



January 18, 2024

The Honourable Donna Harpauer
Minister of Finance
Room 312, 2405 Legislative Drive
Regina, SK S4S 0B3
Email: fin.minister@gov.sk.ca

Dear Minister Harpauer:

Re: The 2024-2025 Saskatchewan Provincial Budget

As you know, the Saskatchewan Association of Rural Municipalities (SARM) is an independent association that represents its membership of Saskatchewan's rural municipal governments. SARM examines and takes positions on fundamental social, economic, and political issues of the day and supports special interests such as education, health, infrastructure, and agriculture.

Since 1905, SARM has been addressing the concerns of rural municipalities and ensuring their voices are heard by senior levels of government. SARM advocates on behalf of members and ensures they understand legislation and regulations in their dealings with the provincial and federal governments. SARM also provides services to RMs, including representation of rural interests on boards and committees, legislation review, general municipal support, communication services, legal services, employee benefits programs, municipal insurance programs, policy research, member purchasing, retaining a federal lobbyist, and municipal fund management.

On behalf of SARM, congratulations on reaching the noteworthy milestone of becoming the longest-serving female cabinet minister in the history of Canada. This achievement has been twenty-five years in the making and SARM respects your dedication and service.

Given that you will present the 2024-2025 provincial budget, I would like to detail some of our membership's current priorities concerning the upcoming budget. There are several areas in which rural municipalities must sustain and increase funding for RMs to continue service delivery across the province. The initiatives outlined improve quality of life, impact food security, and support economic development in Saskatchewan.

BROADBAND

SARM has long advocated for funding and implementation of reliable broadband internet and access to data across Saskatchewan. Both have become critical tools needed for the economic and social well-being of residents in Saskatchewan. There is an inherent need to rectify cellular coverage and broadband within the province's borders, leaving no gaps or dead zones.

While we can certainly recognize that investments have been made by the government, pockets within the province still need to be improved at a rate that is on pace to meet the needs of rural Saskatchewan residents and producers.

SARM is a founder and participant on the Saskatchewan Broadband Action Committee (SBAC). In 2022, the committee conducted a provincial survey to gain greater insight; fifty-three percent of respondents indicated that they "are not" or "do not" have access to broadband 50/10 high-speed internet or better. Thirty-eight percent of respondents who could access high-speed were dissatisfied with their current service provider, and thirty-eight percent said that infrastructure is stopping them from upgrading their internet service.

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In the fall of 2023, the committee put forward a document called [*A Broadband Development & Investment Framework for the Province of Saskatchewan \(2023-2027\)*](#).

Some of the recommendations for the province include:

- Adopt the *Broadband Development & Investment Framework* as a starting point.
- Establish a Saskatchewan Broadband' Collaboration & Priorities' Office to provide a 'point of contact' within Saskatchewan that can guide and work alongside local and regional Leadership.
- Introduce a \$3.0M to \$4.0M annual broadband 'Inclusive Regional Community Capacity' Grant.
- Commit to a \$50.0M ISP Market Incentive Co-Funding Infrastructure Grant.
- Create an "Industry Collaboration Table", chaired by the Province of Saskatchewan, charged with improving market competition, removing/refining federal and provincial policies that hinder a level playing field, and promoting greater industry collaboration.

SBAC's vision for Saskatchewan is to have broadband infrastructure achieve parity for 100% of Saskatchewan residents (50 Mbps download and 10 Mbps upload), regardless of location and community, by 2025. By 2030, the goal would be to have 100% of Saskatchewan citizens exceed the CRTC standard by accessing 100 Mbps download and 50 Mbps upload, regardless of where they were in the province.

SARM wants to see Saskatchewan become a national leader in achieving broadband parity and having the best cellular coverage in Canada so we can continue to drive the provincial economy forward and create opportunities for residents to thrive.

MUNICIPAL REVENUE SHARING (MRS)

The MRS funding formula provides a steady stream of funding for RMs. Decision-makers around the council table are better equipped to plan for their municipalities' needs than before the formula's inception.

However, in the 2017-2018 budget, RMs saw a sharp decline in the dollar amount of MRS funds received from years prior. Up to that point, MRS funding had been steadily increasing year over year. In 2019-20, Municipal Revenue Sharing was calculated based on the value of 0.75 of 1 percentage point of the PST (based on the total PST collected two years prior) rather than the one percent that RMs had grown accustomed to. Initially, raising the PST from five percent to six percent was said to cushion the impacts of this change. Still, over the years, there has been an impact on what RMs received, and this, combined with the pandemic, caused a period of decline in the funds available through MRS funding.

Based on the government of Saskatchewan's figures in the 2023-2024 budget, there was a significant increase from the previous years; however, the change would be quickly offset by the increase in expenses that RMs incurred, rising inflationary pressure and the need to regain equilibrium from the years when decreased funding was available through revenue sharing.

SARM and SUMA members have continuously advocated that the MRS calculation be restored to one whole point of provincial sales tax revenues rather than the current value of 0.75 points.

More funding is needed so RMs can ensure that rural municipalities are positioned to help the province meet their 2020 and 2030 goals outlined in the provincial growth plan and continue to provide the level of service expected by sectors that drive Saskatchewan's economy.



INFRASTRUCTURE & BRIDGE FUNDING

According to Statistics Canada 2021 Agricultural Census, Saskatchewan is home to forty-three percent of Canada's cropland. Saskatchewan also accounts for over half (nearly fifty-nine percent) of Canada's canola area. This province is also home to most of Canada's cereal grains areas and pulse lentils. Saskatchewan also is a major proponent of the country's livestock industry. The province accounted for over one-fifth of cattle and calves in Canada in 2021. Saskatchewan farms also reported the second-largest number of beef cows, bison, and elk. To get these goods to market, our province depends on a reliable transportation network from coast to coast.

Saskatchewan is also home to Canada's largest rural municipal network. RMs are responsible for 162,000 kilometres of road which require regular upkeep, maintenance at primary weights, and construction and re-building when necessary.

RMs are also responsible for 1280 RM bridge structures. Approximately sixty percent of these rural bridges are at or beyond their expected service lifespan and must be replaced to avoid safety hazards or disrupt the transportation of goods to market.

The Rural Integrated Roads for Growth (RIRG) program provides funding for RMs to support the cost of rural road construction, bridge construction, culvert installation, and maintaining eligible roads at primary weights. SARM delivers programming on behalf of the Ministry of Highways.

The funding for the RIRG program has been reduced over the years from twenty-five million in 2009 to 2014 to a mere fifteen million from 2015 to 2023. The impact of this reduction had been offset in recent years by stimulus funding, which is now fully depleted.

Inadequate funding risks the province's economy, public safety, and industry investment. Current and future funding gaps must be closed to prevent additional deterioration of Saskatchewan's road network. RMs do not have the means to generate enough dollars through municipal taxes or revenue sharing to cover the sheer volume of investment required outside of government support. The province needs to provide increased funding support through the RIRG program.

AGRIRECOVERY FRAMEWORK

The Sustainable Canadian Agricultural Partnership (SCAP) tools under the Canadian Agricultural Partnership are essential to rural Saskatchewan agricultural producers. The current agreement includes \$1 billion in federal programs and activities and \$2.5 billion in cost-shared programs and activities funded by federal, provincial, and territorial governments.

The disaster relief framework aids Ag producers in recovering from natural disasters by ensuring they can deal with and recoup income and production losses when natural disasters occur.

One staple, the Business Risk Management Program within the AgriRecovery Framework, is the AgriStability program under the Saskatchewan Canadian Agricultural Partnership.

This year alone, SARM has received numerous declarations of local emergencies from its rural membership, and the number is only increasing. Federal and provincial government support is imperative to mitigate this dire situation.

The province needs to continue to advocate to the federal government that they must listen to provincial-territorial and municipal governments regarding drought conditions or other natural disasters. Work with producers to find solutions and potential relief through the AgriRecovery Framework.



HEALTH CARE

SARM undoubtedly appreciates the province's implementation and subsequent progress on initiatives within Saskatchewan's HHR Action Plan. We recognize that the issues surrounding the recruitment and retention of health care workers are not unique to Saskatchewan. We encourage the province to continue working diligently on solutions and breaking down barriers to practice in Saskatchewan.

Rural residents now must travel farther, wait longer, and incur more personal expenses to access much-needed health care. Many rural facilities need more staffing, infrastructure, and equipment. All Saskatchewan residents deserve quality health care regardless of where they live.

WILDLIFE COMPENSATION

In 2023, SARM was pleased to see the Ministry of Agriculture support Saskatchewan producers by enriching the Wildlife Damage Prevention Program by improving access to fencing packages and supplemental freight adjustments. Hopefully, this is the beginning of a long-term strategy to balance the need for healthy, sustainable wildlife populations and producers' ability to protect valuable feedstock and infrastructure. SARM would certainly support additional financial measures that aid producers in lessening the risk that wildlife poses to their operations.

RURAL CRIME & POLICING

Rural crime continues to be a growing concern in rural Saskatchewan. RMs face growing policing costs, yet the service level remains an issue.

While the Saskatchewan Marshal Service will be another avenue to combat crime, SARM would be remiss if we didn't mention that the costs associated with the new service must remain with the province. RMs are already paying for growing RCMP costs, and in some cases, they also pay for additional municipal forces.

Regarding the RCMP, we know there are challenges in the number of officers available in the province at any given time. The RCMP has been very public in requesting additional funding from the province. SARM supports the idea that police officers are most effective in the field rather than performing more administrative tasks behind a desk. It would be advantageous for the province and the RCMP to work together to solve the administrative barriers that keep RCMP officers from spending more time serving local communities.

In closing, I thank you for the opportunity to share insight into the matters that our membership deems necessary for moving rural Saskatchewan forward. I welcome the opportunity to discuss these matters with you and your officials anytime. SARM is always pleased to provide input on what works best to meet the needs of rural Saskatchewan.

I look forward to the unveiling of the upcoming provincial budget.

Sincerely,

A handwritten signature in blue ink that reads "Ray Orb". The signature is fluid and cursive, with the first name "Ray" being more prominent than the last name "Orb".

Ray Orb, SARM President