

2003-2004
Saskatchewan
Alternative Budget of Choice:
A Budget for Communities,
By Communities

MESSAGE FROM THE BOARD OF THE SASKATCHEWAN BRANCH 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 a branch in Saskatchewan and an interim board was named for the task. The Saskatchewan Branch of the CCPA will monitor current developments in the Saskatchewan economy, study important trends that affect the lives of people within 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 Branch of the CCPA took on the coordination and facilitation of the Alternative Budget of Choice (ABC). The Alternative Budget of Choice was a project started by a group of community activists in 1996. Since then, an Alternative Budget 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 CCPA is happy to present the 2003-2004 Alternative Budget. We hope that this budget can be used not only as a tool to influence government decisions but also 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*

The Alternative Budget: After 8 Years

This is the eighth alternative budget prepared by the Saskatchewan Alternative Budget collective. Anniversaries are times of reflection. On this occasion it is well to remind ourselves of why we produce such documents and what they seek to accomplish.

Typically, official government budgets are presented as exercises in accounting: monies in and monies out. However they involve more than just numbers; or rather the numbers themselves are about more than account book figures. For a budget is a social and political document. It involves social choices. These necessarily address pressing public concerns and policy commitments. But they also express fundamental judgments about the kind of society we have and ought to have.

Embedded in the apparently technical language in which budgets are usually presented are claims about how the world works, claims about the forces that must be acknowledged and accepted if budgetary commitments are to be “practical” or “realistic.” Some of this is right on the surface, expressed in the dollars devoted to specific policy areas and in the decisions about how and from whom those dollars are to be raised. Much of it, though, is to be found in how the budget is presented, the kind of language in which it is set out. And it is also found in what the budget does not say. Both dimensions are particularly visible in the budget address with which a finance minister presents a government’s fiscal strategy, the ostensible rationale for the numbers outlined in the budget documents. They are often present as well in the so-called “budget papers” that may accompany the formal budget itself, that is, studies or position papers by the Department of Finance which is responsible for budget preparation.

At the core of any budget are a government’s taxation proposals. How a government taxes its citizens says much about its commitment to democracy and equality. A government that emphasizes user fees and sales taxes over income or wealth taxes promotes the interests of the more affluent over the less. A government that promotes tax cuts over the maintenance or expansion of public programs indicates in so doing that it favours the production of private goods and services over public ones.

Ultimately, a government can encourage the view that taxes are burdensome and are to be resented. Or it can support our expression of citizenship and a commitment to a vibrant public sector that can help bring people together in a community sharing valued ties with one another. These choices profoundly affect how we understand society itself. We can see society as a community from which we draw material, cultural and moral support. Or instead we can view it as an aggregation of otherwise isolated, self-contained individuals. These choices matter.

Showing why and how we make these choices has always been the challenge confronting the architects of the Alternative Budget. After eight years, the challenge is as urgent as ever.

Saskatchewan Alternative Budget Working Group

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.

Construction of a fairer tax system and the redistribution of the wealth gained from the province's natural resources is 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 needs 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 which 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 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 between 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 increased integration into 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 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 eighth Alternative Budget produced in Saskatchewan and the second budget to be co-coordinated by 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

The Saskatchewan Alternative Budget projects a 2.5% growth for 2003-2004. We propose a total revenue of 1.57 billion over the government's third-quarter projections for the 2002-2003 budget year.

This increased revenue will come from increased resource royalties for oil and gas, and increased taxation of large corporations and wealthy individuals. These will be offset by decreases of \$59.9 million in provincial sales tax and \$25 million in gambling revenues.

Total program spending in the Saskatchewan Alternative Budget will rise by 17 % or about \$1.1 billion over the government's third-quarter projections for the last budget year.

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

The ABC again calls on the government to adopt greater transparency and candor regarding funds retained by the Crown Investment Corporation, other crown corporations and the Fiscal Stabilization Fund (FSF).

This ABC seeks job promotion in health, environmental stewardship, housing, agriculture, community organizations, culture and education.

If the Federal budget now acknowledges the need to rebuild social programs after years of cutback the provincial budget can do no less.

Last year the government took a \$300 million dividend payment from Crown Investment Corporation (CIC) in the 2002-2003 provincial budget. The Saskatchewan Alternative Budget of Choice will do the same.

The provincial government has been silent concerning this issue. Perhaps it is time that people in Saskatchewan had a debate about the amount that crowns should be contributing to the general revenues of the province. Further in its third quarter financial report, the government revealed that once again it was drawing upon the Fiscal Stabilization Fund.

Leaving aside obvious questions of fiscal mismanagement, and levels of taxation and resource rents that are unfair and too low, this incident puts into question the whole reason for having the fund. The fund was supposed to be for a 'rainy day', that is to 'top up' government revenues to avoid a deficit if they were a bit short. However, if only three years after its creation, the government seems poised to cash the fund out, one must question the fund's effectiveness as a saving mechanism.

Our budget will have an impact on jobs in health, environmental stewardship programs, housing programs, agriculture, and community organizations, culture, and education. The Saskatchewan Alternative Budget of Choice for 2003-2004 is focused on beginning to rectify the results of years of cutbacks, under funding and

degrading our social and physical environments. It is surely no secret that the province's transportation system needs serious repair, our schools, hospitals and public infrastructure need substantial rebuilding, just as our social programs need to be repaired to suit the conditions of the twenty-first century. If Saskatchewan has a future – and we firmly believe that it does – then government must put back what it has taken.

This social reinvestment will create jobs in the sectors of our economy that support a healthy population in a healthy environment. With more people working, additional revenues will be generated through personal taxes and there will be concomitant reduction in social welfare costs.

The Saskatchewan Alternative Budget of Choice is a socially, environmentally and fiscally responsible budget. We encourage people to examine the numbers and consider the alternatives. To account for inflation and economic growth between the Government's Third Quarter Report in February 2002 and our revenue estimate for December 31, 2003 we have multiplied government estimates of the corporation, income and sales taxes by 1.875% (three-quarters of an assumed growth rate).

Table 1: 2003-2004 ABC Revenue Projections (in \$'000)

Revenue Source	Third Quarter Estimate Jan-03	2003-2004 ABC	Difference from Gov't 3rd Qtr
Corporation Capital	\$377,600	\$516,099	\$138,499
Minimum Corporation Tax		\$20,000	\$20,000
Corporation Income	\$169,400	\$217,401	\$48,001
Fuel	\$357,500	\$364,203	\$6,703
Individual Income	\$1,401,600	\$1,467,880	\$66,280
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	\$830,000	\$770,099	-\$59,901
Tobacco	\$173,000	\$176,244	\$3,244
Other	\$72,100	\$73,452	\$1,352
Taxes	\$3,381,200	\$3,875,378	\$494,178
Natural Gas	\$122,300	\$195,680	\$73,380
Oil	\$736,300	\$1,178,080	\$441,780
Potash	\$169,500	\$288,150	\$118,650
Other	\$49,400	\$55,800	\$6,400
Non-Renewable Resources	\$1,077,500	\$1,717,710	\$640,210
Crown Investments Corporation of Saskatchewan	\$300,000	\$300,000	\$0
Saskatchewan Liquor and Gaming Authority	\$332,300	\$307,300	-\$25,000
Other Enterprises and Funds	\$73,100	\$73,100	\$0
Transfers from Crown Entities	\$705,400	\$680,400	-\$25,000
Fines, Forfeits and Penalties	\$12,900	\$12,900	\$0
Interest, Premium, Discount and Exchange	\$50,000	\$50,000	\$0
Motor Vehicle Fees	\$119,000	\$119,000	\$0
Other Licenses and Permits	\$41,800	\$41,800	\$0
Sales, Services and Service Fees	\$72,400	\$72,400	\$0
Transfers from Other Governments	\$17,300	\$17,300	\$0
Other	\$24,000	\$24,000	\$0
Other Revenue	\$337,400	\$337,400	\$0
Own-Source Revenue	\$5,501,500	\$6,610,888	\$1,109,388
Canada Health and Social Transfer	\$638,300	\$761,300	\$123,000
Equalization Payments	-\$119,600	\$223,000	\$342,600
Other	\$138,500	\$138,500	\$0
Transfers from the Government of Canada	\$657,200	\$1,122,800	\$465,600
Revenue	\$6,158,700	\$7,733,688	\$1,574,988

Note: The Education Property Tax Offset will be allocated to those categories that will experience reduced property taxation as a result. They are: Corporation Capital - \$29,630, Corporation Income - \$12,481, Individual income - \$84,273, Natural Gas - \$11,234, Oil - \$67,635, Potash - \$16,543, and uranium, forest products, coal, etc. - \$3,204.

Table 2-PROGRAM PROPOSALS 2003-2004

		EXPENDITURES (in 000s of dollars)
Education - Post Secondary		
Cut Tuition Fees		\$29,000
Student Stipends		\$10,000
Enhanced Student Employment		\$10,000
Increase Operating Grants Post Secondary		\$20,000
Expansion of Regional Colleges		\$5,000
Expansion of SIAS		\$5,000
Total		\$79,000
Education - K – 12		
Education Property Tax Offset		\$225,000
Operating Grants to Schools/PSE		\$37,400
Increase Capital Stock		\$10,000
Community Schools		\$7,900
Curriculum Development		\$4,600
Total		\$284,900
Agriculture		
Family Farm Protection Act	No cost	
Redirect research funds to alternative agriculture	No cost	
Limit & control growth of industrial farms	No cost	
Purchase abandoned branch lines		\$4,000
Purchase closed elevators		\$500
Reregulate markets under provincial jurisdiction		
a) require public markets	No cost	
b) encourage formation of marketing boards		\$5,000
Income Support Program for organic & low-input farming		\$100,000
Set Aside Program	No cost this year	
Provide for Land Fund		\$250
Partner with Land Conservancies		\$5,000
Beginning Farm Families Program		\$20,000
Total		\$134,750
Municipal Government & Transportation		
Revenue Pool Operating Grants		\$32,500
Infrastructure Improvements		\$17,000
Transit Assistance - General Program		\$5,000
Transit Assistance for the Disabled		\$2,000
Total		\$56,500
Social Services		
Income and Food Security		

Increase SAP Rates	\$60,000
Food Security	\$10,000
Affordable Housing	
Low income Housing Units	\$51,780
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	\$160,080
Health	
Primary Health Care Reform	\$50,000
Home Care and Community Services	\$47,000
Pharmacare	\$30,000
Informal Care Workers	\$2,000
Electronic Health Care	\$3,000
Women's Health Strategy	\$15,000
Long Term Care Strategy	\$15,000
Healthy Workplaces Strategy	\$20,000
Total	\$182,000
Environment	
Enhanced Environmental Regulation	\$250
Eco-Youth Brigades	\$10,000
Energy Conservation Development Authority	\$2,000
Retrofit program	\$5,000
Expanded Recycling	\$5,000
Renewable Energy Development Tax Expenditure	\$5,000
Climate Change Fund	\$25,000
Total	\$52,250
Culture	
Arts Board	\$3,000
Sask Culture	\$1,000
Multicultural Initiatives	\$500
New Initiatives	\$2,500

Total	\$7,000
Justice	
Youth Crime Prevention	\$5,000
New Resource Police Officers in High Schools	\$2,000
Ride Along' programme	\$1,000
Community Policing	\$5,000
Sentencing Circles & Alternative Forms of Justice	\$2,000
Social Workers and Probation Officers	\$1,000
Justice Summit	\$500
Total	\$16,500
Aboriginal Peoples	
Economic, Health & Education Fund	\$51,000
Anti-racism initiatives	\$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
Reinstate Women's Secretariat	\$2,000
Public Utilities Review Commission	\$500
Equity for the North Initiative	\$12,500
Consultation on Trade Agreements	\$500
Total	\$95,800
GRAND TOTAL	\$1,128,180

Table 3
Alternative Budget of Choice Expenditure Statement 2003-2004

(in \$ '000s)

Expenditures as per government budget	\$6,411,958
plus: ABC Additional Expenditures	\$1,128,180
Total ABC 2003-04 Expenditures	\$7,540,138

Table 4
ABC 2003-2004 Budget Balance Reconciliation
(in \$ '000)

ABC 2003-2004 Revenues	\$7,733,688
less: ABC 2003-2004 Expenditures	\$7,540,138
less: Allocation to Debt Reduction	\$10,000
less: Additional Allocation to Capital Infrastructure	\$10,000
less: Transfer to Fiscal Stabilization Fund	\$10,000
ABC Budget Balance 2003-2004	\$163,550

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 Saskatchewan Alternative Budget 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 Saskatchewan Alternative Budget of Choice recognizes 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 Saskatchewan Alternative Budget 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.

Moreover, for at least a decade, the country and this province have been subjected to a tax slashing mania by right-wing think tanks, business leaders and conservative governments.

Irresponsible Tax Cuts

The provinces are now able to set their own income taxes (previously they were tied to federal income taxes) and provincial governments are now exploring the possibilities.

In Saskatchewan, the NDP government appointed a "Personal Income Tax Review Committee" (PITRC) consisting of a former associate deputy finance minister from the Devine Conservative regime and two tax accountants. It was no surprise that the committee recommended massive income tax cuts, amounting to \$427 million. By expanding the sales tax base to include new items like used goods, repair services, non-prescription drugs and children's clothing and shoes, it was argued that revenue loss would be lowered to \$240 million.

Beginning in 2000, the province started to introduce much of what the PITRC proposed. A combination of income tax cuts, broader sales taxes and a sales tax credit system will cut \$260 million from provincial revenues by the time reforms are fully implemented by 2003.

It should be noted that consumption taxes, like the PST, are regressive and gather much more revenue from the poor than from the rich. The broadening of the PST hits the poor much harder than the rich. Though the sales tax credit probably has somewhat eased the burden on low-income families, we are hard pressed to find evidence of the promised benefits to the province's economy from the income tax cuts.

Between 2000-2002, the Saskatchewan government reduced the small business corporate income tax rate from 10% to 6%. Thus, the tax expenditure for small businesses increased from \$55.6 million in 1999 to \$87.5 million in 2001. 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 \$31.9 million by lowering the small business taxes between 1999 and 2001. These two tax reforms created \$291.9 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. We are in the midst of a tax grab by the rich. The tax reform introduced by the Saskatchewan government in the 2000 budget actually 'flattened' our tax brackets. In 2001, taxable income was taxed at 11.5% on the first \$30,000, 13.5% on the next \$30,000, and 16% on all income above \$60,000. However, by 2003, taxable income will be at 11% on the first \$30,000, 13% on the next \$30,000, and 15% on all income above \$60,000. We noticed not only are Saskatchewan's taxes now 'flatter' but the highest tax bracket had a 1% decrease in its overall income tax compared to just a 0.5% decrease for those in the two lower bracket.

According the Saskatchewan Tax Calculator on the Saskatchewan Department of Finance's website a single person with no children making \$30,000 in taxable income will 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 will 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 or higher fees to use community facilities like pools etc.) that have resulted from the decrease in government spending created by tax cuts to the wealthy.

Several recent provincial budgets have shown a 'surplus' and, indeed, the ABC budget this year is in a similar position. However, much of the 'surplus' came from years of provincial government cut backs 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 \$291.9 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 \$115 million
 Highway construction \$102.3 million
 Highway maintenance \$127.9 million
 Farm Income Stabilisation -NISA \$45 million
 Saskatchewan Crop Insurance \$95 million
 Entire Department of Education \$521 million
 Child Care \$18.6 million
 Provincial Grant for SIAST \$76.5 million
 Universities \$212 million
(figures from Saskatchewan Estimates 2001-2002)

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 Alternative Budget would go in the opposite direction. The aim of the revenue generation portion of the Alternative Budget 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 (e.g. property, capital) and consumption (e.g. 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.

Adam Smith, the father of modern economics and inaccurately lauded as an opponent of government had this to say about taxes: "The subjects of every state ought to contribute toward the support of the government, as nearly as possible, in proportion to their respective abilities; that is in proportion to the revenue which they respectively enjoy under the protection of the state...a goal of taxation should be to remedy inequality of riches as much as possible, by relieving the poor and burdening the rich."

Since Smith's day, a key concept in fair revenue generation has been "progressivity" i.e. those who are able to pay more should pay 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.

Most of the other taxes we pay (consumption, property etc.) are regressive. 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. Under the present system of total taxation, the majority of Canadian families, no matter what their income, pay about 35% of their income, broadly defined, in tax. If we make the income tax any less progressive than it is right now, we will make the total tax system effectively regressive. 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 Alternative Budget is strongly against cutting overall taxation. Rather, we would restructure the tax system so that the less well-off pay fewer taxes and the more well-off pay more.

The ABC believes that, contrary to the received wisdom, overall we are not taxed too heavily in Saskatchewan considering the real needs of the province and its people. It is our luck to live next to Alberta and the United States, two jurisdictions with far different economies and an ideological aversion to taxation and in a time of polarisation between rich and poor. In keeping with Saskatchewan tradition, our government should be resisting those trends. But the wealthy and the corporations are exerting tremendous pressure on the Saskatchewan government to give tax breaks to them. Indeed, the tax and royalty cuts to resource companies implemented since the 1980s are a shameful sign of the government caving in. Given the cuts in social programs and infrastructure in the past several years, moves to reduce overall taxes sell the province short; a move to give overall tax relief now may well make it more difficult to build the economy and take care of our people in the future, especially as the national and provincial economies take a downturn.

While we argue that overall taxation should not be reduced, the ABC's main revenue generation thrust is to start to move the proportion of Saskatchewan's revenue generation away from regressive taxes and toward progressive taxes. Under our proposals, low and middle-income people would pay less and higher income people would pay more. The following are the regressive taxes we would like to start moving away from:

Consumption Taxes

Consumption taxes are usually a straight percentage of the cost of the item consumed e.g. PST is 6% of the cost of any item purchased. Generally, while the richer consume more than the poorer and thus pay more consumption tax in absolute terms, as a percentage of income, the tax tends to decline somewhat as income increases. Moreover, if the tax is levied on something that the poorer consume more of than the richer, then the regressive nature of that tax is much greater.

General sales taxes (the PST)

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 2003-2004 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 Alternative Budget of Choice by \$59.9 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.

A recent study identified 1.2% of Saskatchewan adults as problem gamblers and estimates that between 87,700 and 122,200 adults in the province are at risk for developing gambling problems¹⁵. Moreover, 7.1% of problem gamblers are unemployed and 12% are first nations people. This clearly points to the severity of gambling as a problem within Saskatchewan society.

Although gambling revenues are often used for activities which 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 ten-year phase-out of gambling, the Alternative Budget is reducing its revenue from gambling this year by \$25 million. The provincial government should do the same*

Wealth Taxes

Generally speaking, wealth taxes are progressive. Indeed, wealth taxes are a way of “getting at” the fruits of economic activity that the richer have been able to “hide away” by avoiding some income taxes.

That is why many countries tax personal wealth. While the ABC is not proposing a provincial tax on personal wealth at this time, it is something that the federal government and all of the provinces should consider doing in a concerted manner.

Residential Property Taxes

One of the most common forms of wealth tax is residential property tax. However, this is not a very efficient nor 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. 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. We strongly recommend that Saskatchewan implement such a tax, with an exemption on family farms and estates under \$2 million.

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

Corporation Capital Tax

Like personal wealth taxes, corporate capital taxes are a way of capturing some of the fruits of economic activity that richer corporations have been able to “hide away” by corporate tax loopholes. Corporate taxes should be seen as a charge for the use of 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 itself 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. A company 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.

Presently 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%. This \$10 million threshold is the highest among the provinces. By comparison, the threshold is \$2 million in Manitoba and \$1.5 million in British Columbia.

- *The Alternative Budget of Choice would lower the threshold to the Manitoba level and estimate that an additional \$138 million could be collected.*

Corporate Income Tax

Saskatchewan's corporate income taxes are no longer among the higher ones in the country. As noted, the 10% rate on private Canadian-controlled corporations (called small business by the government) has been reduced to 6% from 1999-2002. 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 much 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 34% 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 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 their 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 their 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 Alternative Budget of Choice would cut corporate income tax expenditures by half. This would increase general revenues by approximately \$60.5 million.*

In addition, our plan of reducing tax expenditures will reduce the volatility of corporate income tax and provide a more stable source of revenue for Saskatchewan.

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 Alternative Budget of Choice estimates about \$20 million could be raised by the institution of 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 service an 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. We would not suffer a cut in provincial income taxes whenever the feds lower theirs. Another possible advantage is transparency i.e. clarity to citizens on exactly what taxes they are paying or not paying and why. Rather than adjust the provincial tax system through the use of surtaxes, the provincial government can set its own tax brackets and its own tax credits and these can be clearly distinguishable from those of the federal government.

But there are several practical disadvantages to provincial independence in income tax-setting. For one thing the federal government is in some way politically accountable to the country as a whole. Under the new tax-on-income system, taxing decisions of one province will impact indirectly but no less profoundly upon the taxes of all the others, but that province is under no moral or political obligation to consider that effect. For example, if Alberta decides to drastically lower its PIT, this can have a strong effect on all the other provinces, and especially Saskatchewan. Yet Ralph Klein's government has no MLAs in Saskatchewan and nobody in Saskatchewan can vote in an Alberta election. Ralph Klein ends up making fiscal policy for Saskatchewan without any pretence of accountability. This is taxation without representation and it makes a mockery of the fiscal federalism that has held this country together. Indeed, the delinking of the PIT could very well put the future of the Canadian federation in danger.

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 middle and upper tax rates. Further, the partial inflation indexation of tax brackets has eroded the real value of the income levels at which higher tax rates take effect.

The Alternative Budget of Choice would reverse the irresponsible tax cuts of the Saskatchewan government in the 2000 budget. In Saskatchewan, the highest income tax rate is applied to incomes of approximately \$60,000. The income tax rate structure could benefit from an increase in the number of tax brackets, making the tax brackets wider and more progressive, a lowering of tax rates on incomes less than \$40,000 and an increase in the highest tax rate and the income level at which it applies. More careful study and planning is needed

- ***The Alternative Budget 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 Alternative Budget would add two new higher income categories. This would raise approximately \$5 million in additional revenue.***

- *As a further interim measure the Alternative Budget of Choice will begin to undo the government's tax cuts to the wealth 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 environmental damage. In northern Saskatchewan this type of development has led to major upheavals in traditional economies and huge social costs. The Saskatchewan Alternative Budget of Choice 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 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 three years ago announced its decision to lower royalties and taxes 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: \$10.013 billion

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

Oil

Based on Alaska's royalty and tax structure, Saskatchewan would collection an additional \$441.8 million for a total of \$1,178 million in 2003-2004. Similar increases in natural gas revenue would result in the ABC budget registering an additional \$73.4 million on top of the third-quarter projected revenues of \$122.3 million. ABC's total revenue collection from the natural gas industry would amount to some **\$195.7 million**.

Potash

The ABC intends to raise potash rents to a total of 23% of the total value of sales generating about \$288.2 million in rents and taxes. This represents about **\$118.6 million** in additional revenue for the provincial government over the \$169.5 million projected to be collected by the government in 2002-2003 third-quarter report.

Uranium

The ABC will continue the five 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 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. As a first step an immediate doubling of stumpage and royalties would generate an extra **\$3.5 million** in general revenues.

EXPENDITURES

ECONOMIC SECURITY AND SOCIAL SUPPORT

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

The Saskatchewan Alternative Budget 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 which 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.*

FOOD SECURITY

- *\$10 million be allocated for the development and implementation of innovative and comprehensive Food Security strategies.*

SOCIAL HOUSING:

- *The creation of 3000 new social housing units in 2003-2004 at a cost of \$51.78 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 four 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 \$500,000 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:

- *\$3.3 million towards raising the provincial subsidy for low-income parents by \$75 per month or 85% of the actual average cost. There has been no increase in this subsidy since 1982.*
- *\$500,000 toward increasing education and training resources in the childcare field, i.e. workshops, conferences, staff development and training, and monies to replace staff who are participating in these processes.*
- *\$500,000 to enhance special needs grants and to assist early identification and intervention in special needs children in all childcare settings*
- *\$250,000 to general resources, equipment and the provision of services not currently provided by some childcare programs e.g. lunch programs*
- *\$250,000 seed money to develop a five-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 has 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.

Food Security

Interesting work has been done recently on the adoption of food security charters in Saskatoon, Regina, and other communities. In the spirit of these local initiatives, and to bring the greater fiscal resources of the provincial government to bear on the question of food security, the Alternative Budget allocates \$10 million for the development and implementation of innovative and comprehensive Food Security strategies. Such initiatives could include expansion of Good Food Box programs, neighbourhood kitchen programs (in which wholesome food is prepared collectively and shared among families for freezing), community space for family gardens, school breakfast and lunch programs, food cooperative ventures by Aboriginal and other communities, and ready availability of fresh, organic and affordable food commodities at both large supermarkets and neighbourhood food retailers.

Minimum Wage

While not a budgetary item, the minimum wage is closely tied to poverty reduction and any increase in social assistance benefits. We commend the Government of Saskatchewan for the recent increase of the minimum wage to \$6.65 per hour. This is a significant process. However, it would now take a minimum wage of \$7.75 per hour for an individual working full time to reach the LICO line.

As a minimal and immediate measure, the minimum wage should be increased to a level that reflects the cost of living. Therefore, the ABC recommends that the minimum wage be raised to \$7.75 and then indexed 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 creative 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 earmark the resources for community economic development and worker co-op initiatives in communities and neighbourhoods with high unemployment.

Social Assistance Rates

It has been over twenty years since social assistance rates have had any relationship to cost of living indicators. The rates have barely increased since 1982 while the cost of living has risen by over 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 \$40 per month as well as a small mobility allowance.

These rates make it impossible to meet basic needs and food bank usage is growing every year. Persons on social assistance fall further and further below the poverty line. A recent study by the Regina and District Food bank showed that 89% of food bank users were persons on social assistance and almost half were children.

There also remains a desperate need to raise shelter allowances to meet current rental costs combined with the enforcement of basic standards for rental accommodations. Rental rates have increased far in excess of the shelter allowance provided by Social Services, which has forced people to cover excess shelter costs out of their basic allowance. Parents should not have to choose between paying the rent and adequately feeding their children.

The Building Independence Program, 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 has dropped significantly over the course of the past ten years. It should be noted, however, that 1993 was a high point for the welfare rolls 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 they remain desperately poor.

While the numbers of persons on the Saskatchewan Assistance Plan has declined, the numbers 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.

In accordance with the Disability Action Plan the ABC believes that persons with disabilities should receive an adequate form of income security apart from social assistance. We also have the long-term goal of a basic income for all Saskatchewan residents. This would be in recognition of income security as a basic human right for all people. It would also validate the fact that the vast majority of persons who are not attached to the labour market are productive in other ways including raising children, caring for family and friends, and volunteering in their communities.

While next year's Alternative Budget will include these concerns, **this year's budget continues to be focused on the need to immediately increase inadequate levels of income maintenance for those on social assistance and disability allowances.**

Adequate and Affordable Housing for All

The province has committed to the creation of 1500 new affordable housing units over the next four years.

There are currently 32,000 government supported affordable housing units available, and 80,000 people living in these units.

Minister Glenn Hagel estimates that 17,000 additional units are needed.

When Clay Serby was Housing Minister, he stated that 40,000 additional social housing units are required.

Money should be targeted more strategically on northern communities and for those who are most vulnerable, including those living in urban inner city neighborhoods.

The government of Saskatchewan should play a lead role with the other provinces and territories in pressuring the federal government to again undertake its responsibilities in the social housing field. All three levels of government must play a role if we are to solve the housing crisis currently facing our country.

In its 1999 Annual Report, the Saskatchewan Housing Corporation outlined the following objectives:

1. Maximizing the efficiency and effectiveness of the existing social housing portfolio.
2. Revitalizing inner-city neighbourhoods.
3. Addressing the needs of our growing seniors population.
4. Ensuring the accessibility of affordable rental accommodation
5. Ensuring the accessibility of affordable housing in rural centres.

It is most regrettable that the emphasis in the first objective is placed only on “existing” social housing stock. It is also important to recognize that we have a very long distance still to go in reaching these objectives, especially the last two.

The ABC would allocate funds to substantially increase the quantity and quality of social housing units. It provides financing, grants or interest free loans for initial equity, in order to satisfy lending institutions and obtain CMHC loan guarantees, and to thereby assist with home ownership or the creation of affordable rental units for people with modest or low income.

There has been progress made across the province in the formation of non-profit corporations and other new vehicles for creating attractive and affordable social housing. Examples of such vehicles are Quint in Saskatoon, the West Flats Project in Prince Albert, and the Community Action Cooperative in Regina. The provincial government can assist these projects in a very significant way providing seed money for feasibility studies, planning, and pilot projects. We need to improve our existing methods and to develop new strategies for the development, ownership and management of social housing under the control of tenants and the community.

The ABC would make a long-term commitment to create ten thousand housing units for low-income families over the next five years. The process would begin with the creation of 3000 units in 2003-2004 at a cost of \$51.78 million. These would include the expansion of the pilot projects carried out in recent years to revitalize deteriorating existing housing. The project would include low rental apartments or townhouses operated by the

Saskatchewan Housing Corporation, co-operative and assisted ownership models and rental housing units owned and operated by non-profit, community-based organizations.

SUMMARY:ECONOMIC SECURITY AND SOCIAL SUPPORT ADDITIONAL/ NEW EXPENDITURES***Income and Food Security:******Increase in Social Assistance Rates \$60 million******Food Security \$10 million******Affordable Housing:******Creation of Low-Income Housing Units \$51,780,000******Community Job Creation Program: \$20 million******Community Based Organizations: \$10 million******Advocacy:******Increased Funding to Advocacy Groups \$ 500,000******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 \$ 250,000******Family Care Policy \$ 250,000******TOTAL \$160,080,000***

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. The Commission on the Future of Health Care in Canada (Romanow Commission) report has been given substantial endorsement in the 2003 federal budget. 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. For Saskatchewan that means \$112million new health dollars in 2003-2004.

It is now widely accepted within health policy that a wide range of social and economic factors determines one's health status: income, social status, education, employment and working conditions, social and physical environments, social support networks, gender and culture. These factors can 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.

The Alternative Budget strongly believes that comprehensive health policy must be linked with strategies to reduce poverty and unemployment, including increased opportunities for education, improved social housing, paid maternity leave, family income support, increased minimum wages, early childhood support and development, environmental protection, occupational health and safety, food safety, health promotion and education.

Building and maintaining a strong, universal social safety net 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 providing opportunities for fitness, recreation and community involvement for its citizens.

With federal health dollars increased the obsession with slashing public funding that began in the '90's will hopefully shift to more coherent and successful strategies.

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, requires 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 just providing services to individuals.

Under current funding policies, most of the funding for medical services is captured by fee-for-service payments to doctors (\$268,310,000 in 1999-2000), which are protected from being reduced by salaried options. 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 districts, as well as the present fee-for-service walk-in clinics.

Saskatchewan's fee-for-service walk-in clinics are popular only 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/seven 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, and 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 districts 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 districts and other health providers to meet the

medical needs identified by the district and the community, as well as the needs of walk-in patients. Finally, it permits health districts to offer higher incomes and employment benefits to retain and recruit physicians, rather than relying on unpredictable fee-for-service remuneration.

We recommend that the principles of primary health care be embraced by the health districts 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.

ABC would expand the number of community health centres (employing salaried physicians and other health professionals) to provide health services 24 hours a day, seven days a week. Services should include: health assessment, illness prevention and health promotion; education and support for self-care, diagnosis and treatment of episodic and chronic illness and injuries; primary reproductive care, palliative care, 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, and long-term care, supportive care in hospitals, long-term care and emergency services.

- *The Alternative Provincial Budget 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, 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 districts 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 singlepayer system, as well as making 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.

Another inefficiency in the system is the duplication of testing and adequacy of information sources. Expanded initiatives in electronic health record keeping could alleviate this problem.

- *The Alternative Provincial Budget 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.*
- *ABC would dedicate an additional \$3 million to expanded initiatives in electronic health record keeping.*

NATIONAL PHARMACARE PROGRAM

Saskatchewan citizens pay the highest deductibles for pharmaceuticals of all provinces. According to the Saskatchewan Association of Health Organizations, 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 will 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, in the interim the ABC promote accessibility of prescription drugs for all Saskatchewan citizens through reducing deductibles over the next five years and raising the income threshold at which low-income families receive full funding for prescriptions. Therefore 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. HSURC (Health Services Utilization and Research Commission) predicts that the province's population will increase by less than one percent in the next 15 years but that the number of seniors will increase by seven percent 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 Alternative Provincial Budget proposes the development of a publicly operated supportive housing system that operates within the health districts and ensures that seniors receive a continuity of care. Through the health districts, 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.

ABC would increase the current level of funding to long-term care by \$5 million to improve staffing levels and lower resident's 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, 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 districts 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 Saskatchewan Alternative Budget supports the Action Plan and proposes the development of a provincial Women's Health Strategy that includes the following elements for the year 2003-04:

1. creation of a Women's Health Unit within Saskatchewan Health that would incorporate gender analysis in health planning and programs at a cost of \$300,000.
2. the provision of tools and training in Gender Based Analysis for all health districts in the design, implementation and evaluation of health services at a cost of \$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 Alternative Provincial Budget, such as increased funding to home care, 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 of women.

- *The Alternative Provincial Budget allocates a total of \$15 million for a women's health strategy.*

HEALTHY WORKPLACES STRATEGY

In line with the population health approach, the Alternative Budget of Choice 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. There are many factors that have contributed to high injury rates. During the years of spending cuts and health care restructuring, health care employers reduced staffing levels at the same time that patient acuity increased, resulting in massive workloads and stress.

Strategies to create healthier workplaces would improve the health status of workers within the system but it would also have the effect of improving quality of care to patients. The Alternative Provincial Budget 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

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 Schools PLUS program, and to provide fair compensation for support staff.

OPERATING GRANTS

In last year's provincial budget, the government announced a \$10.8 million or 2.3% increase to operating grants. That increase, however, was not enough to compensate for rising costs let alone new initiatives.

The Alternative Budget of Choice proposes to increase operating grants by \$37.4 million to bring the province's share of the costs of K-12 education to 45.3%. Our goal is to gradually increase operating grants over the next five years until the province's share constitutes 60% of the total costs of K-12 education. This goal has been supported by the Saskatchewan Teachers' Federation, the Saskatchewan School Trustees Association, the Saskatchewan Urban Municipalities Association and the Canadian Union of Public Employees, among others.

CAPITAL GRANTS

Over the past decade, capital grants to school divisions declined by 87.7% adjusted for inflation (from \$70.5 million in 1991/92 to \$23.9 million in 2001/02). Last year's provincial budget increased capital grants from \$23.9 million to \$40 million through the creation of the Education Infrastructure Financing Corporation. The Alternative Budget of Choice will increase the capital funds in the EIFC to \$50 million.

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 eleven 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. Last year 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 involve 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 Alternative Budget of Choice proposes to increase the number of designated community schools from 88 to 160 at a total cost of \$7.9 million. We will increase the base community schools grant from \$100,200 per school to \$110,000 per school.

We also propose spending \$30 million to assist in the implementation of the SchoolPLUS program. The provincial government has yet to allocate specific monies to the SchoolPLUS program. Additional monies for the SchoolPLUS program will come out of other department budgets. (See *Special Initiatives* section of the ABC Budget.)

CURRICULUM DEVELOPMENT

Funding must continue to be available to allow educators to access new curricula, implement appropriate strategies, and to meet increasingly diverse student needs. The provincial government must support school boards in releasing teachers to write new curricula, provide funding for teachers and support staff to become familiar with new content, and establish additional funds for the areas of highest need such as aboriginal education, special needs students, and alternative education for high risk students. These areas require extensive additional learning and many teachers access this training at their own expense in terms of money and time. Therefore, we propose an increase of \$4.6 million in curriculum development.

Home Economics and Industrial Arts

Due to budget cuts, many schools in the province have eliminated Industrial Arts and Home Economics at the grade 7-9 level. The ABC recommends the reinstatement of these important practical classes for students for at least three reasons. Most students, especially those who are struggling academically, welcome the break from the rigours of their academic loads. Students, who are not experiencing success, may blossom, gain confidence in their abilities, and, consequently, improve academically. Most importantly, all students will benefit from learning practical life skills. Obesity and diabetes are on the rise in Saskatchewan and could be curtailed if students were taught how to purchase, grow and prepare nutritious food.

Labour Education

The Alternative Budget of Choice also proposes to develop and implement a labour studies module to be included in the Social Studies curriculum. The history of working people and their contributions to building this country

and province should be an integral part of social studies. In addition, students need to be prepared to enter the workforce with a knowledge of workers' rights and labour legislation.

SUMMARY: K-12 ADDITIONAL / NEW EXPENDITURES:

- *Foundation operating grants: \$37.4 million*
- *Additional capital expenditures: \$10 million*
- *Community schools: \$7.9 million*
- *SchoolPLUS implementation – see Special Initiatives Section*
- *Curriculum development: \$4.6 million*

Total: \$59.9 million

POST-SECONDARY EDUCATION

Equal access to an affordable post-secondary education in Saskatchewan has suffered greatly over the past five 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 three years, the Saskatchewan government has, de facto, deregulated tuition fees at the two universities. University tuition and other fees have increased by about 50 per cent in the last four years. Governments in BC, Manitoba, Quebec and Newfoundland have frozen or reduced tuition fees in recent years.

This year, average undergraduate student fees (tuition and additional compulsory fees) at both universities are \$4,793, the third highest in Canada; nine years ago, Saskatchewan students paid the third lowest fees (\$2,436). Student fees have increased by almost one hundred percent since 1993-94. The average debt load of university students has soured to \$25,000 in Canada.

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. In Canada, 40 per cent of those from high income families attend university, while only 16 per cent from low income families attend. In Saskatchewan, the percentage of poor households whose head of 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 better paying jobs 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 Alternative Budget 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.

Increased 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 to reduce tuition fees at our universities, regional colleges and SIAST.

- ***Therefore, the Alternative Budget dedicates itself to the elimination of tuition fees in five 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 per cent at an approximate cost of \$29 million.***

Student Poverty and the Increased Cost 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 farther than 80 km from one of our universities than anywhere else in Canada. Fifty-two per cent of young people in the province live farther than 80 km from Saskatoon or Regina and must live away from home to attend university. The comparable proportion for the rest of Canada is 19 percent. 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 reasonable amounts of extra money each month avoid poverty and a lack of the resources needed to study.

Thus, the Alternative Budget proposes the creation of a bursary that students could apply for every year. This bursary would be between \$50 and \$200 a month during the time when the student is studying. We would make an initial investment of \$10 million in this 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 study.

While summer employment within our crowns should be continued, the Alternative Budget would look at other avenues to increase student employment and saving. A fruitful option is the subsidization of work placement programs that would link students to positions in their fields. 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 one or two 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. As student enrollments have increased, the number of faculty has decreased by about

12 per cent over the last decade. 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 per cent of the undergraduate students drop out or fail;
- about one-half of the 2000 Aboriginal students drop out or fail;
- in a recent *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 half of our students are educated, is seriously under funded according to the Desrossier formula for distributing funds to the two universities.;
- spending on scholarships/bursaries at U of S has been and remains the lowest in the country among the 15 medical/doctoral universities;
- spending on student services in 2001 at U of S was 45th out of 47 universities in the country.

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 per cent 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 per cent over the decade on average.

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

Rather than increase its funding of operating costs (the cost of educating students) the provincial government, pressured by university administrators, has chosen to greatly increase funding for research and capital building. At the U of S, for example, research funding from the province has almost quadrupled over the last four years and amounts to \$38 million this year. Current on going capital building projects at the U of S at present 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, 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 of the Board of Governors in both our universities which has led to an increase in research and programs designed to meet corporate rather than societal needs.

The Alternative Budget 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 about 10 per cent. However, we would ‘target’ this increase in operating grants in the following ways:

- 1. 10 million to hiring new faculty where the student/faculty ratios are high.***
- 2. 5 million to new lab equipment, computers and library resources.***
- 3. 2.5 million to undergraduate student scholarships/bursaries***

4. 2.5 million to enhancement of student services.

Expansion of Regional Colleges

Often one of the greatest costs for young students comes with moving away from home and paying for life in an apartment in 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 cost 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.

SIAST

The four campuses of the Saskatchewan Institute of Applied Science and Technology have played an increasingly important role in training people in the skills needed for participation in the workforce. SIAST has not received the increases in operating 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 need for skilled workers in a variety of trades: in construction, manufacturing, information technology and knowledge industries. Expanding the number of places for students at SIAST is need as well as enhancing the capacity to adapt to quickly changing workforce requirements.

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

Summary of Expenditures

25 per cent cut in tuition for all post-secondary	\$29 million
Student bursary	10 million
Student employment	10 million
Targeted increase in operating grants to universities	20 million
Expansion of regional colleges	5 million
Expansion of SIAST	5 million
SchoolPlus (see Special Initiatives)	500,000
Total	\$79.5 million

AGRICULTURE

In describing and analysing the conversion of traditional family farming to large, capital intensive, high input, vertically integrated production for profit – and profit alone – the role of the provincial budget in respect of this trend is never systematically examined. Does the current government budget, with its assumptions, strategies for raising revenue and programs for expenditure encourage the trend or slow it down? Are there unintended consequences arising from the budget which have either effect? These questions deserve to be raised and addressed.

For our part, and this year's alternative budget, we propose to examine the possibilities – largely on the expenditure side – of building an agricultural economy which is based on independent and co-operative family farm units, dedicated to sustainable development and, where desirable, the production of organic produce.

SUSTAINABLE AGRICULTURE

True family farms are not large; they do not engage in industrial farming systems; 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 Alternative Budget proposes to:

1. Legislate a “Family Farm Protection Act” that encourages family farming, and limits agribusiness and corporate farming.
2. Reallocate research and extension money away from biotechnology and high-input agriculture, to low-input, alternative farming systems research.
3. 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 the society and,
 - c) sets standards for farm labour that are the same as or consistent with labour standards for other workers.

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:

4. 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.
5. Expropriate at demolition value all elevators scheduled for demolition or closed by elevator companies, then resell these elevators to local or regional co-operatives.
6. Raise taxes on high throughput elevators to slow their proliferation and help defray the cost of rural road repairs.
7. 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 \$4 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 co-operatives, the budgetary charge would be mostly the interest charge, perhaps \$500,000 in total.*

CRISIS MANAGEMENT

Even though farm markets ought to be regulated, currently most of them aren't, thanks to the governments' reckless moves to free trade agreements, undermining marketing boards, deregulating transportation, and so forth. Despite the fact that "free trade" agreements exist, agricultural markets are not free. They are dominated by large agribusiness corporations and the treasuries of world powers like the United States. The nasty effects of these 'unregulated' markets are painfully obvious to us today, as disastrously low commodity prices chronically fail to meet production costs. Saskatchewan farm families need to be protected from these markets. Without protection, the current combination of market forces and world corporate power will wipe out family farming.

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.

Nevertheless, the provinces own actions have made the income crisis worse. It was the provincial government that removed the hog marketing board and it has even claimed that marketing boards for many Ontario farm products are unfair subsidies. Further, the province has been keen to encourage high-input farming, the very kind of farming that is now too costly to support. As well, in a province where farming is so important to the viability of rural communities, surely the Provincial government must also step in.

Hence the Alternative Budget will support farming within limits, but it will use that support to try to redirect farming away from high input use to organic farming and "low-input farming". Dealing with farm income crises is a doubtful proposition, given the constraints of NAFTA and the WTO. But we have never agreed that the particular trade restraints that these international agreements have put on nations were fair. Indeed they should be done away with. Our proposals assume that broader struggle.

8. Move to re-regulate those farm markets under provincial jurisdiction

9. 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.

10. Through stronger legislation, administrative and 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.

11. 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.

12. Establish a farm income support program for farm families that accept a long-term commitment to reduce inputs by becoming certified organic producers, or by meeting acceptable criteria for reducing inputs of fertilisers, other chemicals, and genetically modified crops.

13. Finally, there is merit in the proposition to reduce the supply of wheat, other grains and oilseeds on the international market in order to raise the price to a level that addresses the dramatic increase in the costs of production. We recommend that the provincial government persuade the federal government to enter into negotiations with the governments of other exporting countries for the purpose of reaching an international agreement on the reduction in acreage of land seeded to wheat, other grains and oilseeds; the agreement to remain in effect until market prices rise to an acceptable level. World supply could then be managed to maintain stable prices that return production costs (including returns to labour and capital) of producers.

While the cost of implementing such an international agreement would have to be negotiated, an estimate offers a general idea of the amount of public money that would have to be committed. Over a recent five year period (1995-96 to 1999-00), Saskatchewan producers sowed an average of 28,970,000 acres to wheat, other grains and oil seeds. If farmers were offered \$40/acre to retire 10% of the land sown to these crops (i.e. 2,897,000 acres), the total cost of the program would be \$115,880,000. If the province were to assume 40% of the cost of the program, the amount would be \$46,352,000 per year, slightly less than twice the amount of \$25 million presently committed to AIDA.

ESTABLISHING NEW FARM FAMILIES

It takes capital and knowledge to start farming. Usually, only the children of the rich have this opportunity. Thus fewer farms survive from generation to generation. Against this trend, land trusts 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. Land trusts have local leadership and know their communities. These are agencies that need support. Indeed in the

long run 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.

14. Set up a tax sheltered “Land Fund” to draw savings which land trusts can use to buy land.

15. Partner with land trusts by giving to them any available crown land that is suitable for their purposes.

Getting established in farming isn’t easy. Young farm families often need financial support, extension and technical support, and sometimes counseling and other social supports. But a well-populated farm sector is crucial to a vital society and a healthy democracy, especially in a province like Saskatchewan. It is important for the larger society to encourage young families to take root in farming.

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. Indeed, the restructuring of farming may, by now, be so advanced that these conventional indicators will not yield meaningful measures of the situation. Instead, we want to point out that it is time to stop the restructuring, to think, and move in new directions. The government needs a new vision for agriculture, and it must nurture a critical imagination in devising policies to bring that new vision about. Our programs intend to put more farm families on the land, reduce the disparities between them, and help them build a viable rural infrastructure.

SUMMARY: AGRICULTURE PROPOSALS

Sustainable Agriculture

<i>Family Farm Protection Act</i>	<i>No cost</i>
<i>Redirect research funds to alternative agriculture</i>	<i>No cost</i>
<i>Limit and control the growth of industrial farms</i>	<i>No cost</i>
<i>Purchase abandoned branch lines</i>	<i>\$4M</i>
<i>Purchase closed elevators</i>	<i>\$.5M</i>
<i>Increase taxes on inland terminals</i>	<i>\$1M tax revenue</i>
<i>Lower truck weight limits</i>	<i>No cost</i>
<i>Reregulate those markets under provincial jurisdiction.</i>	
<i>Require public markets.</i>	<i>No cost</i>
<i>Encourage the formation of marketing boards</i>	<i>\$5M</i>
<i>Support Federal marketing boards and reregulation</i>	<i>No cost</i>
<i>Income support for organic and low-input farming</i>	<i>\$100M</i>
<i>Set aside program - no cost this year, potentially \$40 - 50M</i>	

Establishing New Farm Families

<i>Provide for Land Fund</i>	<i>\$0.25M tax expenditure</i>
<i>Partner with Land Conservancies</i>	<i>\$5M</i>
<i>Beginning Farm Families Program</i>	<i>\$20M</i>
<i>Total Direct Additional Cost (excluding tax expenditures)</i>	<i>\$134.75M</i>

ENVIRONMENT

ECO-YOUTH BRIGADES

Our Eco-Youth Brigades 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 Eco-Youth Brigades consist of a continuing apprenticeship/training program over a three-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 brigades 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 three-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 Eco-Youth Brigade fits into the Saskatchewan 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 brigades 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 Saskatchewan Alternative Provincial Budget of Choice holds that providing jobs and education for youth is a major priority and therefore will commit \$10 million towards the Eco-Youth Brigade Initiative.*

ENERGY CONSERVATION DEVELOPMENT AUTHORITY

The Saskatchewan Alternative Budget of Choice 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 Alternative Budget of Choice will allocate \$2 million annually for the Energy Conservation Authority.*

PROVINCIAL RETROFIT PROGRAM

This program would upgrade buildings to conserve energy and would be accessible by governments, low-income earners and seniors. The program would also upgrade housing for purchase by low-income people. Thus, this program meets three different ABC objectives:

- 1) improved, affordable housing;
- 2) energy conservation; and

3) job creation.

- *The Alternative Budget of Choice will allocate \$5million to the retrofit program.*

WASTE MINIMIZATION AND RECYCLING PROGRAM

This program would provide grants for community-based waste minimization and diversion programs. This program would be funded outside the current Beverage Container Collection and Recycling System. It would encourage local initiatives that would minimize waste and divert those remaining wastes into current resource cycles. It would encourage participation between municipalities, communities and businesses.

- *The Saskatchewan ABC would allocate \$5 million to this program for five 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 monies through a series of grants and investments. The fund would be expected to expand its funding and influence through partnerships and donations.

- *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.

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

SUMMARY: ADDITIONAL AND NEW ENVIRONMENT EXPENDITURES

- *Eco-Youth Brigades: \$10 million*
- *Energy Conservation Development Authority: \$2 million*
- *Provincial Retrofit Program: \$5 million*
- *Recycling Program: \$5 million*
- *Renewable Energy Development Tax expenditure: \$5 million*
- *Climate Change fund: \$25 million*
- *TOTAL: \$52 million*

CULTURE

Culture is an important element of the Saskatchewan economy. There are over 18,000 cultural workers in the province, from library workers 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 cultural sector is labour intensive, including both employed and self-employed workers. Incomes are typically low. Yet the workforce is highly educated and trained, diverse, and 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, 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 destination to visit, and as a place where one can build, work, live, and learn. It is a measure of the health of a population. Culture has a direct impact on the vitality of other sectors - tourism, education and health and overall economic health.

Funding For The Cultural Sector

Over one third of cultural funding comes from lottery revenues and the rest from government general revenues. Overall cultural funding is dismal.

The *Saskatchewan Arts Board*, founded as a unique experiment in 1948, and copied across Canada, can be viewed as the research and development arm of the culture sector, funding individual artists and projects. Yet funding for the Board has been inadequate for years, in fact it is in starvation mode. For example the Board with general revenue contributions of \$3.759 million cannot meet more than 30 percent of the demand for individual assistance funding, or 45% of the demand for project assistance.

The ABC has made clear gambling is a retrogressive tax. However government cultural funding relies heavily on lottery dollars. The object of the allocation of resources for the cultural sector should be to reduce reliance on lottery funding and **ultimately return all 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 which an integral source of creativity, community strength and development.

Reports, Policy, Delayed Action:

There have been more than eleven policy, task force and strategy reports but little has come of them. The *Arts Strategy Task Force Report* over 20 years ago 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 in 2001 giving 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, *Status of the Artist* (1993) proposes to give individual artists, cultural workers and organizations equity with other workers. This includes - collective bargaining rights, benefits, and open access to assistance

programs that are available to workers in other sectors. The government initiated “enabling “ status legislation in 2002 which 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, most of which could be done at minimal cost.

The *Arts Strategy Task Force Report*, (1990), designed to be the foundation of cultural policy, should be reexamined and implemented. Again, many recommendations can be implemented at minimal cost.

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**. 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 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 undertake. 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 Multi-cultural community identifies the need for a study on the **Economic and Social Impact of multiculturalism**. What impact do the festivals like 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 do this inquiry. The information from this study would help to identify what we have in Saskatchewan that will attract immigration to the province. Thirdly, 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.

- **Goal For Cultural Funding**

The ultimate goal for cultural funding is to establish the cultural allocation at 1 percent of general expenditures, the principle recommendation of the 1990 *Arts Strategy Task Force*. This goal is achievable in five years.

PROGRAMMING:

Funding has been cut over the years or remained stagnant. Critical programs have been barely maintained. ABC proposes:

- The allocation of basic **programming funds** should be increased by three million to the global budget of the Arts Board, half a million to the Multicultural Initiatives Fund and one million to SaskCulture to enable these agencies and programs to meet basic development demands.
- A comprehensive **immigration strategy** will require considerable consultation across government, educational, labour and social agency lines. An allocation of one million will move this initiative forward and begin the process of placing appropriate infrastructure to achieve the goals of the strategy.

RESEARCH FUNDING AND NEW INITIATIVES:

The new 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 has become increasingly difficult to speak of impact of

culture within the province. 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 staffing to be realized.

SUMMARY: ADDITIONAL AND NEW CULTURE EXPENDITURES

<i>Basic programming:</i>	<i>\$3 million to Arts Board programming</i>
	<i>\$1 million to SaskCulture programming</i>
	<i>\$.5 million to Multicultural Initiatives Fund</i>
<i>New Initiatives/ Research:</i>	<i>\$2.5 million to personnel, consultation and program development towards:</i>
	<i>a) Establishing a Status of Artist Commission and implementation of Equity for Saskatchewan Artists programs and initiatives;</i>
	<i>b) Cultural Industries Development Strategy implementation;</i>
	<i>c) Cultural Research program;</i>
	<i>d) Immigration Strategy.</i>
<i>Total \$7 million</i>	

MUNICIPAL GOVERNMENT AND TRANSPORTATION

PROPOSALS FOR MUNICIPAL/PROVINCIAL TAXATION AND REVENUE SHARING

In addition to shifting municipal taxation schemes over the last two 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 Saskatchewan Alternative Budget.

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 alternative budget proposes that the option for base tax imposition be removed from municipal tax options effective April 2003. Further we propose that municipalities which applied a base tax option, be given notice that base taxes be eliminated within three years, (by March 31st 2006.)

With regard to jobs, the Saskatchewan Alternative Budget 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.

The Saskatchewan Alternative Budget recommends that recreational, cultural and leisure services and facilities should be funded through a major contribution from general revenues with minor contributions from user fees. We support a policy for setting user fees and rental rates for facilities that seek to accommodate minor sports organizations and avoids barriers to participation by low income families or individuals.

Another major recommendation of the Saskatchewan Alternative Budget 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 five years.

- *Therefore, the Saskatchewan Alternative Budget of Choice 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 Saskatchewan Alternative Budget 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 Saskatchewan Alternative Budget 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%) administrative support services, and advocacy should be provided by the municipality through locally elected boards or advisory committees.

Capital funds for community buildings and infrastructure maintenance programs should be jointly and equally funded through 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 Saskatchewan Alternative Budget will dedicate \$17 million in additional funds to infrastructure improvements in the 2003-2004 budget year.*

It is the position of the Saskatchewan Alternative Budget 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.

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 Alternative Budget of Choice 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 need 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 STC routes empty buses continue to run while there are people who desperately need to use them.

- *The Saskatchewan Alternative Budget will dedicate \$17 million in additional funds to infrastructure improvements in the 2003-2004 budget year.*

It is the position of the Saskatchewan Alternative Budget 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 Saskatchewan Alternative Budget 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 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 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 Alternative Budget of Choice 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. Aboriginal peoples are already 10% of the Saskatchewan population. 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 Alternative Budget of Choice 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. These 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 white 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 end of the 19th century and beginning of the 20th. Thus, land claim settlements of Saskatchewan bands, 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 which 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 as 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 white) through the use of Aboriginal workers who have been largely unutilized in the existing economy.

SUMMARY: ADDITIONAL / NEW EXPENDITURES FOR ABORIGINAL PEOPLES

- ***ABC allocation to establish the Aboriginal Economic, Health and Education Fund would be \$50 million. This funding would roll over from one year to the next allowing for the accumulation of funds for long- term projects.***
- ***The Alternative Budget of Choice 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

Saskatchewan has one of the highest incarceration rates and one of highest crime rates per capita in Canada. Unfortunately, our First Nations population is over represented in both our crime rate and in our jails. Seventy-five percent of all male prisoners and a full ninety-five percent of all female prisoners in Saskatchewan are of aboriginal descent.

Aboriginal people are economically and socially marginalized within Saskatchewan society. Such high rates of crime amongst our Aboriginal population are caused by the rampant poverty and systematic discrimination. Crime is a problem created by our entire society through its refusal to deal with a variety of social issues of which poverty is the most obvious and pressing.

The section on economic security and social support puts forth solutions to reduce poverty in all sections of Saskatchewan society. Besides increasing economic security and social support, there must be specific initiatives to prevent young people from being involved in criminal activities and rehabilitating those who have already committed criminal acts. We must view the money invested in these initiatives as an investment in the future. Initiatives aimed at the root causes of crime, can turn a person who costs the government large sums of money in policing and prisons into a person who positively contributes to society through their activities and taxes.

CRIME PREVENTION

Youth crime does exist in Saskatchewan. However, the suggestions of tougher prison sentences for youth or ‘boot camps’ that surfaced in the wake of a minor augmentation in car thefts in Regina in early 2002 moves us completely in the wrong direction. Tougher sentencing or boot camps would only harden young people involved in criminal activity and push them into more defiance against established authorities when they exit from incarceration.

Rather, the long-term solution to crime is the creation of fewer criminals within our society. Reaching out and aiding troubled youth in their own communities can achieve this reduction of criminals. These youth must be brought into an environment in which they are valued, can build self-confidence, and participate in making plans for the future.

Currently, there are many programs that do exist within communities which provide the type of environment where troubled youth can find the help and support they need to become fully participating citizens within our society. Programs like Dale’s House in Regina specialize in working with inner city youth and trying to prevent the situations that create crimes from occurring.

However, programs like Dale’s House do not receive the adequate or stable funding that they need to fulfill their potential in aiding the youth of Saskatchewan who need their help most.

- *The Alternative Provincial Budget allocates \$5 million to increase funding to programs addressing youth crime administered by community organizations.*

In addition to such community programs, the police themselves must make efforts to communicate and reach out to the youths in Saskatchewan. Many young people living in impoverished families or the inner city, only see a police officer if something has gone wrong. That is, either they themselves or someone they know has committed a crime. It is then little surprise that these youth have developed a negative perception about police officers.

Police officers and youth must be given the chance to develop more positive relationships. Currently, in Regina, there are only 8 resources officers responsible for maintaining the school resource program in 58 schools. Obviously, with such limited resources, these officers cannot spend the necessary time in schools to develop productive relationships with our youth and recognize potentially crime-producing situations.

- *The Alternative Provincial Budget allocates \$2 million to hire 40 new resource police officers to be stationed full time in our province's high schools.*

For those youth that are have already been convicted of crimes, a more intensive and personalized approach is needed to restore their trust in authority and the police. One successful program that originates in Ontario is to have young offenders 'ride along' with police officers to see the consequences of criminal activities and promote positive relationships between officers and youth.

- *The Alternative Provincial Budget allocates \$1 million towards the establishment of a program for young offenders to 'ride along' with police officers while they are on duty.*

Given the co-relation between crime and poverty, it is not surprising that a large amount of crime in Saskatchewan takes places within the poorest areas of our cities. It is imperative we take steps to rebuild these communities and create places where people can feel safe. A key to the revitalization of these communities would be to improve existing housing in these areas. New and affordable housing would provide secure space for people in these communities to develop themselves and meet their goals.

- *Therefore, 500 of the new or renovated housing spaces proposed in the section of the Alternative Provincial Budget on Affordable Housing will target in areas downtown core areas in Saskatchewan's major cities to revitalize these important communities.*

COMMUNITY POLICING

A reduction in crime in Saskatchewan also necessitates a paradigm shift in terms of policing in this province. Community policing is a concept that promotes a positive relationships between the police and the community that they serve. The overall philosophy of community policing is to promote and support organizational strategies that address the cause of crime and promote measures that reduce the fear of crime and social disorder. Such a goal is achieved through problem solving tactics and a partnership between the community and the police.

Within the Alternative Budget's community policing model, the police would be members of the community that they serve. Citizen security patrols made up of the members of the communities should be established. Such patrols could use their first-hand knowledge of the community to aid police in preventing crime and solving crime cases.

The police officers themselves should also be representative of the communities they serve. Therefore, the police forces should try to hire more police officers of aboriginal descent. Such an initiative could also help diminish the problems with racism within Saskatchewan's police forces. Racism within our province's police forces viciously surfaced with the death of two First Nations men in Saskatoon in 1999 after the police had driven them to the outskirts of the city and they froze to death trying to walk home.

Further, the role of the police within a community would be expanded. Police departments would be called on to do much more than just capture and detain criminals. Police stations should also hire professionals trained to recognize and deal with the more profound problems that so many of the people who pass through police stations have. Such problems include domestic violence, mental instability, and drug and alcohol addiction.

Saskatchewan's

police should not only detain suspected criminals but attempt to find out why they may have committed their crimes and assist them in discovering ways of escaping their various tribulations.

- *The Alternative Provincial Budget would double the provincial budget for community policing initiatives at a cost of \$5 million.*

RESTORATIVE JUSTICE

The Catholic Bishop of Saskatoon, Albert LeGatt, stated “Restorative justice is about forgiveness not punishment... We need to develop a culture that forgives and continues trusting”. Restorative justice is a concept that does not place the blame solely on the individual for their crime, but also recognizes the crime as the breakdown of the relationship between a community and an individual.

Thus, restorative justice tries to re-build the relationship between the individual and their community. The first step in rebuilding this relationship is to ensure that criminals feel they are treated fairly and understand the court process which punishes them. The institution of sentence circles allows aboriginal values to be respected in the sentencing process. It is also creates a key role for the First Nations community within the justice system.

- *The Alternative Budget allocates \$2 million to expand the use of sentencing circles and other forms of alternative justice.*

Once sentenced, the principles of restorative justice demand that criminals are given adequate support to rehabilitate themselves both in prison and immediately after they exit penal institutions. Such support would include extensive counseling to discover the reasons why the criminals committed the crimes and to work toward solving those problems.

- *The Alternative Provincial Budget allocates \$1 million in additional funding to hire more social workers and probation officers to deal with convicted criminals both in and outside of prison.*

Finally, we believe that justice is a community problem that requires a community solution. Saskatchewan should have a public debate on the justice issues because justice is an issue that concerns everybody in this province. Furthermore, those in charge of the justice system should have a dialogue with those whom their actions affect the most: criminals.

- *Thus, the Alternative Provincial Budget allocates \$500,000 towards the holding of a ‘Justice Summit’ that would bring together politicians, judges, lawyers, police officers, academics, social workers, and prison workers with criminals to discuss ways to reduce crime in our province.*

SUMMARY: ADDITIONAL / NEW EXPENDITURES IN JUSTICE PROGRAMS

- *Funding to Youth Crime Prevention Programs through Community Organizations: \$5million*
- *40 new resource police officers in Saskatchewan high schools: \$2 million*
- *‘Ride Along’ program for young offenders: \$1 million*
- *Community Policing: \$5 million*
- *Expansion of Sentencing Circles and Alternative Forms of Justice: \$2 million*
- *Social Workers and Probation Officers: \$ 1 million*
- *Justice Summit: \$500,000*
- *Total 16.5 million*

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 francosaskoise. 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 francosaskois 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 francosaskoise.

- *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 francosaskoise 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 service 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 culture 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 francophone wants to continue their education in the French language or even in a bilingual institution they are forced to leave the province.

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

- ***The Saskatchewan Alternative Budget 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 francophone 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, francophones 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 Alternative Saskatchewan Budget 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 francophone 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: \$7.2 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) 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 Alternative Budget of Choice 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. Total \$500,000.*

WOMEN'S SECRETARIAT

The Women's Secretariat served as a critical research and advocacy agency for women's issues. It was gutted by the Saskatchewan government in 2002 and moved to a minor role under the Minister of Labour. ABC would fully restore the Secretariat with increased resources.

- *Restoration of the Women's Secretariat with increased budget of \$2 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. 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.

- *ABC proposes health and social support programs for victims and families at a total of \$10 million.*

SCHOOLPLUS PROGRAM

The Schools Plus Program is a proposal of the Schools Task Force which builds on community schools concept. Schools Plus would add integrated services to children and youth. ABC endorses the program and proposes initial support to foster its development.

- *For development of SchoolPlus the ABC proposes initial budget of \$70.3 million.*

PUBLIC UTILITIES REVIEW COMMISSION

The Saskatchewan 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, allocating \$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 Saskatchewan 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, 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 Saskatchewan ABC proposes a major initiative which 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 Saskatchewan 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 Saskatchewan ABC would reinstate the northern transportation and food subsidy to offset significantly higher costs of basic necessities for northern residents.

- *To launch the first stage of the Equity for the North Initiative the Alternative Budget of Choice would allocate an investment of \$12.5 million.*

SUMMARY: SPECIAL INITIATIVES

Total Budget: \$95.8 Million

VOLUNTEERS OF THE ALTERNATIVE BUDGET OF CHOICE

The 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 2003-2004.

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 Branch of the Canadian Centre for Policy Alternatives***.