

2022-23 Saskatchewan Capital Plan

BACK ON TRACK

Capital Plan Highlights

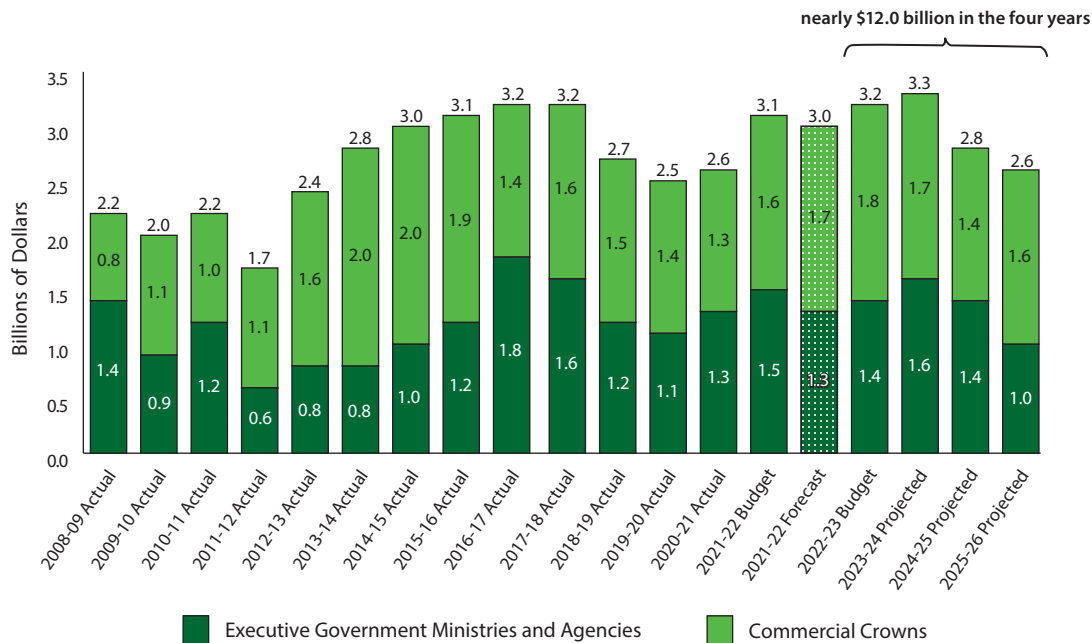
The 2022-23 Saskatchewan Capital Plan helps put the province back on track to achieve the *Growth Plan* target of investing \$30.0 billion in infrastructure by 2030 to support a growing province and a better quality of life for the people of Saskatchewan. The 2022-23 Capital Plan contributes to Saskatchewan's economic recovery with capital spending of nearly \$3.2 billion in 2022-23 and a projected spending of nearly \$12.0 billion over the next four years through Executive Government and Saskatchewan's commercial Crowns sector.

To ensure that Saskatchewan is back on track, Government will continue to invest in new and existing infrastructure. This plan provides funding for new and ongoing projects to address infrastructure

needs, supports private sector investment, encourages local job creation, and encourages Saskatchewan's continued success. Since 2008-09, including the amounts provided in this Budget, Saskatchewan has committed almost \$40.0 billion towards provincial infrastructure investments. This includes the construction and rehabilitation of health and educational facilities, transportation infrastructure, and municipal infrastructure across the province.

The 2022-23 Saskatchewan Capital Plan supports the Growth Plan target of investing \$30.0 billion in infrastructure spending by 2030.

Chart 1: Capital Plan



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

Saskatchewan Capital Plan – 2022-23 to 2025-26

(millions of dollars)	2021-22 Budget	2021-22 Forecast	2022-23 Budget	2023-24 Projected	2024-25 Projected	2025-26 Projected
Executive Government Ministries and Agencies						
Transportation Infrastructure						
Highways Capital	520.0	440.0	452.5	340.9	340.9	340.9
Highways Partnerships and Supporting Capital	33.1	32.0	27.0	19.5	19.5	19.5
Municipal Infrastructure						
Municipal Programs	244.6	296.5	268.6	312.4	243.2	162.6
Education Capital						
School Capital	113.3	54.0	108.2	127.6	86.9	21.3
Maintenance Capital	76.7	66.4	60.4	60.4	60.4	60.4
Advanced Education						
Maintenance, Planning and Projects	29.4	29.4	31.0	33.2	32.1	24.6
Health Care						
Health Facilities	21.1	10.2	53.9	196.8	236.5	102.3
Maintenance Capital	81.2	73.2	57.3	65.1	57.1	57.1
Health IT and Equipment Capital	59.8	81.1	45.3	30.0	30.0	30.0
Government Services						
Dams and Water Supply Channels	70.1	59.5	74.5	175.9	174.9	139.9
Courts and Corrections Facilities and Equipment	82.2	20.4	56.4	90.2	46.0	7.8
Parks Capital	16.5	17.7	10.7	10.8	10.7	9.9
IT Capital	44.3	45.0	77.4	33.8	4.6	3.4
Equipment Capital	28.8	28.8	29.2	28.1	28.1	25.0
Government Buildings	23.7	23.1	9.8	8.2	8.2	8.4
Targeted and Other Capital	58.7	54.2	33.8	46.5	6.7	3.9
Total Executive Government Ministries and Agencies	1,503.3	1,331.5	1,396.0	1,579.2	1,385.7	1,017.0
Crowns						
SaskPower	937.6	937.6	1,053.0	905.8	710.7	1,040.1
SaskEnergy	276.8	257.8	272.8	263.7	248.9	208.3
Others*	399.0	513.9	463.0	508.9	408.9	356.0
Total Crowns	1,613.4	1,709.3	1,788.8	1,678.4	1,368.5	1,604.4
Total Capital Plan	3,116.7	3,040.8	3,184.8	3,257.6	2,754.2	2,621.4

* Others include SaskTel, SGI CANADA and Auto Fund, SaskWater, SaskGaming and CIC.

Capital Plan Details

Transportation Infrastructure

The Capital Plan provides an investment of nearly \$1.6 billion in transportation infrastructure across Saskatchewan over the next four years, including \$479.5 million in the 2022-23 Budget. Over 1,100 km of the provincial roads network will be improved, 15 bridges will be repaired or rebuilt, and 100 culverts will be replaced in 2022-23.

The 2022-23 Budget allows the province to continue construction and design of passing lanes and twinning projects to increase safety and improve traffic flow. This includes twinning Highway 3 west of Prince Albert, completing 10 sets of passing lanes on Highways 12 and 16, two sets of passing lanes to complete the multi-year corridor improvements on Highway 7 from Saskatoon to the Saskatchewan-Alberta border, two sets of passing lanes and widening on Highway 5 from Saskatoon to Humboldt, and planning and pre-construction for twinning projects on Highways 6 and 39 near Regina and Weyburn.

Enhancing road safety remains a priority for the Saskatchewan Government. The 2022-23 Budget provides funding for the implementation of road safety strategies to reduce fatalities and injuries from collisions. The strategy is focused on intersections, dark driving conditions, single vehicles running off the roads and collisions with wildlife. The Budget provides \$19.2 million for the fourth year of a five-year \$100.0 million commitment to improving intersection and road safety.

The 2022-23 Budget continues to support municipal and regional transportation infrastructure by providing approximately \$27.0 million in capital grants. The grants support economic growth and safety on rural municipal roads and bridges

through the Rural Integrated Roads for Growth and construction and maintenance partnerships with urban municipalities through the Urban Highway Connector Program. The grants also support improvements to community airports and shortline railways.

Including this year's budget, the Government of Saskatchewan has invested approximately \$11.5 billion in highways infrastructure since 2008-09 to improve more than 18,400 kilometres of Saskatchewan highways.

Since 2008-09, approximately \$11.5 billion has been invested in highways infrastructure and improved over 18,400 km of the provincial roads network.

Municipal Infrastructure

The 2022-23 Budget provides \$268.6 million in transfers to municipalities through various programs such as the Investing in Canada Infrastructure Program, Canada Community-Building Fund, the New Building Canada Fund, and other small programs. Including the 2022-23 Budget, the four-year capital plan will invest over \$980.0 million to support municipal infrastructure projects. In addition to the capital funding, the Government of Saskatchewan will provide \$262.6 million through the Municipal Revenue Sharing program as part of the *Growth Plan* commitment to support communities through \$2.5 billion in revenue sharing by 2030.

The projects funded through the Budget will continue to advance the government's goal of building a better life for Saskatchewan families

and communities. Examples include the Prairie North Regional potable water system from the City of Lloydminster to Town of Lashburn, and the watermain replacement and relocation of dangerous goods route in the Town of Kerrobert funded through the New Building Canada Fund. In addition, the Budget also provides funding for the Thunderchild First Nation Wellness Centre through the Investing in Canada Infrastructure Program.

Since 2008-09, approximately \$2.5 billion has been invested in municipal infrastructure projects.

Education Capital

As part of the four-year capital planned investment of \$585.6 million, the 2022-23 Budget provides \$168.6 million for Saskatchewan's K-12 schools to provide safe and inclusive learning environments for students through investments in school infrastructure.

The 2022-23 Budget provides \$95.2 million to support 20 ongoing capital projects to build 15 new schools and renovate five existing schools in the following communities: Regina, Saskatoon, Moose Jaw, Lloydminster, Yorkton, Lanigan, Carrot River, La Loche, North Battleford, and Wilcox.

The 2022-23 Budget also includes \$55.9 million for preventative maintenance, \$4.5 million for a new minor capital program that allows school divisions to address structural repairs and renovations, and \$12.0 million to buy or move relocatable classrooms.

The Government of Saskatchewan continues to support K-12 classrooms and child care by providing safe and inclusive learning environments for students.

Advanced Education

The four-year capital plan provides over \$120.9 million to support infrastructure improvements in the post-secondary education sector including \$31.0 million in 2022-23. The funding includes \$4.0 million in design funding for the Saskatoon campus renewal project at Saskatchewan Polytechnic, and an increase of \$2.2 million or 10 per cent for preventative maintenance. The Budget also provides funding for planning and design work for the dental clinic at the University of Saskatchewan and an auditorium renewal project at Great Plains College. The 2022-23 Budget supports major renovation and repair work that ensures that post-secondary facilities remain safe and continue to meet the needs of current and future students.

Since 2008-09, Government has invested over \$715.0 million in post-secondary infrastructure across Saskatchewan.

Health Care

Protecting the health and safety of Saskatchewan people remains a priority for Government. The 2022-23 Budget provides \$156.6 million to support infrastructure improvements in the health sector.

This includes over \$52.9 million to support ongoing capital projects including the redevelopment of the Prince Albert Victoria Hospital, the Weyburn General Hospital replacement, new Urgent Care Centres in Regina and Saskatoon, and various long-term care projects throughout Saskatchewan. The Budget also provides for procurement and design of the Regina General Hospital Parkade as well as planning and assessment work for the Yorkton Regional Health Centre replacement.

The 2022-23 Budget includes \$57.3 million for the rehabilitation and maintenance of health care facilities and \$45.3 million for information technology projects and medical equipment. Including the current year budget, the four-year capital plan projects approximately \$962.0 million in infrastructure investments in the health care sector. Government remains focused on maintaining health care facilities and improving the capacity of our health care system to address the gaps revealed by the pandemic.

Since 2008-09, government has invested nearly \$2.1 billion to support the maintenance and construction of new health care facilities. Over the next four years, Government plans to invest approximately \$962.0 million in health care infrastructure.

Government Services

Government services supports infrastructure maintenance across government including required upgrades of buildings, provincial dam rehabilitation, courts and correctional facilities, parks and recreational facilities, IT management systems, and support for other government programs.

Over the next four years, Government is investing approximately \$1.2 billion in these areas to support program and service delivery. This includes \$291.8 million provided in the 2022-23 Budget.

Government is investing \$74.5 million in various dams, water supply channel projects and irrigation projects. These investments support a *Saskatchewan's Growth Plan* commitment to expand the number of irrigable acres in Saskatchewan by including new spending for smaller irrigation projects. The Budget also provides for design work for the Grant Devine Spillway modification project.

To improve visitor experience, Government is investing over \$10.7 million for capital improvements throughout the parks system. This includes funding for new campground service centres at Duck Mountain and Saskatchewan Landing Provincial Parks, water system upgrades at Candle Lake, Saskatchewan Landing and Meadow Lake Provincial Parks, wastewater system upgrades at Meadow Lake and Echo Valley Provincial Parks, boat launch upgrades at Douglas Provincial Park, and major road upgrades at Battlefords Provincial Park.

Government is also investing \$56.4 million for various courts and correctional facilities projects including continued development of the remand expansion at the Saskatoon Correctional Centre. Furthermore, the 2022-23 Budget provides \$18.1 million in capital funding to modernize the province's aerial wildfire suppression fleet and replace obsolete aircraft, including a Turbo Commander Bird Dog and a CL215T Air Tanker that will be delivered in 2022.

Commercial Crowns

The Crown sector invests in capital to ensure the safety and integrity of aging infrastructure to serve customers while also meeting growth

demands. Saskatchewan's Crown sector will invest approximately \$1.8 billion in 2022-23 to maintain and enhance utility infrastructure while supporting economic growth. Over the next five years, Government will invest over \$8.0 billion to ensure safe, reliable, and high-quality services are available for the people of Saskatchewan.

Through SaskPower, the Government is forecasting a historic capital investment of approximately \$1.1 billion in its electricity system to improve reliability, replace aging infrastructure, and meet customer demand. This includes continued construction of the new 350 MW natural gas-fired electrical plant in Moose Jaw, upgrades at the EB Campbell hydroelectric station to extend its operating life, and increase efficiencies while creating clean, reliable power, and beginning construction on the Logistic Warehouse Complex that will centralize regional services and support around the Regina area.

The 2022-23 Budget invests \$272.8 million in the province's natural gas transmission and distribution system through SaskEnergy. These investments ensure safe, reliable, and affordable services to customers. Planned investments include Regina East and West transmission system expansions, completing connection of the SaskPower natural gas plant in Moose Jaw, and expansion and maintenance of distribution systems to support a forecasted increase in new residential customers across the province.

The 2022-23 Budget supports SaskTel's vision to be the best at connecting people to their world by investing \$337.0 million in the province's information and communications technology infrastructure. Capital investments will include sustainment projects that support quality networks, continued deployment of fibre to rural customers, and modernization of

network infrastructure through the rollout of SaskTel's 5G wireless network.

Through SaskWater, the Government is investing \$52.7 million in 2022-23 to support significant industrial growth in the Regina region as well as continued investment in the sustainment of water and wastewater systems.

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. Saskatchewan continues to make strategic investments in capital required to support future growth opportunities while ensuring that the province is back on track.

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

Planning for and enabling the repayment of capital debt upon maturity continues to be a key principle of undertaking this capital financing plan. As a result, Government remains committed to having at least two per cent of the value of these borrowings set aside and invested each year to ensure that sufficient cash will be available to repay the debt as it comes due.

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