurses, physicians, and other health care providers to provide more integrated services, and an increased number of initiatives for an integrated approach to primary health care in Saskatchewan.

The ABC would expand the number of community health centres (employing salaried physicians and other health professionals) to provide health services 24 hours a day, 7 days a week. Services should 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.

- *The ABC would allocate \$50 million for primary health care reform.*

HOME CARE AND EXPANDED COMMUNITY HEALTH SERVICES

As services that were traditionally provided in the hospital setting move to the community, costs of health care are being shifted to individuals and their caregivers. This leaves Saskatchewan citizens vulnerable to dramatic increases in the private share of pharmacy, long-term care, and home care costs, and creates the climate to expand for-profit health services. Privately funded services such as pharmaceutical drugs, and not the public sector, are responsible for most of the past decade's health cost increases.

According to the Saskatchewan Association of Health Organizations (SAHO), Saskatchewan budgets less for home care patients 75 years of age and over than any other province except Prince Edward Island. Translating these budgeted expenditures into expenditures per client (i.e., those who actually use home care services), we find that Saskatchewan Health spends less per client than any other province except Quebec. Many health regions are spending considerably more to provide home care services than they receive from Saskatchewan Health.

The provincial government should provide full funding for the following health services:

1. Home care inclusive of home support for chronic and long-term illness and disability.
2. Children's school-based dental program.
3. Rehabilitation and occupational therapy.
4. Ambulance services.
5. Midwifery.

The inclusion of these major services under public health insurance would reduce the overall costs of health services through the efficiency and purchasing power of a single-payer system, as well as make the system more efficient. For example, operating emergency medical services with half-public and half-private ambulance services is a patchwork system that cannot be effectively integrated with the rest of the health delivery system. Other inefficiencies in the system are the duplication of testing and adequacy of information sources. Expanded initiatives in electronic health record keeping could alleviate this problem.

- ***The ABC makes an initial increase of \$47 million to move towards fully funded and quality community health services such as: home care, mental health care, a children's school-based dental program, rehabilitation and occupational therapy, ambulance services, and midwifery.***

NATIONAL PHARMACARE PROGRAM

Saskatchewan citizens pay the highest deductibles for pharmaceuticals of all provinces. According to the SAHO, total government per capita spending on drugs in 1997 was the lowest in the country except for Newfoundland.

Seventy-five percent of respondents to recent Saskatchewan Health polling chose covering the most necessary and beneficial prescription drugs as their top priority. Only reducing waiting times for surgery and retaining and recruiting doctors and nurses received higher ranking. Indeed, pharmaceutical costs have skyrocketed in the 1990s. In the one year between 1999 and 2000 the cost of the Saskatchewan Prescription Drug Plan rose by \$15 million.

The federal government must institute a national pharmacare program emphasizing the use of generic and cost-effective drugs and reducing drug manufacturers' patent protection to reduce pharmacy costs. However, the alteration of drug patents and the institution of a pharmacare program may open Canada up to challenges under WTO and NAFTA rules restricting monopolies and securing foreign companies "Most Favoured Nation" treatment within Canadian government regulation. Thus, such an initiative must come from the federal government and must be done with the intention to alter or scrap international trade agreements prohibiting this important program.

The Saskatchewan government should not try to implement a province-wide pharmacare program. In the context of increasing drug prices, our tax money would simply go to lining the pockets of the shareholders of large multinational corporations. Further, such a program would not address the cause of the problem: the rising costs of prescription drugs which is cemented by international trade agreements that the federal Canadian government has signed.

Instead, the Saskatchewan government should strongly encourage the federal government to set up a national pharmacare program. Only when the federal government has a financial stake in funding drug costs will it examine ways to reduce the patent protection of large pharmaceutical companies.

- ***Lobbying the federal government to create a national pharmacare program must continue including demanding an end to "evergreening", or the practice of introducing minor variations in brand-name drugs to repeatedly extend their 20-year patent protection and preventing generic copies from getting to the market. In the interim, the ABC is promoting the accessibility of prescription drugs for all Saskatchewan citizens through reducing deductibles over the next 5 years and raising the income threshold at which low-income families receive full funding for prescriptions. Therefore the ABC would allocate an additional \$30 million to the Saskatchewan Prescription Drug Plan.***

LONG -TERM CARE STRATEGY

The number of seniors in the province is increasing at a faster rate than the overall population. Health Services Utilization and Research Commission (HSURC) predicted the province's population will increase by less than 1% in the next 15 years but that the number of seniors will increase by 7% in the same period. While our population is aging, traditional family support networks are disappearing as families become smaller and grown-up children

move elsewhere for education and employment opportunities. These demographic trends require the development of long-term care and supportive housing strategies for our province's current and future senior population.

Another important aspect of the Long-Term Care Strategy is the development of public alternatives to private personal care homes so that seniors have more options for supportive housing. Private personal care homes operate outside of the public health system and have proliferated since the provincial government stopped funding Level 1 and 2 nursing homes in the early 1990s. There is an obvious need for housing alternatives for seniors with light care needs in this province.

The ABC proposes the development of a publicly operated supportive housing system that operates within the health regions and ensures that seniors receive a continuity of care. Through the health regions, seniors will have access to a broad range of health providers who will ensure that their physical, mental, and social needs are being met. Once seniors require higher levels of care in nursing homes health providers who are familiar with their needs can assist in the transfer.

The ABC would increase the current level of funding to long-term care by \$5 million to improve staffing levels and lower residents' costs. As mentioned in the section under home care, we would also increase levels of home care services to seniors so that they could remain in their own homes for a longer period of time. As well, the ABC would provide a program for the relief of unpaid informal caregivers in the home and the community: \$2 million.

- ***The initial investment in this supportive housing system will be \$10 million.***

Summary: Total additional expenditures in long term care \$17 million

WOMEN'S HEALTH STRATEGY

Women make up more than half the population in the province, tend to live longer than men, and because of their reproductive and care giving roles have more frequent and different encounters with the health care system than men. Women also provide the majority of paid and unpaid care giving work in our society, and as such subsidize health care and social costs. Unpaid caregivers face many out-of-pocket expenses, often give up opportunities to earn income, and experience mental and physical fatigue, social isolation, family stress, and breakdown.

Despite the critical role that women play in promoting and maintaining the health of others, and despite the distinct health care needs of women, health planners often ignore gender in the planning, development, and delivery of health services. A study of Saskatchewan and Manitoba health planning found that neither the Saskatchewan government nor health regions used a gender perspective in the design, implementation, and evaluation of health services.

In 2000 the Prairie Women's Health Centre of Excellence consulted with a broad range of women's organizations, researchers, and advocates in Manitoba and Saskatchewan who collectively produced an Action Plan for Women's Health. The ABC supports the Action Plan and proposes the development of a provincial Women's Health Strategy that includes the following elements:

1. the creation of a Women's Health Unit within Saskatchewan Health that would incorporate gender analysis in health planning and programs: \$300,000.

2. the provision of tools and training in Gender Based Analysis for all health regions in the design, implementation, and evaluation of health services: \$200,000.
3. the creation of Women's Health Clinics in each regional health authority with initial emphasis on the north. Women's Clinics would provide a holistic, culturally sensitive, and women-centred approach to health care.

Other proposals throughout the ABC, such as increased funding to homecare, childcare, social housing, and proposals to reduce poverty are measures that also contribute to a women's health strategy by promoting overall social and economic well being. These initiatives should take into account the needs of specific populations of women, such as aboriginal women (First Nation and Metis), women living in poverty, women in rural and remote areas, women with disabilities, and immigrant women.

- *The ABC would allocate \$15 million for a women's health strategy.*

HEALTHY WORKPLACES STRATEGY

In line with the population health approach, the ABC recognizes 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.

A new 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.

The Strategy for Healthy Workplaces would include a variety of initiatives and programs under the auspices of several government departments. Through the Department of Labour, new workplace policies and legislation would 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.

The ABC would also 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. Clinics in Manitoba and Ontario have shown that detecting the cause of an injury in one worker at a specific site has frequently led to preventive measures for other workers.

Work is rapidly changing with the daily introduction of new technologies. Thus injuries and diseases are changing. We must keep up with these changes and continue to invest in wellness in all aspects of our lives.

In the health care sector, specific measures would be taken to create healthier workplaces. Since 1993 (with the exception of the year 1997) health care has been the industry with the highest number of workplace injury claims

with the Workers Compensation Board in the province. Many factors contributed to high injury rates. During the years of spending cuts and health care restructuring, employers reduced staffing levels at the same time that patient acuity increased, resulting in massive workloads and stress.

The provincial government announced in September 2003 it would create an Action Plan for Healthy and Safe Workplaces, hiring more occupational health officers, and raising greater awareness of regulations especially among younger workers. At this point, there has been no evaluation to determine the effectiveness of this Action Plan, or if it has been implemented.

Strategies to create healthier workplaces would improve the health of workers within the system and it would also have the effect of improving quality of care to patients. The ABC is proposing the following measures be taken in the health care sector: increase the number of full-time positions in the province (only 41% 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 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.

- *The total cost of the Healthy Workplaces Strategy, including the creation of a Workers' Health Centre, is \$20 million.*

SUMMARY: ADDITIONAL/NEW EXPENDITURE IN HEALTH:

Primary Health Care Reform: \$50 million

Home Care and other Expanded Community Health Services: \$47 million

Pharmacare: \$30 million

Long-term Care: \$17 million

Women's Health Strategy: \$15 million

Health and Workplaces: \$20 million

TOTAL: \$179 million

K-12 EDUCATION

Public education is a right and a social good. It is a sacred trust; a living and vital part of our democracy and our commitment to a shared democratic life. Public schools are the means by which a “public” is fashioned. They are open to the public and run by the public. Public schools should reflect the public’s wishes to mold its own future. Children should be prepared for good citizenship, taught how to access required and requested information, and readied for the work force. Public schools should provide students with the tools and critical awareness required to question society. It stated in the Summary of the Final Report entitled SchoolPLUS: A Vision for Children and Youth, “The task force advocates that student participation be central to the development and application of school policy”. If society wants children to participate in a democracy, those who work in public schools must teach and model it. Finally, it is imperative that discussions continue on how to better meet the needs of Aboriginal students.

The costs of K-12 education are shared by the provincial government through its grants to school divisions and from the local property tax base. Until the last decade, the province paid the majority of the costs of K-12 education, at one point covering 57% of costs in 1975/76. Throughout the 1990s, provincial operating grants to school divisions declined in real value and the provincial share of education costs dropped to a low of 40.4% in 1995/96. It was not until 2001/02 that provincial operating grants were above the 1991/92 operating grant levels adjusted for inflation. A decade of under funding has put pressures on local school divisions and the local property tax base. School fees place additional burdens on parents and create inequalities among students.

Although class sizes declined on average in the province from 22 to 20.9 students, there are still many large classes. Sixteen percent of urban schools have class sizes of over 30 students.

The province has also embarked on a progressive program of community schools and SchoolPLUS that recognizes the role of the school in society and the need for broader collaboration with other government departments such as social services, health, and justice.

We need to reinvest in our schools to provide the resources and supportive environment that is needed for our children to learn, fully participate, and grow to their full potential. Increased funding is needed so that we can eliminate school fees, reduce class size, provide resources to educators, implement the SchoolPLUS program, and provide fair compensation for support staff.

OPERATING GRANTS

In the budget of 2003-04, the government announced a \$15.3 million or 3.09% increase to operating grants for school boards. That increase barely maintains the status quo for operating funding. The ABC continues to advocate the gradual increase of operating grants to bring the province’s share to 60% of total funding for K-12 education. Recent initiatives such as SchoolPLUS require a significant increase to K-12 funding. To simply keep pace with inflation and not address the actual needs of K-12 education will only increase the gap between real costs and actual funding. In 1997/8 the operating grant was \$370 million: in 2003/4 the operating grant was \$509 million, an increase of only \$13.9 million or 3.6% in 6 years. That is 0.6% per year!

- ***Operating grants for 2004-05 must increase by \$39 million or 13% to provide for actual costs, to fund SchoolPLUS initiatives, and begin to move K-12 funding towards a 60% government share of education funding.***

CAPITAL GRANTS

In the 2002-03 Provincial Budget, the Educational Infrastructure Financing Corporation was created to provide ongoing investment for capital expenditures. At that time, \$40 million was placed into the fund. This was to be spent over a period of several years, depending upon the capital needs of each school division. That Corporation was dissolved after 1 year and in the 2003-04 budget the capital grant was \$16 million. This was \$11 million less than the \$27 million in the 2001-02 budget.

- *To bring capital grants back to appropriate levels, the ABC proposes \$36.9 million for capital grants.*

COMMUNITY SCHOOLS AND SCHOOLPLUS

The Community Schools Program began in 1980 to address problems associated with urban Aboriginal poverty. At its initiation, the program was developed in 11 elementary schools in Regina, Saskatoon, and Prince Albert. By 2000 the number of designated community schools had grown to 41. In its 2001/02 budget, the provincial government doubled community schools to 83 and expanded them to include high schools and rural schools. Two years ago the provincial government increased funding for an additional five community schools for a total of 88.

Community schools use a comprehensive approach to address the complex needs of at-risk students and remove the barriers to their learning. The schools encourage participation from the community so that the program meets the needs of the school and the community.

SchoolPLUS comes out of recommendations of the Role of the School Task Force that was established in May 1999 to examine the role of schools in society. The SchoolPLUS program builds upon the community-based philosophy of the community schools program and proposes to engage other government agencies to provide integrated services to children, youth, and families.

- *The ABC proposes to increase the number of designated community schools from 88 to 160 at a total cost of \$7.2 million. We will increase the base community schools grant from \$100,200 per school to \$110,000 per school at a cost of \$1.6 million for 160 schools.*

The ABC supports the Task Force on the Role of the School that recommended that \$44 million (\$40 million from education) be allocated to SchoolPLUS in the first year and \$70 million (\$53 million from education) per year for years 2002 to 2005. The Boughen Commission Report stated that “LEADS (League of Educational Administrators, directors and Superintendents), SASBO (Saskatchewan Association of School Business Officials), and SSTA (Saskatchewan School Trustees Association) voiced their commitment to the view that schools were, for the most part, the appropriate place to provide social, justice, and health supports to children and their families”. However, these groups, according to the report, were concerned that schools had been saddled with the additional responsibilities “without the appropriate level of resources”. (See *Special Initiatives* section of the ABC.)

CURRICULUM AND PROFESSIONAL DEVELOPMENT

K-12 Education in Saskatchewan is undergoing many changes but the fundamental principles remain the same. Publicly funded education:

- is intended to meet the educational needs of all children.
- must recognize and respect diversity among students, staffs, and communities.
- must shape and enrich the character and life opportunities of each student.

- must affirm a student centered, broadly based education to prepare students to become knowledgeable, caring, and responsible citizens.

Curriculum development and the professional development of educators provide the strategies, resources, theory, and infrastructure that support these principles. School Boards must be provided with sufficient funds to release teachers for professional development, to write and implement new and adapted curricula, and to advance the principles of equity and inclusion. These areas all require extensive and additional learning.

- *The ABC proposes an increase of \$4.8 million for curriculum development.*

THE BOUGHEN REPORT

At the beginning of January 2004, the Commission examining the funding of K-12 education released its report. One of the main recommendations of the report was the provincial government pay a greater share of the costs of education by increasing its funding from 40 % to 70% of total costs. The commission urges a \$300 million investment of new funds from the General Revenue Fund over a four year period (from 2005-2006 to 2009-10) and a corresponding reduction in the education portion of property taxes on average. The report recognizes the importance of a publicly funded and operated system but proposes that the increased government contributions should come primarily from an increase in the sales tax rather than from increased revenues from corporate and personal income tax and resource royalties.

- *The ABC supports the goal of increased provincial government funding to K-12 education but does not believe that the increased funding should come from regressive forms of taxation such as a sales tax.*

SUMMARY: K-12 ADDITIONAL / NEW EXPENDITURES:

- *Foundation operating grants: \$39 million*
- *Additional capital expenditures: \$36.9 million*
- *Community schools: \$8.8 million*
- *SchoolPLUS implementation—see Special Initiatives Section*
- *Curriculum and professional development: \$4.8 million*

Total: **\$89.5 million**

POST-SECONDARY EDUCATION

In 1999, both the NDP and the Liberals campaigned on promises to reduce the tuition fees paid by post-secondary students by 25%, that is, by approximately \$4000 over 4 years. Instead, the coalition government provided an after graduation tax credit of \$350, and has allowed tuition fees at our two universities to increase by about 60%.

In the 2003 provincial election, the campaign platforms of each of the three parties included commitments for increased financial assistance to post-secondary students. To what extent the NDP government will deliver on its commitment of an increase in the after graduation tax credit of \$1000 in its 2004-05 budget remains to be seen.

Increasing accessibility to post-secondary education regardless of one's ability to pay is the number one priority in this ABC: tuition fees at our universities, regional colleges, and Saskatchewan Institute of Applied Science and Technology (SIAST) will be eliminated over 5 years. A bursary to defray cost of living expenses for students is introduced in this budget. Co-op and other employment opportunities for students are expanded.

At the same time as fees have risen astronomically, students have expressed serious concerns about a decrease in the quality of their education. Student enrollments have increased and the number of faculty has decreased. Increases in operating grants to post-secondary institutions have not kept pace with inflationary costs over the past decade.

In this ABC, increases in operating grants are targeted to follow the students and to enhance the quality of their education by providing funding for more faculty and instructors. This budget provides additional funding for Saskatchewan's eight regional colleges, and for more places for students in key programs at SIAST.

STUDENT TUITION

Equal access to an affordable post-secondary education in Saskatchewan has suffered greatly over the past 5 years. The Federal government has cut about \$6 billion in cash transfers to provinces for post-secondary education over the past decade. In the last 4 years, the Saskatchewan government, de facto, has deregulated tuition fees at the two universities. University tuition and other fees have increased by about 50% in the last 4 years. Governments in BC, Manitoba, Quebec, and Newfoundland have frozen and/or reduced tuition fees in recent years.

Last year, average undergraduate student fees (tuition and additional compulsory fees) at the U of S and the U of R are \$4793, the third highest in Canada; 9 years ago, Saskatchewan students paid the third lowest fees, \$2436. Student fees have increased by almost 100% since 1993-94. The average debt load of university students in Canada has soared to \$25,000.

As student user fees have risen and public funding has decreased, post-secondary education has become less a public good and more of a private privilege for those who can pay. Redressing this inequity has been a priority of the ABC over the past several years. In Canada, 40% from high-income families attend university, while only 16% from low-income families attend. In Saskatchewan, the percent of poor 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 is critical for people: it leads to a good paying job and a better quality of life. It is also critical for our province: a well-educated and highly skilled population leads to economic growth and to social prosperity.

This ABC believes 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 the number one priority of the Saskatchewan government in its higher education policies. The best way to accomplish this is to reduce tuition fees at our universities, regional colleges, and SIAST.

• Therefore, the ABC dedicates itself to the elimination of tuition fees in 5 years. We estimate that Saskatchewan students in universities, regional colleges and SIAST will pay \$115 million in tuition this year. We will cut tuition by 25% at an approximate cost of \$29 million.

STUDENT POVERTY AND INCREASED COSTS OF LIVING

Tuition is not the only barrier to accessibility to post-secondary education in Saskatchewan. Students are also faced with an ever-increasing cost 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 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% 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% of young people in Canada. The costs of living for rural students attending university are prohibitive for a great many young people, especially those from low income families.

The allowance paid out by student loans just barely covers necessities and leaves students living at or below the poverty line. At the U of S and the U of R, food banks have now been set up. The solution is not, as some have suggested, to raise student loan allowances thereby permitting students to borrow more and increase their student debt. Rather, the solution lies in giving students' access to a reasonable small amount of extra money each month to defray their costs of living and avoid poverty.

• Thus, the ABC proposes the creation of a student cost of living bursary that students could apply for every year. This bursary would be between \$50 and \$200 a month for living expenses during the months in which the student is studying. We would make an initial investment of \$10 million into this new program.

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, especially within our crown corporations, during the summer. While these student summer jobs pay exceptionally well, they are rarely related to the student's area of interest.

While summer employment within our crowns should be continued, the ABC would look at other avenues to increase student employment and student savings. A fruitful option is the subsidization of work placement programs that would 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 get their degrees. However, in most cases, it is the student who pays to work. Another option is to have a job-sharing program between people who are retiring in 1 or 2 years and third or fourth year students who could eventually replace them. Such a program could provide a smooth transition between incoming and out-going workers as well as keep turnover costs down for organizations.

- *The ABC would allocate \$10 million to fund new and existing work placement programs for students.*

OPERATING GRANTS

At the same time as fees have risen astronomically, students have expressed their concerns about a decrease in the quality of their education. Student enrollments have increased, the number of faculty has decreased by about 12% over the last decade, and part-time sessional lecturers 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% of the undergraduate students dropout or fail;
- about one-half of the 2000 Aboriginal students dropout or fail;
- in a 2002 *Globe and Mail* survey of undergraduate students experience at their universities, U of S was ranked 23rd out of 29 universities overall; 22nd in “Quality of education” and 29th on “Quality of teaching”;
- 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 formula for distributing funding to the two universities;
- spending on scholarships/bursaries at the U of S has been and remains the lowest in the country among the 15 medical/doctoral universities; and
- spending on student services in 2001 at the U of S was 45th out of 47 universities in the country.

Increases in operating grants to the two universities have not kept pace with inflationary costs in the past decade: operating grants have in fact decreased by 11% on a per capita basis in constant year 2000 dollars. We acknowledge that the Saskatchewan government has provided better funding to our universities than is the case in most other provinces where operating grants have decreased by 27% over the decade on average in the country.

Operating grants from the province this year cover only about 60% of the total operating costs at our universities. Tuition fees now cover about 30% of operating costs; a decade ago, tuition fees accounted for 17% of operating costs.

Rather than increase its funding operating costs, that is, for the costs of educating students, the Saskatchewan government, pressured by the universities, has instead greatly increased its funding for research and capital building. At the U of S, for example, research funding from the province has almost quadrupled over the last 5 years and amounted to \$38 million last year. Current ongoing capital building projects at the U of S amount to a total expenditure of over \$300 million (about half of which is provincial funding, the other half is primarily federal funding for the CLS synchrotron).

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 heads of corporations now form a majority on the Board of Governors in both our universities which has led to an increase in research and programs designed to meet corporate rather societal needs.

The ABC recognizes the need for increased operating grants to our universities. However, such increased operating grants cannot be given to corporate-controlled Boards of Governors who would use such money to solve the problems of their own companies instead of those of students. Increases in operating grants must follow the students and must go to enhancing the quality of undergraduate education.

• *Therefore, the ABC will increase operating grants to universities by \$20 million, or by about 10%. However, we would “target” this increase in operating grants in the following ways:*

- 1.) *the hiring of new faculty where the student/faculty ratios are high: \$10 million.*
- 2.) *new lab equipment, computers, and library resources: \$5 million.*
- 3.) *undergraduate student scholarships/ bursaries: \$2.5 million.*
- 4.) *enhancement of student services: \$2.5 million.*

EXPANSION OF REGIONAL COLLEGES

Often one of the greatest costs associated with young students is moving away from home and paying the cost of living in an apartment in either Regina or Saskatoon. Alternatively, 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.

These very real circumstances illustrate the need to expand the community-based model of education within Saskatchewan’s eight regional colleges.

• *Therefore, the ABC would increase operating and capital grants to regional colleges by \$5 million.*

EXPANSION OF SIAST

The four campuses of SIAST 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 grants that it requires to meet the needs of a rapidly changing skilled workforce in the province. We have heard more and more about the needs for skilled workers in a variety of trades: in construction, manufacturing, information technology, and knowledge industries. An expanded number of places for students at SIAST are needed, as well as enhanced capacities to adapt to quickly changing workforce requirements.

• *Therefore, the ABC would increase operating and capital grants to SIAST by \$5 million.*

SUMMARY: ADDITIONAL/NEW EXPENDITURES IN POST-SECONDARY EDUCATION

<i>25% cut in Tuition for all post-secondary</i>	<i>\$29 million</i>
<i>Needs-Based Student Stipend</i>	<i>\$10 million</i>
<i>Student Employment</i>	<i>\$10 million</i>
<i>Targeted Increase in Operating Grants to Universities</i>	<i>\$20 million</i>
<i>Expansion of Regional Colleges</i>	<i>\$5 million</i>
<i>Expansion of SIAST</i>	<i>\$5 million</i>
<i>School Plus funding for Transition to Post-Secondary</i>	<i>\$.5 million</i>
<i>TOTAL</i>	<i>\$79.5 million</i>

AGRICULTURE

Commercial agriculture, dominated by multinational agribusiness corporations, continues to have deleterious consequences for viable prairie farm communities and, indeed, for any form of sustainable agriculture. Wheat no longer reigns. International wheat prices, reaching lows comparable to the Great Depression, drove diversification into oil seeds, specialty crops, and livestock. But there too, it was not without risks.

The move into beef cattle is a case in point. The growth in this sector, we were told, required a North American market. Massive concentration in the packing industry meant that a few, huge corporations could control farm prices, and discipline legislators north and south of the 49th parallel to the profit oriented requirements of a continental market. Now, that market has been seriously compromised by the outbreak of mad cow disease and border closings. Prairie cattle producers are in dire straights as a result of this over-dependency on shipping product south of the border. But so are farmers who raise other ruminants, most notably sheep, whose markets have also been ruined! Even if the market re-opens, this episode has demonstrated how unstable and flawed this kind of agriculture really is.

Corporate dominance alone can make the viability of primary producers doubtful. Recall the roller coaster ride that continental hog prices have been on. And on the inputs side, we now know from research at the University of Manitoba and in the U.S. that genes introduced through genetic modification of canola and other crops have contaminated many other seed stocks.

And here is an example of another threat. The conversion of vast tracts of rain forest to agriculture in Brazil is challenging Canada in international markets for our traditional cereal crops. Climate and the fertility of "new" land enable Brazilian farmers to produce three crops a year to our one. Indeed, the situation has persuaded the Brazilian Government to invite Canadian capital and producers to take advantage of the new opportunity.

While farmers suffer, so too do many urban consumers. Their food supply is not secure to say the least! Too often it relies on unknown, distant producers whose circumstances farmers can scarcely understand; on the relentless pursuit of profit by multinationals; and on regulatory and transportation systems whose periodic breakdowns undermine farmers' faith in the quality and health of their food. Mass-marketed food from distant sources may be not fresh, of poor quality, in limited supply and little variety, and, on balance, not very nutritious. But consider too, one other glaring aspect of this situation. It is 22 years since the first food bank opened in Edmonton. It was to be a temporary measure. But there were 639 food banks in Canada last year! In 1 month they served over three-quarters of a million people. That was a 106% increase since 1989. Thirteen per cent had jobs. Almost two-fifths (39%) were children. Last March, almost 17,000 people used Saskatchewan's food banks.

It is time we began to realise that these two problems—insecure farmers and insecure consumers—are connected. A long-term solution is required, a task the ABC proposes to examine in the months ahead. To start, we have adopted the theme of "food security" to compliment the theme of "farm sustainability".

FOOD SECURITY

Food security means that all people at all times can acquire safe, nutritionally adequate, and personally acceptable food in a manner that maintains human dignity. Bluntly, people—all people—have a right to good food. The ABC approach to food security furthers the priorities in *Canada's Action Plan for Food Security* which fulfils Canada's obligations to various United Nations covenants and summits on world food security. Strong multi-sectoral

partnerships of government and all levels of civil society will shape policy and program commitments related to food security.

A key priority is to put policies in place to monitor the right to food security and begin to lay the groundwork that will move toward realization. Initially, a provincial “food charter” will be developed complimenting those of the cities of Saskatoon and Prince Albert. Food charters begin the organizational process and underscore the relationship between our food supply and justice, sustainable production, trade, health, culture, and community development. But the ultimate goal is to radically shorten the distance between farm producers and consumers. Depending upon local initiatives this may mean encouragement of “community shared agriculture” projects, “good food centres” and “good food boxes”, enhanced farmers’ markets, changes in the transportation system for farm products, greater stability in urban food programmes, urban gardens, and at least a partial shift in farm production and the structure of farming including farm marketing structures and access to land and other capital resources. At the local level we envisage “Food Security Authorities” that are democratically controlled and responsible for overseeing the equitable sourcing and distribution of good food. Our specific proposals include:

1. Within the Department of Agriculture and Food, creation of a Food Security Secretariat charged with the development of food security policy and its implementation, including establishing farm and urban community marketing linkages.
2. Create a provincial Food Charter and local Food Security Authorities to cost share initial food security programmes.
3. Establish a farm income support program for farm families that accepts a long-term commitment to supply local food security programmes, or to reduce inputs by becoming certified organic producers, or by meeting acceptable criteria for reducing inputs of fertilizers, other chemicals, and genetically modified crops.
4. Move to re-regulate those farm markets under provincial jurisdiction.
5. Require that all raw farm commodities that move from the site of primary production to the processing sectors pass through public markets, and that there be full reporting and full discovery for prices and grades of farm commodities.
6. Through stronger legislation, administrative and, if necessary, financial support, encourage the formation of marketing boards for those commodities where none exist or have been recently decommissioned and strengthen those that do exist.
7. Encourage the regulation of markets under federal jurisdiction and support federal marketing boards such as the Canadian Wheat Board and boards in milk, eggs, and poultry even though some of these have stronger effects on farm incomes in other provinces.

SUSTAINABLE AGRICULTURE

True family farms are not large; they do not engage in industrial farming systems; and they are independent and not bound by input contracts, nor are they vertically integrated. Usually they offer genuine farm roles for all of the family members. And in a province like Saskatchewan there ought to be many of them and their numbers should not be declining. To show its support for this family farming the ABC proposes to:

8. Legislate a “Family Farm Protection Act” that encourages family farming, and limits agribusiness and corporate

farming.

9. Reallocate research and extension money away from biotechnology and high-input agriculture, to low-input, alternative farming systems and food security research. Establish a Provincial Centre for Sustainable Farming Practices.
10. Limit and control the growth of industrial farms, such as large hog barns, through direct legislation that:
 - a) prohibits corporate farms and prohibits the ownership of farm livestock by large packing companies,
 - b) sets environmental standards for farms that are the same as or consistent with the environmental standards of other sectors of society and,
 - c) sets standards for farm labour that are the same as or consistent with labour standards for other workers.

OTHER INITIATIVES

The dual themes of food security and sustainable agriculture identify the beginnings of a long-run framework needed to address the dual problems of insecure farmers and insecure consumers. But the past decades have also produced several pressing problems that need immediate attention within the long-run framework.

Transportation: The restructuring of the branchline network and grain handling system to suit the profit motive of rail and grain handling companies has increased shipping costs to farmers and caused havoc with the rural road network. The government must bring some order to the situation. We propose that the Government:

11. Purchase at scrap value all rail track in Saskatchewan scheduled for abandonment. The economic and strategic importance of these lines can then be properly evaluated and either leased to local co-operatives or other short line operators or, if necessary, scrapped.
12. Expropriate at demolition value all elevators scheduled for demolition or closed by elevator companies, then resell these elevators to local or regional co-operatives, and/or use them in food security programmes.
13. Raise taxes on high throughput elevators to slow their proliferation and help defray the cost of rural road repairs.
14. Lower the legal weight limit on trucks.

The initial estimated cost of these programs could be modest.

· If 1,500 miles of track were abandoned and the scrap value is estimated at \$40,000/mile, the purchase of track would be \$60 million. Much of this amount, along with the cost of maintenance, could be recovered over time hence the actual cost would be the interest on the original investment, perhaps \$3 million.

· The cost of expropriating abandoned or closed elevators at demolition value would be small, possibly \$30,000/elevator. Two hundred elevators could be acquired at a cost of approximately \$6 million. Since most of this amount would be recovered through the sale of the elevators to local or regional cooperatives, the budgetary charge would be mostly the interest charge, perhaps \$300,000 in total.

Crisis Management: A combination of governments' reckless moves to free trade agreements, undermining marketing boards, deregulating transportation, and food health concerns including mad cow, hormone use, genetic modification, and others, means that total Saskatchewan farm income was extremely low and by some measures actually negative in 2003. What can be done to preserve family farms?

There are good reasons for not saddling the provincial budget with the cost of farm income supports. The amount needed—perhaps \$1 billion—is far beyond the financial resources of the Province. For the Province to spend anywhere near that amount to support farm income while hospitals and schools are seriously under-funded would be inappropriate. As well, because federal cuts to agricultural programs, federal mishandling of world trade, and the federal termination of the Crow benefits are the major causes of the current farm income crisis, it is clearly up to the federal government to step in and solve it.

However, never ending negotiations between the provinces and Ottawa have brought us a stream of farm support programmes, all flawed in one way or another. The current version, the Canadian Agricultural Income Stabilisation (CAIS) Programme sets the support cap so high (\$3 million) that most of the funds will be distributed to the very largest of producers while under funding smaller family farms. Clearly this is unacceptable. Since the Province has already committed funds to these programmes, the ABC would commit no new additional funding. But it would negotiate vigorously to have the programmes changed.

Establishing New Farm Families: It takes capital and knowledge to start farming. Usually, only the children of the rich have the capital. Thus fewer farms survive from generation to generation. Against this trend, land banks assemble land and make it available to young families at affordable prices or rents so that they can start farming. Often they match the younger families with farming “veterans” who have the special skills and knowledge that can be imparted to the younger generation. Any program to make land available to farm families needs the stability offered by provincial legislation with strong financial resources. To this end, we suggest the ultimate reestablishment of a land bank where public domain is made available to young men and women on a reasonable rental basis, subject to sound conservation practices, and consistent with the goal of encouraging organic and low input agriculture.

15. Initiate policy discussions and research to re-establish a land bank.

16. Introduce a “Beginning Farm Families” program which will support new families entering farming.

EFFECTS OF THESE ALTERNATIVE MEASURES

We have no intention of trying to detail the changes to gross domestic product or to specify exact changes to incomes that our proposals would bring. The failures of commercial agriculture based upon corporate dominated and insecure international markets for family farmers, and the failures of a corporate dominated and insecure food system for urban consumers are linked. The government needs a new vision for the food system. Our programs intend to reduce these insecurities: to help to build rural communities by helping farm families achieve sustainability and by helping consumers acquire good, affordable food.

SUMMARY: AGRICULTURE PROPOSALS***Food Security***

<i>Create Food Security Secretariat and programmes</i>	<i>\$10 million</i>
<i>Reregulate those markets under provincial jurisdiction and require public markets.</i>	<i>No cost</i>
<i>Encourage the formation of marketing boards</i>	<i>\$1 million</i>
<i>Support Federal marketing boards and reregulation</i>	<i>No cost</i>
<i>Income support for organic and low-input farming, and farms in food security programmes</i>	<i>\$100 million</i>

Sustainable Agriculture

<i>Family Farm Protection Act</i>	<i>No cost</i>
<i>Redirect research funds to alternative agriculture, set up Provincial Centre for Sustainable Farming</i>	<i>No cost</i>
<i>Limit and control the growth of industrial farms</i>	<i>No cost</i>

Transportation

<i>Purchase abandoned branch lines</i>	<i>\$3 million</i>
<i>Purchase closed elevators</i>	<i>\$0.3 million</i>
<i>Increase taxes on inland terminals</i>	<i>\$1 million tax revenue</i>
<i>Lower truck weight limits</i>	<i>No cost</i>

Crisis Management*No additional cost****Establishing New Farm Families***

<i>Provide for Land Bank Policy</i>	<i>No cost</i>
<i>Beginning Farm Families Program</i>	<i>\$20 million</i>

Total Direct Additional Cost*\$133.3 million*

ENVIRONMENT

ENVIRONMENTAL RESTORATION EMPLOYMENT INITIATIVE (EREI)

Our Environmental Restoration Employment Initiative will address youth unemployment by providing both work and academic experience related to community-based environmental projects. Targeted youth will be between the ages of 18 and 24. The EREI will consist of a continuing apprenticeship/training program over a 3-year period. Young people will work in key areas of environmental monitoring and restoration, community rebuilding programs such as housing retrofit, and other forms of energy reduction and conservation. The program would also encourage youth to work on developing self-reliant economic cooperative initiatives such as the core youth neighbourhood initiative in Saskatoon that works on the refurbishing of bicycles and tree banding. The youth will work in clusters or teams on these projects.

Other key elements would be a north and south cross-cultural link, or a rural and urban link, facilitating work exchanges between these areas. At the end of the 3-year program, young people would be eligible to receive a certificate showing that they have experience in areas like environmental monitoring and conservation. This program could be run through the New Careers Program and could also be affiliated to SIAST so as to provide a recognized academic component. The Environmental Restoration Employment fits into the ABC's overall job creation strategy. Key to the success of this program would be community willingness and involvement in the specific environmental projects that the teams take on. The projects must have broad-based community support to facilitate involvement and a sense of ownership of the work being done in the community.

- ***The ABC holds that providing jobs and education for youth is a major priority and therefore will commit \$10 million towards the Environmental Restoration Employment Initiative.***

ENERGY CONSERVATION DEVELOPMENT AUTHORITY

The ABC will reintroduce the Energy Conservation Development Authority (cut in the 1996 budget) with a mandate to examine all energy options for the province and to evaluate strategies for meeting future needs. The Authority will resume researching different options for energy conservation as a substitute for increased energy producing capacity. It is important to recognize that energy conservation can be a great employment creator in that it has been shown to create four times the number of jobs per dollar invested as new energy projects. Thus, the authority would provide critical research support for the planning of the government's job creation strategy. It will also look into the feasibility of alternative and renewable forms of energy for Saskatchewan.

- ***The ABC will allocate \$2 million annually for the Energy Conservation Authority.***

PROVINCIAL RETROFIT PROGRAM

The federal government has ratified the Kyoto Protocol that requires Canada to reduce its carbon dioxide emissions to 6% below our 1990 levels. Saskatchewan must be proactive and tackle our part of that package. Within the area of buildings and heating and cooling, this province needs to upgrade all buildings over time to at least the R2000 and C2000 levels. This program would provide incentives and other financial instruments to allow for everyone to participate in the program including municipal governments, northern residents, low-income earners, and seniors. This program would target some of its funds specifically for the north. The program meets four different ABC objectives:

- 1) improved, affordable housing,
- 2) energy conservation,
- 3) reduced energy demand, and

4) job creation.

- *The ABC will allocate \$7million to the retrofit program, \$2 million specified for the North.*

WASTE MINIMIZATION AND RECYCLING PROGRAM

This program would provide grants for community-based waste minimization and diversion programs and be funded outside the current Beverage Container Collection and Recycling System. It would encourage local initiatives to minimize waste and divert those remaining wastes into current resource cycles. It would encourage participation among municipalities, communities, and businesses. It would encourage economic development and build sustainable infrastructure in rural Saskatchewan thus attempting to keep young adults in their communities with jobs and a future.

- *The ABC would allocate \$5 million to this program for 5 years.*

CLIMATE CHANGE EDUCATION, ENERGY CONSERVATION, EFFICIENCY, AND RENEWABLE SOURCE DEVELOPMENT

The ABC recommends creation of a provincial *Climate Change Fund*. This fund would coordinate the province's collective efforts to adapt to the recognized need to reduce climate threatening practices. The subjects of importance to this fund are transportation, green energy, energy efficiency, public education, and adaptation to summer heat. Its broad goals would be mitigation, education, adaptation, and special projects.

The Saskatchewan Climate Change Fund would be given the mandate to manage the funds and expend its monies through a series of grants and investments. The fund would be expected to expand its funding and influence through partnerships and donations. A portion of the fund may work as a revolving fund with the investments repaying part of the investment like a loan.

- *The ABC would allocate \$25 million to the Climate Change Fund as proposed.*

TAX CREDITS AND DEVELOPMENT OF RENEWABLE ENERGY

Ratification of the Kyoto Accord means Canada and Saskatchewan will have to adjust to reduced energy use and limits on fossil fuel consumption. To achieve our goals a variety of economic instruments will be necessary.

Tax credits and other financial incentives have been used to promote fossil fuel exploration and development. Such economic incentives must now be employed to promote use and research in renewable energy technologies.

- *The ABC would allocate \$5 million to tax credits and other financial incentives for renewable energy development.*

SUMMARY: ADDITIONAL AND NEW ENVIRONMENT EXPENDITURES

- *Environmental Restoration Employment: \$10 million*
- *Energy Conservation Development Authority: \$2 million*
- *Provincial Retrofit Program: \$7 million*
- *Recycling Program: \$5 million*
- *Renewable Energy Development Tax expenditure: \$5 million*
- *Climate Change fund: \$25 million*

TOTAL: \$54 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. (1996 *Stats. Can.*) 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, and diverse. They are also low-income earners, yet highly motivated. There are hundreds of cultural organizations in Saskatchewan, some voluntary and some professional, from local recreation boards to the film industry. Government cultural funding supports many programs such as theatres, libraries, and museums, and individual artists.

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 the community. Culture has a direct impact on the vitality of other sectors such as tourism, education, and health.

FUNDING FOR THE CULTURAL SECTOR

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

Goal For Cultural Funding

The ultimate goal for cultural funding is to establish an allocation to culture of 2% of general expenditures to be achieved over 5 years. One percent allocation for *arts only* was the principle recommendation of the 1990 *Arts Strategy Task Force*.

As the ABC has made clear, 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*, the ABC maintains 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, AND RETARDED ACTION

There have been more than 12 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*”. A positive step has been the establishment of the Department of Culture, Youth, and Recreation (CYR) in 2001 which has given culture higher policy profile. Nonetheless, 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, the *Status of the Artist* (1993), proposes to give artists equity with other workers in such areas as collective bargaining, health and safety, 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 Commission**, an arm’s length body with representation from cultural workers. Its function would be to assist the implementation of the 1993 Report Recommendations and to act in 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 and projects. Yet funding for the Board has been inadequate for years. Emergency funding finally granted in ’03, extending to ’05, remains insufficient to meet the need for individual assistance, or the demand for project assistance.

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% of the amount recommended in the *Strategy*, but the government has been emphatic that the fund is not meant to be an adoption of the programs proposed in the *Strategy*. Much could be achieved without significant additional budgetary impact if the Department of Community Resources and Employment had sufficient personnel to work with the Cultural Industries Development Council towards these goals.

Multiculturalism is currently supported by the lottery-funded Multicultural Initiatives Fund (MIF) (\$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. The concerns these groups address are much broader, however. 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 would most logically conduct this inquiry. The information from this study would help to identify what we have in Saskatchewan that 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 ABC proposes:

- *The allocation of basic programming funds should be increased by \$3 million to the global budget of the Arts Board, \$.5million to the Multicultural Initiatives Fund, and \$1 million to SaskCulture to enable these agencies and programs to meet basic development demands.*
- *The allocation of funds to arts organizations to recruit, train, and retain staff with a target of equal pay with provincial government employees within 4 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 the strategy.*
- *The provincial centennial in 2005 will be the first of a series of such celebrations for communities and organizations across Saskatchewan. The ABC proposes an annual fund of at least \$1 million must be established to support these centennial initiatives in arts, culture, and multiculturalism.*
- *The Saskatchewan School of the Arts was cut from provincial funding. The ABC proposes a \$1 million expenditure on professional development and training programming.*

RESEARCH FUNDING AND NEW INITIATIVES

The CYR Department enjoys the collective wisdom of the community through the reports prepared over the last 15 years. Much of this research needs updating, as it becomes increasingly difficult to speak of the cultural impact within the province in current terms. The community has contributed greatly to research but it is now time for the Department 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 increases in Department staff resources.

EXPENDITURE SUMMARY:

Basic Programming:

Arts Board programming (added to the promised funding): \$3 million

SaskCulture programming: \$1 million

Multicultural Initiatives Fund: \$.5 million

Professional development and training: \$1 million

Centennial program funding: \$1 million

New Initiatives/Research:

Status of Artist Commission, implementation of equity programs: \$1 million

Pay equity for culture sector workers: \$1 million

Cultural Industries Development Strategy implementation: \$.5 million

Cultural research program: \$.5 million

Immigration Strategy: \$1 million

Total ***\$10.5 million***

MUNICIPAL GOVERNMENT AND TRANSPORTATION

PROPOSALS FOR MUNICIPAL/PROVINCIAL TAXATION AND REVENUE SHARING

In addition to shifting municipal taxation schemes over the last 2 decades, there have also been longer-term shifts in revenue generation and cost sharing by the provincial government related to the municipal sector. These arrangements will never remain static, but they must be re-examined in light of the principles of progressive and fair taxation policies. Certainly these arrangements have considerable impact on budget decisions made by the province, and so are included here in the ABC.

The most significant item impacting on the municipal/provincial budget relationship is education funding. In 1978, the municipal share of education costs was around 40% of total; this increased to 50% by 1990 and now stands at approximately 60% of total funding. As a result of this shift to municipal property taxes, education now represents the major cost to which property tax revenues are applied. Frequently education is now a larger budget than all the municipal services such as police, fire protection, public works, parks and recreation, and general local government combined.

In round figures, the total K-12 education costs are in the range of \$900 million. Over \$500 million (approximately 60%), is paid by local school boards with revenue generated through municipal property tax. If a shift were made to reverse the 60-40 cost sharing and have the province assume 60% of the total cost, the extra cost to the province would be about \$180 million. This is the amount which will be added to provincial revenue requirements.

Western Canadian municipalities establish property values based on market value, a system used throughout North America. This is considered to be the fairest and most equitable system. This principle has been upheld in recent court decisions in B.C. and Alberta.

Property taxation is an ad valorem system, where individual owners of more valuable property in a class of property pay a greater share of property taxes than owners of less valuable property of the same class. We strongly oppose the options, provided by the 1997 Reassessment Review Committee and adopted by the province, that allows municipalities the option of implementing a minimum or base tax, regardless of the value of the property. Several smaller cities in Saskatchewan took up this option by imposing a base tax on all their municipal property assessments. Other cities discussed and rejected the option.

A base tax results in higher taxes for lower valued property than would be the case in an ad valorem system. Both taxes involve the shifting of the property tax burden from higher valued property to lower valued property. They are both more regressive than the existing ad valorem property taxation system. The ABC proposes that the option for base tax imposition be removed from municipal tax options effective April 2004. Further we propose that municipalities which applied a base tax option, be given notice that base taxes be eliminated within 2 years, (by March 31st 2006.)

With regard to jobs, the ABC recommends that all essential services continue to be staffed directly by municipal workers and are neither privatized nor contracted out to private contractors. It is our strong belief that perceived short-term cost savings gained by contracting out to the private sector represents a long-term economic loss to the community as profits can be transferred out of the community and out of the province.

Another major recommendation of the ABC is that a provincial revenue sharing pool for operating grants to municipalities be re-established. The pool should be based on a percentage of provincial revenues from all taxes and royalties and should include an equalization formula to assist communities with low average property assessment values.

The revenue sharing pool of the province has been reduced by more than 40% since 1984. We estimate that restoring the pool to its pre-1986 level of contributions would require an injection of an additional \$100 million per year over the next 5 years.

- ***Therefore, the ABC makes an initial commitment in this budget year of \$32.5 million. These grants should be linked to community-identified needs, and support local goods production, with jobs at public sector wage rates.***

It is the position of the ABC that services to property and emergency services (police and fire) should be funded from the municipal property tax assessment on the basis of property market value. As such, we support the general tax principles embodied in the recent reassessment of municipal properties and believe this provides a fairer and more progressive basis for funding these services in the future.

The ABC also recommends that for the major social policy areas of health, education, housing, public transportation, and social planning, the primary funding should come from income tax, taxes on corporations, and royalties on natural resources of the provincial and federal governments. Minor funding (5%) of administrative support services and advocacy should be provided by the municipality for locally elected boards or advisory committees.

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 on-going basis.

- ***The ABC will dedicate \$17 million in additional funds to infrastructure improvements in the 2004-2005 budget year.***

MOBILITY FOR THE DISABLED

The Provincial Transit Assistance for the Disabled program (TFD) has not increased its funding levels for special needs transportation programs since 1992. While support has not changed, the demand has increased from \$2,300 in 1993 to \$4,520 in 1999. With no ability to increase vehicles in use or hours of service, the increasing number of registrations increases competition among passengers for trips.

- ***The ABC will increase the Transit Assistance for the Disabled Program by \$2 million (\$1,500,000 for the operating grant and \$500,000 for capital purchases).***

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 persons on social assistance was eliminated and has yet to be restored. At present, an adult on social assistance receives \$195 as a basic monthly

allowance yet the cost of a monthly city bus pass in Regina or Saskatoon is approximately \$50. Meanwhile, low income and physically challenged persons in rural Saskatchewan are often finding it extremely difficult to access affordable transportation to needed services. Transportation is quickly becoming the biggest problem for low-income citizens in rural parts of Saskatchewan.

Adequate mobility is an essential right for all persons to be able to participate fully in society as citizens, community members, workers, and consumers. Public transit is especially important for the mobility of many citizens who are economically, physically, and socially disadvantaged.

Providing affordable and accessible public transit and mobility for disadvantaged individuals is morally just and provides increased social and economic benefits for the entire society. It is ridiculous and unacceptable that in Saskatchewan cities or along Saskatchewan Transportation Company (STC) routes empty buses continue to run while there are people who desperately need to use them.

It is the position of the ABC that recreational, cultural, and leisure services and facilities should be funded through a major contribution from general revenues, *provincial or municipal*, with minor contributions from user fees, charged on the basis of ability to pay. We support a discretionary policy in setting user fees and rental rates for facilities that seeks to accommodate minor sports organizations and avoids barriers to participation by low-income families or individuals.

- *The ABC would make an initial contribution of \$5 million to create a program to subsidize the acquisition and operation of energy efficient public transportation units for citizens throughout Saskatchewan.*

SUMMARY: ADDITIONAL AND NEW EXPENDITURES FOR MUNICIPAL GOVERNMENT AND TRANSPORTATION

- *Increased Provincial Revenue Pool Operating Grants: \$32.5 million*
- *Infrastructure improvements: \$17 million*
- *Transit Assistance for the Disabled: \$2 million*
- *General Transit Assistance Program: \$5 million*
- *TOTAL \$56.5 million*

ABORIGINAL PEOPLES

Aboriginal peoples make up about 10% of Saskatchewan's population or number about 100,000 people. However, First Nations people have only half the annual income and an unemployment rate quadruple that of non-Aboriginal Canadians. Further, the percentage of First Nations people as compared to the percentage of non-Aboriginal Canadians on social assistance is three times greater. Such statistics confirm what all who live in Saskatchewan intuitively know: First Nations people are culturally, politically, socially, and economically marginalized within our society.

The ABC policy proposals relating to Aboriginal peoples are made in the context of Saskatchewan as a colonial society, deeply divided by race and class. The proposals are framed in the context of demographic realities as well as social justice norms. The fastest growing demographic group is young Aboriginals. Thus, Saskatchewan's economic, political, and cultural future will be shaped and experienced by today's Aboriginal children.

The ABC recommends that the Government of Saskatchewan move from treating Aboriginal peoples as liabilities, as primarily objects of federal jurisdiction and therefore of federal funding, to considering Aboriginal peoples as full citizens entitled to all the rights, programs, and privileges of citizenship. First Nations citizens additionally hold Aboriginal and Treaty rights for which the federal government has responsibility. Most of all, the Saskatchewan government must regard its Aboriginal population as valued human resources.

Opportunities must be developed to involve Aboriginal peoples in the public project and political culture of the province, in order to create the possibility of participation in and benefit from a shared economy. Saskatchewan must build a social consensus to enable these policies, most particularly in the non-Aboriginal community; and this must be an immediate as well as longer term goal.

As a measure of commitment to Aboriginal peoples in Saskatchewan, government should prioritize the following proposals.

ABORIGINAL ECONOMIC, HEALTH, AND EDUCATION FUND

The improvement of the lives of Aboriginal people in Saskatchewan must begin with economic development. A key to the economic development of the First Nations population is access to the lands and resources promised to them in treaties signed with the Canadian government at the end of the 19th century and beginning of the 20th. Thus, land claim settlements of Saskatchewan First Nations, with full transfer of natural resources, subject to federal and provincial environmental regulation, labour legislation, and human rights guarantees, must be completed. This process would include a provincial commitment to fund the purchase of privately held lands where appropriate and available, to settle claims, and to ensure appropriate transfer of natural resources.

The ABC proposes establishing an Aboriginal Economic, Health, and Education Fund that would be a fund to promote the economic well-being of Aboriginal peoples through the settling of land claims. Such a fund would provide additional provincial support for land claim issues not addressed by federal funding. In addition to an aggressive policy on settling outstanding land claims, an active provincial stance must be taken to settle "special" land claims where there is clear provincial responsibility. The Fund would provide for economic progress of Aboriginal people in Saskatchewan: access to land and natural resources.

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, consistent with the provision of these services to all Saskatchewan citizens. It would be the construction of a common public project between the Aboriginal and non-Aboriginal populations of Saskatchewan.

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 could be used for other specific community economic development initiatives that build economic and productive capacity in the Aboriginal population. Such programs should be based on a 25 year demographic projection of the availability of Aboriginal youth entering the labour force, using 5 year targets for education, training, and placement.

Further, the Fund would support job creation/economic development initiatives as well as education, training, and placement programs. These programs would be designed to provide training and jobs for Aboriginals when they exit from their training. Such programs could tackle systemic barriers to employment and training for First Nations people. One barrier is many Aboriginal people are automatically disqualified from certain programs by criteria that eliminate their participation; the requirement to be on Employment Insurance in order to receive certain SIAST training is an example.

The Fund would also set up an office with a modest budget to track the demographic data, the economic and technological trends, and pursue recruitment, retention, and successful training of people in designated sectors in the economy. The end result of the operation of the Aboriginal Economic, Health, and Education Fund would be the growth of a skilled labour force to suit the needs of the Saskatchewan economy and a reduction of out-migration (which incidentally has been almost exclusively non-Aboriginal) through the use of Aboriginal workers who have been largely unutilized in the existing economy.

SUMMARY: ADDITIONAL / NEW EXPENDITURES FOR ABORIGINAL PEOPLES

- ***The ABC allocation to establish the Aboriginal Economic, Health and Education Fund would be \$50 million. This funding would roll over from 1 year to the next allowing for the accumulation of funds for long-term projects.***
- ***The ABC also allocates \$1.9 million to administer the Aboriginal Economic, Health, and Education Fund and perform research related to building economic and productive capacity in the Aboriginal population.***

Total: \$51.9 million

JUSTICE

It is very clear from the public and media discourse that a major issue for Saskatoon and for the province as a whole is the justice system. In particular, the role of the police, their relationship to the community, especially the Aboriginal community, and the disproportionate jailing of Aboriginal people are factors in the perception of a malaise in the justice system. Moreover, the current justice system is both expensive and ineffective at dealing with crime prevention, the needs of victims, appropriate responses to criminal behaviour, and recidivism. Consequently, the ABC will attempt to address these issues.

1. Some Important Facts:

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

- At present, some 76% of jail admissions for adults in Saskatchewan are persons of Aboriginal descent (Statistics Canada, *Adult Corrections in Canada, 2001*). The proportion for youth offenders is roughly the same. There are multiple causes for this, including systemic discrimination, too much attention by the police and other authorities, socio-economic factors, and a higher proportion of the Aboriginal population in the high-risk age group for criminal behaviour, the teens and early '20's;
- According to a recent survey by the Crown, Legal Aid, Kilburn Hall, the Bail Supervision Officer, and youthful offenders themselves, between 60% and 70% of youth on remand are there because of what are called system-generated offences (breach of curfews, no drinking clauses, etc.), rather than new substantive criminal offences; anecdotally, the proportion of the adult court docket in Saskatoon that is system-generated offences is at least 50%;
- The police have a program, SHOW CAP, which pro-actively tracks offenders on probation, bail, or conditional sentence conditions to determine whether such conditions as curfews, no drinking, or attending school are complied with. However, the invariable response by the police when discovering violations is to lay criminal charges. There is no mechanism to assess whether some other intervention short of criminal charges would be appropriate or more effective;
- The effect of charges and convictions for system-generated offences is to greatly increase the criminal record of that individual. The criminal record is the single most important factor in sentencing. 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 will undoubtedly reduce the disproportionate jailing of Aboriginal people;
- **Although it enjoys widespread public and media support, the notion that more severe sentences decrease crime is absolutely false. The federal Department of the Solicitor General conducted a study which showed that incarceration actually increases recidivism by 6%; that is, we are making matters worse by jailing people. The Washington State Institute for Public Policy conducted a study of the costs and benefits of various forms of corrections programming. It found that boot camps actually increase recidivism by 10%; in contrast, community-based programming, especially those that intervene with very young children from high risk backgrounds, are much more effective and cheaper too. For a discussion, see Ross Green and Kearney Healy, *Tough on Kids: Rethinking Approaches to Youth Justice* (Saskatoon: Purich Publishing, 2003), especially at p. 236;**
- Saskatchewan currently spends about 85% of its adult corrections budget on jails and other correctional institutions. To jail a youth for 1 year costs approximately \$70,000. In other words, incarceration is very expensive and, as the previous bullet shows, makes the situation worse;

- Community policing and accountability to the public are not well-understood by the police, police commissions, municipal councils, or the public. Some basic education for all is essential but particularly for the police and police commissions and others involved with the justice system;
- Police commissions are often dominated by the municipal councilors who are appointed to it, rather than being citizen-led;
- When complaints are lodged against the police, the investigation of those complaints, at least initially, falls back to the police. Police commissions lack the resources to investigate themselves and there is therefore no independent investigation. In addition, because of police involvement in the investigation of such complaints, they must be lodged at the police station, which is itself a power deterrent to complaining against mistreatment.

2. Proposals for Changing Corrections and Policing:

With these facts in mind, we have developed the following proposals:

1. Community Policing and Training:

Policing in Saskatchewan needs to be changed to follow the nine principles of policing established by Sir Robert Peel (attached) and to move in the direction of community policing. To that end, the ABC would allocate additional money for education in community policing and restorative justice. Some resources should be supplied to the Saskatchewan Police College to incorporate training for police recruits on both community policing and restorative justice. However, that is not sufficient. Therefore, we also propose that additional academic courses and programs on these topics be established at the three Saskatchewan universities: the University of Saskatchewan, the First Nations University of Canada, and the University of Regina.

The University of Michigan has a program in community policing that could be studied and possibly adapted to Saskatchewan needs. The program could be a training program for police recruits, as well as have refresher courses for current police members and providing training for police commissions and others in the field. It would also be essential to expand the ambit of such a program to include restorative justice training, which could then be available to professionals in the corrections and community-based programming fields;

2. Changes to Police Commissions:

To address some of the limitations of civilian police commissions, the ABC recommends amendments to *The Police Act* to model that in some other provinces, where the membership of police commissions is entirely made up of citizens, rather than councilors, with the mayor as an ex officio member. In addition, police commissions should have an investigator position that is completely independent of the police and at a different location. Saskatoon and Regina are probably large enough to have such a position, which would be similar in nature to an ombudsman, but for smaller centres, the province should consider a provincial office of this type. It would be essential that the investigatory staff be completely independent of the police. To operate efficiently, however, the investigatory body should be empowered to refer minor matters back to the appropriate police authority while retaining the task of investigating more serious complaints against the police. Finally, training for police commissioners in matters such as community policing is an essential component, which could be addressed if the first proposal were adopted;

3. Screening before Charges are Laid:

The ABC proposes a variation on the Quebec model which sees all youth court matters first referred to a youth agency to determine whether to proceed with alternative measures or to send the matter to court. This model should be adapted to Saskatchewan, particularly in respect of Aboriginal offenders, and be extended to adult matters. A system of Aboriginal elders and/or screening agencies would be contacted by the police as soon as the basis for a charge was identified by the police. Initially, breaches of probation, bail conditions, and conditional sentence orders, other system-generated offences, minor property offences, and minor assaults could be handled in this way with a view of diverting many of them away from the court system. As we built credibility for the approach, we would seek to expand its mandate to more serious charges. In conjunction with this, the ABC sees no particular problem with programs such as SHOW CAP, but the emphasis must be switched from automatically laying charges to referrals to such an agency. Moreover, the gatekeepers for alternative measures programs should not be the police or prosecutors but an agency such as we are proposing;

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

Because 85% of the corrections budget goes to jails and institutions, yet actually increases recidivism, we strenuously argue for the transfer of a portion of this money into community-based programming, which is both cheaper and more effective. One immediate step would be to press the government not to rebuild the old part of the Regina Correctional Centre but to instead allocate that money for non-institutional programming. A part of this initiative must also be to provide the government with the data accumulated by the Washington State Institute for Public Policy, which evaluated various programs for their cost effectiveness. In addition, we think money should be diverted into such projects as:

- Community schools and programming, partly through SchoolPLUS (see *Special Initiatives*), to address the high drop-out 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. Incarceration has the unfortunate effect of being a recruiting ground for gangs; some initiatives to interact positively with youth susceptible to joining gangs would be far more cost-effective. Therefore, the thrust of 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. Saskatchewan has a high proportion of such victims who too often become engaged in criminal behaviour due to their poor impulse control, poor judgment, and susceptibility to the influence of others;
- Establishment of the youth (and, eventually, adult) agencies to screen police investigations to determine whether alternative measures are more appropriate than formal court charges;
- Implementation of the recommendations of *The Commission on First Nations and Métis Peoples and Justice Reform* should be a priority. Numerous studies have been undertaken into the particular problems facing Aboriginal peoples in their relationship with the police and justice system but, sadly, little change has occurred. It is now time to take these issues seriously. 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.

It is difficult to cost these initiatives. However, in 2003-04, the Corrections budget was approximately \$61.3 million for adult corrections, including \$48.5 for correctional facilities, and \$48.7 for youth corrections. In contrast, community-based programming under the auspices of the Department of Justice was only \$3.7 million, which included all such initiatives and the Aboriginal Courtworker program. Policing costs were \$86.5 million. It should be possible to divert a sufficient amount from these items to pay for the proposals above.

SUMMARY OF EXPENDITURES FOR JUSTICE PROGRAMS

- ***Education in community policing and restorative justice: \$5 million***
- ***Establish and operate a youth referral agency: \$2 million***
- ***Community-based programming: \$8.5 (\$4.1 for SchoolPLUS as recommended by the Task Force on the Role of the School [2001])***

Total: \$16.5 million

SIR ROBERT PEEL'S NINE PRINCIPLES OF POLICING

- The basic mission for which the police exist is to prevent crime and disorder.
- The ability of the police to perform their duties is dependent upon public approval of police actions.
- Police must secure the willing co-operation of the public in voluntary observance of the law to be able to secure and maintain the respect of the public.
- The degree of co-operation of the public that can be secured diminishes proportionately to the necessity of the use of physical force.
- Police seek and preserve public favour not by catering to public opinion but by constantly demonstrating absolute impartial service to the law.
- Police use physical force to the extent necessary to secure observance of the law or to restore order only when the exercise of persuasion, advice, and warning is found to be insufficient.
- Police, at all times, should maintain a relationship with the public that gives reality to the historic tradition that the police are the public and the public are the police; the police being only members of the public who are paid to give full-time attention to duties which are incumbent on every citizen in the interests of community welfare and existence.
- Police should always direct their action strictly towards their functions and never appear to usurp the powers of the judiciary.

- The test of police efficiency is the absence of crime and disorder, not the visible evidence of police action in dealing with it.

AFFAIRES FRANCOPHONES

La langue maternelle de 2% de la population en Saskatchewan est le français. Malgré tout, en 2000-2001, le gouvernement de la Saskatchewan a dépensé 4.9 millions de dollars pour *Le bureau de la langue minoritaire officielle de la Saskatchewan*, qui concerne l'éducation jusqu'à la douzième année dans les écoles francophones et les écoles d'immersion française pour anglophones, et 281 000 dollars pour l'*Office de la coordination des affaires francophones* qui est un service de traduction pour le gouvernement et un lien entre le gouvernement et la communauté fransaskoise. De cette façon, le total de 5.181 millions de dollars dépensés par le gouvernement de la Saskatchewan pour les affaires francophones équivaut à 25\$ par francophone de la province. Par contre, les francophones de la Saskatchewan contribuent par des millions de dollars en taxes au gouvernement provincial et constituent une part importante de notre héritage culturel. Tout comme dans d'autres régions du Canada, la survie de la population francophone du Canada est en danger. Le gouvernement de la Saskatchewan doit fournir aux francophones des opportunités de vivre dans leur propre langue et promouvoir la continuité de leur héritage culturel

unique. Le gouvernement de la Saskatchewan doit réaffirmer son support au principe du bilinguisme au sein de la société de la Saskatchewan et des services gouvernementaux.

PROMOUVOIR L'ÉDUCATION FRANCOPHONE POST-SECONDAIRE

Sous le régime présent du système d'éducation de la Saskatchewan, un francophone peut étudier de la maternelle jusqu'à la douzième année en français uniquement. Par contre, les universités et collèges de la Saskatchewan n'offrent ni programmes en français seulement, ni programmes bilingues (sauf le baccalauréat en éducation française). L'*Institut linguistique de l'Université de Regina* ou le *Département français de l'Université de Saskatchewan* offrent des cours de langue française seulement. Aucune des universités de la Saskatchewan n'offrent de cours dans les champs généraux d'étude en français. Conséquemment, un fransaskois qui veut continuer son éducation en français ou dans une institution bilingue est forcé de quitter la province.

L'Alberta et le Manitoba possèdent des institutions secondaires qui offrent l'enseignement bilingue ou en français seulement qui mènent à l'obtention d'un diplôme universitaire. La Saskatchewan doit suivre cet exemple et créer un système d'éducation post-secondaire accessible à la population fransaskoise.

- ***Le budget alternatif de choix alloue \$5 millions de dollars pour la création d'une institution au sein de l'Université de Regina pour enseigner les cours universitaires de base en français. Le but de cette institution serait d'offrir des programmes de baccalauréats bilingues dans le plus de disciplines possible.***

L'opportunité d'obtenir un diplôme dans les deux langues officielles améliorerait grandement les possibilités de carrière de la jeunesse fransaskoise et pourrait même attirer les étudiants d'autres provinces à l'Université de Regina. De plus, au fur et à mesure que l'institution s'élargirait et se développerait, elle pourrait également offrir un certain nombre de programmes en français seulement. Une telle initiative aiderait énormément à augmenter l'égalité linguistique pour le système d'éducation post-secondaire de la Saskatchewan.

LE FOND FRANSASKOIS DE LA SANTÉ

Une part fondamentale de la citoyenneté au Canada est l'accès à des soins de santé de haute qualité. Pour les francophones de la Saskatchewan, des soins de santé de haute qualité inclut des soins de santé en français. Par

contre, il n'y a présentement aucun programme provincial en Saskatchewan qui peut subvenir aux besoins spécifiques en santé de notre population francophone. Les fransaskois doivent trouver des médecins et des infirmières qui parlent français par leurs propres moyens. S'ils ne sont pas en mesure de trouver des professionnels de la santé qui parlent français, les francophones sont forcés d'expliquer leurs problèmes de santé dans leur langue seconde. Cela peut être une expérience terrifiante, particulièrement pour les citoyens francophones aînés.

Le gouvernement de la Saskatchewan doit commencer à fournir des services de santé dans les deux langues officielles du Canada.

- *Le budget alternatif de choix alloue \$2.5 millions de dollars pour créer Le fond de la santé pour les fransaskois. Les dépenses de ce fond seraient déterminées en consultation avec la communauté fransaskoise. La communauté pourrait proposer de nouveaux investissements pour le recrutement d'infirmières et de médecins francophones, la création d'ailes francophones dans certains hôpitaux ou la création d'un registre de professionnels de la santé francophones.*

FRANCOPHONE AFFAIRS

The mother tongue of 2% of Saskatchewan's population or 20,000 people is French. However, in 2000-2001, the Saskatchewan government spent \$4.9 million on *Le Bureau de la minorité de la Saskatchewan* (Official Minority Language Office) that deals with K-12 education for Francophone schools and French immersion schools for anglophones and \$281,000 for *L'Office de la Co-ordination des Affaires Francophone* (Office of French Language Co-ordination) which acts as a translation service for the government and a liaison between the government and the fransaskois community. Therefore, the total of \$5.181 million that the Government of Saskatchewan spends on francophone affairs represents only \$25 for each francophone in this province. Yet, the francophones of Saskatchewan contribute millions of dollars in taxes to the provincial government and constitute an important part of our cultural heritage.

The survival of Saskatchewan's francophone population is in danger. The Saskatchewan government must provide opportunities for francophones to live within their own language and promote the continued vibrancy of their unique cultural heritage. The Government of Saskatchewan must re-affirm its support for the principle of bilingualism within Saskatchewan society and within Saskatchewan governmental services.

PROMOTING FRENCH POST-SECONDARY EDUCATION

Under the current Saskatchewan education system, a francophone may take their Kindergarten to Grade 12 education completely in French. However, Saskatchewan's universities and colleges do not offer either French-only degrees or even bilingual degrees (with the exception of the B.A. in French Education). The Departments of French at the two universities offer only French language courses. Neither of Saskatchewan's universities offers classes in regular subject areas in the French language (with the exception of the B.A. in French Education). Thus, if a fransaskois wants to continue his or her education in the French language or even in a bilingual institution she or he is forced to leave the province.

Both Alberta and Manitoba have post-secondary institutions that offer either bilingual or French only university degrees. Saskatchewan must strive to follow this example and create an accessible post-secondary education system for our fransaskois population.

- ***The ABC allocates \$5 million for the creation of an institution within the University of Regina to teach basic university classes in French. The goal of this institution would be to offer bilingual Bachelor degrees in as many disciplines as possible.***

The opportunity to take a degree in both official languages would greatly enhance the career possibilities of francosaskois youth and even attract students from other provinces to the University of Regina. Further, as such an institution grows and develops it could also offer a certain number of French-only degrees. Such a step would go a long way to increasing linguistic equality in Saskatchewan's post-secondary education system.

FRANSASKOIS HEALTH FUND

A fundamental part of citizenship in Canada is access to high quality health care services. For the francophones of Saskatchewan, high quality health care includes access to health services in French. However, as there is currently no provincial program in Saskatchewan to deal with the specific health needs of our francophone population, francosaskois must attempt to find doctors and nurses that speak French on their own. If they are unable to find health professionals who speak French, francophones are forced to try to explain their health problems in their second language. This can be a terrifying experience, especially for our francophone senior citizens.

The Government of Saskatchewan must begin to provide the health services in both of Canada's official languages.

- ***The ABC allocates \$2.5 million to create Le fond de la sante pour les Fransaskois (the Fransaskois Health Fund). The expenditures of this fund would be determined in consultation with the francosaskois community. The community could propose new investments in the recruitment of French-speaking nurses and doctors, the creation of French wings of certain hospitals, or the creation of a registry of French speaking health care professionals.***

SUMMARY: NEW EXPENDITURES FRANCOPHONE AFFAIRS

Bilingual degrees: \$5 million
Health fund : \$2.5 million

Total: \$7.5 million

SPECIAL INITIATIVES

INTERNATIONAL TRADE

International trade agreements and agencies—General Agreement on Trade and Services (GATS), North American Free Trade Agreement (NAFTA), World Trade Organization (WTO), and Free Trade Agreement of the Americas (FTAA)—are not about freer trade but about creating international constitutions for capital. They undermine the Canadian and Saskatchewan governments' ability to act in our own interests. In particular the GATS will restrict provincial governments from enacting legislation and programs in critical areas—health, agriculture, post-secondary education, and the environment. It is critical these agreements and their lasting impact on public policy be understood by the general public. This requires full public debate.

- *The ABC proposes public hearings held to conduct democratic consultation on the effects of international trade agreements like GATS, the WTO, and the FTAA on Saskatchewan. The result of these consultations should then guide the actions of the international trade policy of the Saskatchewan government: \$500,000.*

WOMEN'S INITIATIVES

The Women's Secretariat was eliminated by the Saskatchewan government in 2002 and replaced with a minor agency under the Minister of Labour. The ABC would restore the Secretariat's function by creating a cross government agency for research and advocacy on issues of concern to women, with responsibility for advising on all policy initiatives originating in the government bureaucracy or from Cabinet. Further, the ABC would provide funding for priority women's program initiatives.

- *The ABC proposes restoration of a government research and advocacy agency on women's issues and increased program funding to address women's issues: \$3 million*

FETAL ALCOHOL SYNDROME AND EFFECTS

FAS-FAE is a health problem that has reached epidemic dimensions in Saskatchewan. The impact on families is horrific. Saskatchewan needs to attack this problem vigorously. The ABC would place \$5 million for health and prevention projects and \$5 million for a public health education campaign combined with support programs for affected families.

- *The ABC proposes health and social support programs for victims and families: \$10 million.*

SCHOOLPLUS PROGRAM

SchoolPLUS is a proposal of the *Task Force on the Role of the School* that builds on the community school concept. SchoolPLUS would provide integrated services to children and youth. The ABC endorses the program and proposes continued support to foster its implementation.

- *The ABC proposes continued support for SchoolPLUS: \$70.3 million.*

PUBLIC UTILITIES REVIEW COMMISSION

The ABC recommends the permanent establishment of a Public Utilities Review Commission to be responsible for regulating the sale of services provided by Saskatchewan's Crown Corporations (e.g. electricity, energy, gas, telephone, basic insurance, and public transportation). The Commission also has an important role to play as an advocate for public interest by actively seeking evidence from interested parties and the general public on the delivery of utility services.

In a recent review of the provincial Crown Corporations, the people of Saskatchewan clearly stated these essential services must continue to be provided by Crown Corporations rather than by private companies. They cite superior service, especially in remote areas, better rates, and the creation of jobs as important benefits to communities.

There is a need for increased awareness about Crown Corporations as a form of public investment. A Public Utilities Review Commission provides one avenue for strengthening public accountability by hearing and documenting evidence about the operation of Saskatchewan Crowns.

- *The ABC would reestablish the Public Utilities Review Commission: \$500,000.*

NORTHERN AFFAIRS—EQUITY FOR THE NORTH INITIATIVE

Addressing the underlying process and conditions of underdevelopment in northern Saskatchewan is a major priority of the ABC. In the drive to expand Saskatchewan's economy by allowing multinational corporations to develop resource-based mega-projects in the north, First Nations and Metis communities have been pushed aside, with increasingly limited access to the land and its resources, and with a resulting destruction of their traditional economy. While millions of dollars of wealth are extracted from the north through forestry and mining development, most northern communities suffer from high unemployment, poverty, and third world-like conditions. This has resulted in a situation of extreme inequality.

The ABC proposes a major initiative that will begin a process of developing greater "equity for the North". This program would begin examination of economic development proposals to reorient the economy of the north away from large-scale resource exploitation and toward smaller scale community-based, more self-reliant enterprises. The elements of the *Equity for the North Initiative* will consist of researching and identifying economic opportunities that will meet the needs of northern communities, both separately and as a whole. This will necessarily involve giving communities greater access to land and resources in the north. This process will only be effective if genuine community participation and decision-making is ensured. A northern economy based on these principles will not only create more jobs than are currently available with resource mega-projects but will also be much more culturally appropriate and environmentally sustainable.

This approach will more than offset the job losses associated with the phase out of certain mining. For resource projects in current operation, local communities must have meaningful and increased decision making authority within co-management boards.

Part of this process will consist of a major review, including socio-economic and environmental evaluation of Saskatchewan's forest industry. In addition, significant resources within some of the other ABC programs should be specifically set aside for northern communities. More resources must be devoted to assist the start-up of alternative community-based enterprises.

The ABC would reinstate the northern transportation and food subsidy to offset significantly higher costs of basic necessities for northern residents.

- *The ABC would launch the first stage of the Equity for the North Initiative: \$12.5 million*

SUMMARY: SPECIAL INITIATIVES

Total Budget: \$96.8 Million

VOLUNTEERS OF THE SASKATCHEWAN ALTERNATIVE BUDGET OF CHOICE

The Saskatchewan Alternative Budget of Choice is the product of many volunteer hours by a number of individuals from a variety of community organizations. Together, these individuals attempted to find progressive policies to meet the challenges facing Saskatchewan in 2004-2005.

If a small group of volunteers can produce a policy framework to address our province's problems in such a wide range of issues, imagine what a committed government could be able to accomplish!

The Saskatchewan Alternative Budget of Choice is coordinated, edited, and facilitated by the *ABC Working Group* and is published through the *Saskatchewan Office of the Canadian Centre for Policy Alternatives*.