



Just the Facts: Budgetary Issues Federal & Provincial

Are you aware that the Federal Government is off loading costs to us and the SaskParty Government is making us pay the tab?

What Costs? Here are a few.

Health Care Transfer payments – After 2016-17, Ottawa has committed to reduce healthcare transfer payments. Federal investment in provincial health-care funding will decrease to an average of about 18.6% annually. At present, the federal government contributes at a level of about 20.4%.

6 Provincial Finance Ministers lined up in opposition of the Federal Government's new health-care funding deal on December 19, 2011; none of them were from Saskatchewan.

Expensive Crime Bill – Bill C-10, The Omnibus Crime Bill, will increase sentences for drug and sex offences, reduce conditional sentences and provides harsher penalties for young offenders (The Globe & Mail, March 13, 2012). According to Parliamentary Budget Officer Kevin Page, the portion of the Bill that restricts the use of conditional sentences (to offenders with non-violent convictions and serving a term of less than two years) will increase costs to the provinces by \$145 million each year per province (National Post, March 1, 2012).

Quebec will be introducing measures to soften the effects of this bill (Montreal Gazette, March 14, 2012) and other provinces such as Ontario's Community Safety & Correctional Services Minister have noted that Ontario taxpayers cannot be expected to pay the full costs for federal anti-crime initiatives which the province has pegged at more than \$1 billion.

On March 14, when the Saskatchewan Finance Minister was questioned about how our government planned to pay the added costs associated with Bill C-10, Ken Krawetz provided no answers. Justice Minister Don Morgan supported the crime bill, acknowledged there would be a cost but did not provide a sum. There was no allocation of monies in the recent provincial budget to cover these new costs. Our provincial government stated that they presented a 'balanced' budget, but if the federal government offloads the costs of the crime bill onto the provinces, surely we will go into deficit to pay for these costs.

Old Age Security – On January 26, 2012 Prime Minister Stephen Harper revealed his plan to slash the old age security program by implementing a removal of the safety net for seniors at age 65 and delaying eligibility for OAS payments until age 67. [SEE Just the Facts: Old Age Security (OAS)]

How will this impact us?

The provinces will find their debt rising and will have to increase taxes, cut spending or do both in order to stay on track.

To date our Provincial Government has not explained how we will pay for these higher costs – they have not criticized or put hard questions to Stephen Harper and they have not accounted for the increased costs in the provincial budget.

What is our provincial government doing?

Increasing the number of MLA's:

- Adding more politicians to the legislature is a **priority** for the SaskParty government – who needs more politicians? Wouldn't we rather see 3 more SCA's/LPN's/health care provider working the day shift at any health care facility in the province?

Changing Educational Financing rules by eliminating access to traditional financial lending strategies:

- Pushing school boards and divisions to borrow monies for future capital projects from commercial lenders, and thereby increasing interest rates – why do we want to pay more? Or is this a scheme to promote P-3's?

New Funding Formula for School Divisions/Boards:

- Resulting in cuts to budgets for specific School Divisions/Boards - who wants to see school closures and the further loss of valuable student resources such as Education Assistants? Additional support offered by Education Assistants for children with autism/special needs is necessary and the daily supports in the classroom are missed. Programming is great however we need the staff to deliver the programs.

Funding for Independent Schools:

- Diverting education dollars to previously unfunded, private, independent schools – at a time when our public education system is experiencing cuts just does not make sense.

Investing in Private For-Profit Health Care Options with expensive price tags & creating a loss of resources for the public sector:

- a) The Amicus Deal in the construction of Samaritan Place (Saskatoon): according to the Provincial Auditor (Star-Phoenix, December 9, 2011) the deal was criticized as normal tendering processes were not followed and the government was not transparent in reaching the Amicus deal; according to Dr. John Loxley who provided an economic critique of the new funding model (March 19, 2012), *“Saskatchewan taxpayers are paying between \$11 million to \$18.3 million more to build the Amicus long-term care facility under the government's new funding arrangement, based on April 2010 interest rates.”*
- b) Omni Surgery Centre in Regina has launched a \$10 million suit against the Regina Qu'Appelle Health Region (Leader-Post, October 21, 2011) based on a private contract being awarded to a Calgary-based day surgery service operator.

Appeal of the Q/B decision re: unconstitutionality of Essential Services legislation:

- Continuing the delay of any fair, balanced method of determining essential services and/or a mechanism to resolve outstanding collective bargaining issues for our members who work in health care and the public sector – at whose cost will this continued lawsuit proceed?

Other Items:

- Asking the Regional Health Authorities to achieve more savings through Attendance Management programs such as the CHESS & the LEAN initiative;
- Cutting pharmacare coverage for children/seniors;
- Increasing Long Term Care costs to residents by installing a new \$20/month fee for supplies;
- Putting the Saskatchewan Film industry out of business; and
- Slashing 500 Public Service jobs.