



SASKATCHEWAN PROVINCIAL BUDGET

21-22

SASKATCHEWAN CAPITAL PLAN

2021-22 SASKATCHEWAN CAPITAL PLAN

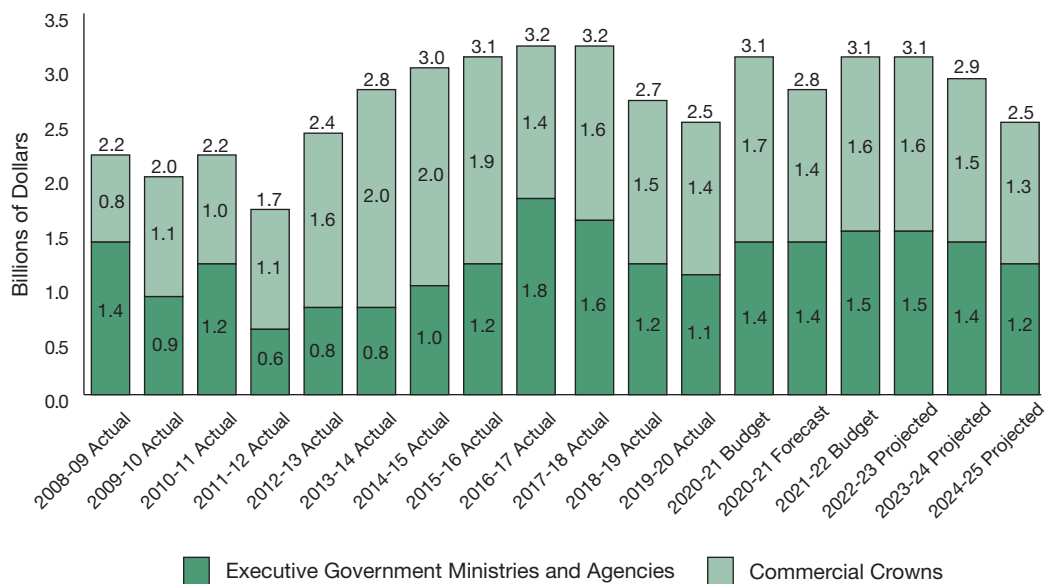
Protect. Build. Grow.

CAPITAL PLAN HIGHLIGHTS

Saskatchewan's Growth Plan targets \$30 billion of infrastructure spending by 2030 to support a growing province and a better quality of life for the people of Saskatchewan. The 2021-22 Saskatchewan Capital Plan contributes toward this goal and furthers Government's commitment to stimulate economic recovery with projected spending of \$11.6 billion over the next four years, which includes \$3.1 billion to be provided in 2021-22 through Executive Government and Saskatchewan's commercial Crown sector.

To *Protect, Build and Grow* Saskatchewan, Government will invest in new and existing infrastructure, both now and into the future. This plan provides funding for new and ongoing projects to address essential infrastructure needs, encourage local job creation and ensure Saskatchewan's continued success. Since 2008-09, including the amounts provided in this Budget, Saskatchewan has committed close to \$37 billion towards provincial infrastructure investments. This includes the construction and rehabilitation of health and educational facilities, transportation infrastructure, and public utility enhancements across the province.

CAPITAL PLAN



The 2021-22 Saskatchewan Capital Plan contributes toward the Growth Plan's target of \$30 billion in infrastructure spending and furthers Government's commitment to stimulate economic recovery.

The plan outlines projects approved to date and provides an estimate of anticipated future capital investments. The plan is detailed as follows:

SASKATCHEWAN CAPITAL PLAN – 2021-22 TO 2024-25

(Millions of Dollars)	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Projected	2023-24 Projected	2024-25 Projected
Executive Government Ministries and Agencies						
Transportation Infrastructure						
Highways Capital	411.1	468.1	520.1	378.1	341.0	332.0
Highways Partnerships and Supporting Capital	33.5	46.9	33.1	27.0	19.5	19.5
Municipal Infrastructure						
Municipal Programs	315.7	310.3	244.6	291.0	315.6	178.8
Education Capital						
School Capital	87.9	49.9	113.3	156.5	114.8	30.0
Maintenance Capital	79.8	79.3	76.7	67.9	67.9	67.9
Advanced Education						
Maintenance Capital	33.0	34.8	29.4	23.3	24.3	25.4
Health Care						
Maintenance Capital	93.9	93.9	81.2	52.5	52.5	52.5
Health IT and Equipment Capital	42.1	110.7	59.8	28.3	23.1	23.1
Health Facilities	49.4	18.3	21.1	146.2	179.8	253.8
Government Services						
IT Capital	29.3	28.9	44.3	42.4	29.6	2.2
Dams and Water Supply Channels	81.1	37.7	70.1	116.1	175.9	162.4
Courts and Corrections Facilities and Equipment	25.0	16.4	81.4	70.6	8.7	7.6
Parks Capital	13.0	13.0	16.5	9.8	9.4	9.8
Equipment Capital	23.5	23.6	27.7	26.8	17.2	17.2
Government Buildings	12.8	28.9	25.5	9.7	9.4	9.4
Targeted and Other Capital	30.1	39.1	58.7	11.8	3.8	3.8
Total Executive Government Ministries and Agencies	1,361.2	1,399.8	1,503.3	1,458.0	1,392.5	1,195.2
Crowns						
SaskPower	845.7	743.6	937.6	975.2	844.3	708.3
SaskEnergy	406.7	252.8	276.8	256.9	263.3	222.4
Others	495.5	383.0	399.0	355.9	366.4	397.8
Total Crowns	1,747.9	1,379.4	1,613.4	1,588.0	1,474.0	1,328.5
Total Capital Plan	3,109.1	2,779.2	3,116.7	3,046.0	2,866.5	2,523.7

\$2 Billion Stimulus Fund

In 2020-21, Government announced an additional \$2 billion in infrastructure investments to stimulate economic recovery and encourage local job creation. The stimulus funding has been fully allocated to the following project streams.

- Approximately \$1.4 billion for large infrastructure projects. Most of these projects are in advanced planning and designing stages, and are scheduled to be completed over multiple years but will support growth over the long term.
- More than \$300 million for highway projects for thin membrane surface upgrades, passing lanes, upgrades to municipal roads and airports. These projects are scheduled to be completed by the end of 2022-23, and the majority of spending will occur in 2021-22.
- Nearly \$170 million for renewal projects to reduce deferred maintenance on provincial and third-party assets and reduce operating costs through energy efficiency. Renewal projects are scheduled to be completed by the end of 2021-22.
- \$150 million in per capita payments through the Municipal Economic Enhancement Program to support infrastructure projects in communities across the province. Funds have been transferred to municipalities for shovel-ready projects that must be completed by the end of 2021-22.

The delivery and completion of the stimulus projects vary for each stream, and funding requirements have been included in the Capital Plan.

CAPITAL PLAN DETAILS

Transportation Infrastructure

The four-year plan projects approximately \$1.7 billion in capital investments for transportation infrastructure across the province, including a total of \$553.2 million in the 2021-22 Budget. The amount represents an increase of nearly \$109 million or 24 per cent over the prior year, and 1,350 km of provincial highways will be improved in 2021-22.

The 2021-22 Budget provides for major projects that allow the province to continue designing and constructing several passing lanes and twinning projects. This includes passing lanes on Highway 7 – Kindersley to the Saskatchewan-Alberta border, Highway 39 – Corrine to Estevan, Highway 5 – Saskatoon to Highway 2, as well as beginning work on twinning Highway 3 west of Prince Albert.

Budget 2021-22 includes a record level of investment in rural provincial highways by providing over \$180 million to deliver 280 km of upgrades. These upgrades include Highway 4, U.S. border to Grasslands National Park; Highway 18, west of Lake Alma; Highway 43, Gravelbourg to east of Highway 19; and Highway 322, Glen Harbour to Rowan's Ravine.

Protecting drivers with safe highways continues to be one of Government's highest priorities. The 2021-22 Budget includes funding for the third year of the five-year \$100 million commitment to improving intersection and road safety.

The 2021-22 Budget supports municipal and regional transportation infrastructure by providing approximately \$33 million in capital grants. This includes support to economic growth and safety on rural municipal roads through the Rural Integrated Roads for Growth Program and partnerships with urban municipalities through the Urban Highway Connector Program.

Since 2008-09, almost \$10.6 billion has been invested in transportation infrastructure, resulting in improvements to more than 17,100 km of provincial highways, numerous bridge and culvert replacements, as well as the construction and completion of the Regina Bypass, the Estevan Bypass, the Yorkton West Truck Route, and interchanges in Martensville and Warman, among others.

The 2021-22 Budget represents an increase of nearly \$109 million over the prior year and continues funding for key stimulus projects.

Municipal Infrastructure

Over \$1 billion in capital spending will be provided to support municipal infrastructure projects over the next four years, including \$244.6 million in the 2021-22 Budget. This includes commitments under federal-provincial infrastructure agreements, as well as programs such as Transit Assistance for People with Disabilities. In addition to this funding, Saskatchewan will also provide \$275.7 million through the Municipal Revenue Sharing program in 2021-22.

Combined, these programs build our communities by providing funding for initiatives such as upgrades and amenity improvements to the Shakespeare on the Saskatchewan festival site in Saskatoon, a recreational complex in Assiniboia, the ultraviolet water disinfection project in Shaunavon, sewer system upgrades in Yorkton, and a lagoon project in Kindersley, among many others.

Since 2008-09, close to \$2.2 billion has been invested to support municipal infrastructure projects.

Education Capital

Saskatchewan's K-12 facilities are integral to building and growing our communities. In recognition of this, the plan will invest \$695 million over the next four years into Saskatchewan's schools. The 2021-22 Budget provides approximately \$190 million for new initiatives, as well as continuing support for the repair, renovation and construction of schools across the province.

The 2021-22 Budget provides \$65.4 million to complete the design phase and begin construction for 13 school projects as early as spring 2022. These projects include the consolidation of Princess Alexandra, King George and Pleasant Hill elementary schools in Saskatoon; a replacement for St. Frances Elementary School in Saskatoon; a new Francophone elementary school in Regina; a new joint-use facility in Regina's Harbour Landing

neighbourhood; a joint-use consolidation of St. Peter, St. Michael and Imperial elementary schools in Regina; a joint-use facility in Moose Jaw to consolidate four existing schools; the consolidation of the elementary school and high school in Carrot River; a new elementary school to replace Ducharme Elementary School in La Loche; a new K-12 school to replace Blaine Lake Composite School; and the consolidation of the elementary school and high school in Lanigan.

Budget 2021-22 also includes \$12.3 million to complete construction on a new elementary school in Weyburn that is scheduled to open in fall 2021, consolidating three existing schools; and begin the construction on a new joint-use facility to replace Argyle and St. Pius elementary schools in Regina.

\$24.3 million is provided in 2021-22 for major renovations to the Yorkton Regional High School, John Paul II Collegiate in North Battleford, Holy Rosary High School in Lloydminster, Lloydminster Comprehensive High School, and Athol Murray College of Notre Dame.

The Budget also provides \$76.7 million for the maintenance of K-12 schools. Preventive maintenance and renewal of existing facilities remain a primary focus as it extends the useful life of existing school facilities, provides for energy efficiency upgrades, and serves as a cost-effective alternative to major reconstructions.

To meet the immediate needs for additional classroom space to accommodate increases in enrolments, the Budget also includes \$10.3 million for relocatable classrooms.

Approximately \$2.1 billion has been invested in education capital since 2008-09, including 57 new schools and 28 major renovation projects.

Advanced Education

Since 2008-09, Government has invested nearly \$685 million in post-secondary infrastructure across Saskatchewan. This includes the Health Sciences Building and the International Vaccine Centre at the University of Saskatchewan, and a new student residence at the University of Regina.

The four-year plan provides over \$102 million for infrastructure improvements in the post-secondary sector, including \$29.4 million in the 2021-22 Budget. This funding supports major renovation and repair works required to ensure that facilities meet both current and future needs while providing a safe and healthy learning environment.

Since 2008-09, Government has invested nearly \$685 million in post-secondary infrastructure across Saskatchewan.

Health Care

Protecting the lives and health of Saskatchewan people is Government's topmost priority, and the four-year plan targets over \$974 million in infrastructure improvements to the health care system. In 2021-22, the Budget provides a total of \$162 million for maintenance and improvement of existing facilities, the construction of new facilities, and equipment and technology acquisitions.

The 2021-22 Budget provides \$20 million to support ongoing capital projects, including the Prince Albert Victoria Hospital's redevelopment, urgent care centres in Regina and Saskatoon, long-term care facilities in La Ronge and Grenfell, and the replacement of the Weyburn General Hospital. The Budget also includes an additional \$1.1 million to

begin planning activities for long-term care facilities in Watson, Estevan and Regina.

Government will continue to focus on the preservation and maintenance of health care infrastructure to further strengthen the capacity of our system and provide high-quality care to Saskatchewan people. The Budget includes \$81.2 million for ongoing maintenance and major renovations to existing health facilities.

The 2021-22 Budget contains \$59.8 million for the replacement and repair of medical equipment and to support health care IT projects, including the scheduled replacement of medical linear accelerators at provincial cancer centres.

Government has invested over \$1.9 billion in the construction of new health facilities, facility renewals, and equipment since 2008-09. This includes the new Saskatchewan Hospital North Battleford, Jim Pattison Children's Hospital in Saskatoon, Dr. F. H. Wigmore Hospital in Moose Jaw, and multiple long-term care facilities across the province. During this time, capital improvements have been completed at numerous health facilities, including the Humboldt Hospital, Prince Albert Youth Addictions Treatment Centre, Lloydminster Hospital, and the Dubé Centre for Mental Health.

Government has invested over \$1.9 billion in the construction of new health facilities, facility renewals and equipment since 2008-09.

Government Services

Government services capital spending includes the rehabilitation of provincial dams and water supply channels, upgrades to courts and correctional facilities, IT projects, parks and recreation facilities,

environmental protection, and support for other government programs. Over the course of the plan, Government will invest approximately \$1.1 billion in these areas to support high-quality program and service delivery, including \$324.2 million provided in the 2021-22 Budget.

As part of the Government's initiative to rehabilitate water dams and supply channels, the 2021-22 Budget includes \$70.1 million. This funding provides for various infrastructure projects, including the Lake Diefenbaker Irrigation Expansion Project which will promote Saskatchewan's economic growth by expanding its irrigation capacity, diversifying into higher-value crop production, attracting more value-added processing, and adding to long-term food security.

The 2021-22 Budget provides \$16.5 million for capital improvements and upgrades to provincial parks. Planned capital improvements in parks for 2021-22 include new group pavilions for Pike Lake, Blackstrap, Echo Valley and Buffalo Pound Provincial Parks; a new serviced campground at Cypress Hills Interprovincial Park; new campground service centres for Saskatchewan Landing and The Battlefords Provincial Parks; interior and exterior refurbishing at the historic Holy Trinity Church in Lac La Ronge; and various other improvements. Since 2007-08, over \$160 million has been invested in park infrastructure improvements, including electrical expansion to over 2,000 campsites, four campground developments providing over 300 new campsites, 33 new or replaced campground service centres, as well as major improvements to water and wastewater systems, roads, boat launches, and trails.

To protect the people of Saskatchewan, investment in public safety remains a Government priority. The Budget provides \$17.8 million to the Saskatchewan Public Safety Agency for major upgrades and equipment replacement, including the modernization of the province's wildfire aerial fleet.

The 2021-22 Budget also includes approximately \$52 million for a remand expansion at the Saskatoon Correctional Centre. The remand centre will offer a modern facility to hold remand accused persons taken into custody securely. It will consist of two units collectively containing 216 cells capable of holding 427 people.

Commercial Crowns

Substantial investments in Saskatchewan's public utility infrastructure are planned to ensure the safety and integrity of aging infrastructure. Saskatchewan's Crown sector will invest approximately \$1.6 billion in 2021-22 to maintain and enhance utility infrastructure while supporting economic recovery. Over the next four years, Government will invest over \$6 billion to ensure safe, reliable and high-quality services are available for the people of Saskatchewan.

Through SaskPower, the Government will invest \$937.6 million in improvements to the province's electricity system to meet growing customer demand, maintain reliability and advance environmental mandates. Planned investments include constructing a new 350 MW natural gas-fired electrical plant at Moose Jaw, unit extensions at the EB Campbell hydroelectric station, and rebuilding transmission power lines.

The 2021-22 Budget invests \$276.8 million in the province's natural gas distribution system through SaskEnergy. These investments will ensure the integrity, reliability, and regulatory compliance of infrastructure; and expand the transmission system. Notable transmission capacity projects include Rosetown to Vanscoy gas line expansion, the Southwest Saskatchewan expansion and the Pierceland supply expansion.

The 2021-22 Budget supports SaskTel's vision to be the best at connecting people to their world by investing \$323.2 million in the province's information and communications technology infrastructure. Capital investments will include sustainment projects that support quality networks and meet the wireless growth demand, upgrades to broadband facilities and fibre optic networks, and completion of the Wireless Saskatchewan program.

Since 2008-09, Government has invested approximately \$20.4 billion through the Crown sector in public utility and infrastructure services. The projects completed during this period include replacing the ultrafiltration modules at the Gravelbourg water treatment plant, a new natural gas-fired power station located near Swift Current, and improving digital communications between rural and major centres through the Regional Ethernet Transport Strategy.

Capital Plan Financing

The Capital Plan balances the need for infrastructure investments to support a growing province and stimulate economic recovery while preserving the province's long-term fiscal health.

Capital expenditures will continue to be funded through a disciplined financing strategy to ensure that *Saskatchewan's Growth Plan* goal of investing over \$30 billion in infrastructure by 2030 is fiscally sustainable and matches the benefits of the assets with the term of payments.

Low interest rates, combined with the Province's excellent credit rating, continue to make this a cost-effective time to finance capital.