

Factsheet: Saskatchewan Budget

Failing Saskatchewan Families

The 2017-2018 provincial budget makes devastating cuts to the public sector - it increases costs to working families while giving tax breaks to corporations and the rich. Here are the facts.



These cuts aren't even necessary

Economist Toby Sanger's recent report *Debunking the Deficit* shows that Saskatchewan could achieve a balanced budget in a few years without drastic spending cuts simply by growing the economy, diversifying revenues, and making the tax system fairer. In fact these budget cuts could make the economic situation worse. Recent reports from Europe show that austerity measures not only created economic hardship for the population, they created higher deficits and debts.

Creating an unfair tax system

Not everyone is "sharing the pain." In this budget, the Sask Party cut tax rates for their corporate friends and for top income earners. This amounts to \$107.5 million in lost revenue this year. By 2019 when the full tax cuts are in place, we will lose over \$287 million annually in tax revenues.

The government chose to increase the PST to 6% and apply it to essential items like children's clothing, restaurant meals, and home renovation work, which raises \$873.6 million this year. The government's decision to raise the PST will hurt working people more because they have less disposable income and will be paying a higher proportion of their wage on goods because of a higher sales tax. The government could have looked at progressive income tax options such as closing tax loopholes for stock options and capital gains, cracking down on tax evaders and tax havens, and hiking the top income tax rate on the wealthy.

Job Losses and wage cuts that hurt families and the economy

This budget directly eliminated 574 public sector jobs, and it will trigger even more job loss in months to come. The government is also demanding a wage rollback of 3.5% this year followed by three years of zeroes. Libraries and school divisions have already announced cuts and layoffs as they struggle to deal with the devastating cuts.

Devastating Public Services

Here is a list of some of the public services hit:

- Funding to the University of Saskatchewan was cut by 5.6% and by 5.5% to the University of Regina;
- The tax credits for tuition and education costs of **post-secondary students** will be eliminated July 1, 2017. Scholarships and student aid funding has also been cut;
- **Special care home maximum fees** will increase on July 1 from \$2,065/month to \$2,689/month. About 8,500 residents will have their fees increased;
- The **government is no longer funding the following health services:** hearing aid plan, podiatry services, pastoral care, orthotics and equipment for sleep apnea, parent mentoring, travel immunization clinics. Eighty jobs will be cut. The government expects the private sector to provide these services – shifting the cost to patients.
- **Municipal revenue sharing has been reduced** by 5.1% or \$257.8 million. The budget also eliminates \$32 million in grants-in-lieu of property taxes that were paid to cities and towns by SaskPower and SaskEnergy. Some cities and towns are cutting services and raising property taxes to make up for major shortfalls.
- Operating grants to **school divisions were cut by \$54 million**, or by 2.6%. Education property taxes were increased by \$67 million, but the revenues are going straight to the province and not being invested in our children's education.
- The government plans to **shut down the Saskatchewan Transportation Company (STC) May 31, 2017**. At a cost of \$17 million a year, STC provided affordable transportation options across the province to seniors, students, rural and northern residents, and vulnerable people who travel for work, to visit family, or for medical appointments.
- The **government will no longer pay for funerals of social assistance recipients.**

We can stop this!

Many organizations and people across the province are speaking out against the budget. There is tremendous momentum. Together we can stand against the cuts.



For more information, please go to www.cupe.sk.ca.