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2025-26 BUDGET: DELIVERING FOR YOU

Saskatchewan's 2025-26 Provincial Budget is delivering for the people of Saskatchewan.

Deputy Premier and Finance Minister Jim Reiter tabled a budget today that delivers on the priorities of Saskatchewan people - affordability, health care, education, safer communities and responsible financial management - while addressing the challenges of a growing province.

"We understand this budget is being delivered at a very volatile time, due to the constantly changing tariff threats from the United States," Reiter said. "Right now, we do not know what tariffs the U.S. may impose or how long they may last. As a result, it was not possible to build the exact impact of tariffs into the budget.

"However, we are not letting the tariff threat prevent us from following through on our commitments to the people of Saskatchewan. Our strong financial position means we are well-positioned to weather the impact of any tariffs that may be imposed on Canada and Saskatchewan."

As a signal of strong financial management, the Government of Saskatchewan is delivering a balanced budget in 2025-26, with a surplus of \$12 million.

Affordability

In the 2025-26 Budget, the Government of Saskatchewan continues to take action to ensure the province remains the most affordable place in Canada to live, work, raise a family and start a business.

The budget reduces income taxes for every resident, family and small business in the province. It also helps make life more affordable for seniors, families with children, persons with disabilities, caregivers, new graduates, first-time homebuyers and people renovating their homes.

The taxation changes introduced in the 2025-26 Budget, including the initiatives in *The Saskatchewan Affordability Act*, provide over \$250 million in tax savings this year. This is in addition to the more than \$2 billion in affordability measures in each and every budget.

The affordability measures in the 2025-26 Budget include those that help make life more affordable and those that support our growing province. Among the measures are:

- Raising the basic personal exemption, spousal and equivalent-to-spousal exemption, dependent

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- child exemption and the seniors supplement by \$500 a year, for the next four years - over and above the impact of indexation - for the largest personal income tax reduction in the province since 2008;
- Increasing monthly income assistance benefits by two per cent for Saskatchewan Income Support (SIS) and Saskatchewan Assured income for Disability (SAID) clients;
- Increasing the Disability Tax Credit and Caregiver Tax Credit by 25 per cent;
- Doubling the Active Families Benefit refundable tax credit from \$150 to \$300 per child and doubling the income threshold to qualify to \$120,000 to make children's sports, arts, cultural and recreational activities more affordable for more Saskatchewan families;
- Reinstating the Home Renovation Tax Credit, which will allow homeowners to save up to \$420 annually in home renovation expenses, while seniors undertaking home renovations can save up to \$525;
- Increasing the Graduate Retention Program benefit by 20 per cent to a maximum of \$24,000; and
- Permanently maintaining the small business tax rate at one per cent, benefiting more than 35,000 small businesses in Saskatchewan and saving them over \$50 million in corporate income taxes annually.

Property owners will also receive relief in this year's budget. All education property tax mill rates will be reduced to absorb the increase in property assessment values and ensure this assessment year is revenue neutral for the province in each property class. This change will save property owners in the province more than \$100 million annually.

This is in addition to the Government of Saskatchewan extending the carbon tax exemption on home heating, which is expected to save the average Saskatchewan family approximately \$480 in 2025.

Health Care

The 2025-26 Budget delivers better patient access and safer, more responsive care for Saskatchewan residents.

Over the last two years, the Government of Saskatchewan has invested \$15.7 billion in health care in the province. In the 2025-26 Budget:

- The Ministry of Health receives a record \$8.1 billion, an increase of \$485 million, or 6.4 per cent;
- The Saskatchewan Health Authority receives an increase of \$261 million, or 5.6 per cent, for a record \$4.9 billion budget; and
- The Saskatchewan Cancer Agency receives \$279 million, an increase of \$30 million, or 12.2 per cent.

This funding will provide better access to acute care programs and services to improve patient outcomes, such as:

- Reducing surgical wait times as part of an ambitious plan to perform 450,000 procedures over four

- years; and
- Realigning services at Saskatoon City Hospital to address inpatient capacity pressures by opening more than 100 beds.

Mental health and addictions programs and services receive \$624 million - 7.7 per cent of the overall Health budget - to deliver critical support and investments in Saskatchewan, including an increase of \$20 million for targeted initiatives. This includes continued progress on the multi-year *Mental Health and Addictions Action Plan*, and expanded access to mental health and addictions services and care by delivering on the commitment to add 500 addictions treatment spaces across the province, doubling the public health system's capacity.

To ensure the professionals are in place to provide health care services, this year's budget accelerates the hiring of health care professionals through the *Health Human Resources Action Plan*.

The 25-26 Budget also invests in steady and significant progress on multiple infrastructure projects.

Due to the positive response to the Regina Urgent Care Centre, planning is underway for additional urgent care centres in Moose Jaw, Prince Albert and North Battleford, as well as second urgent care centres in Regina and Saskatoon.

The budget also provides new capital funding for the expansion of Complex Needs Emergency Shelters in new communities, building on the pilot projects in Regina and Saskatoon.

Overall, health capital funding will increase by \$140 million, for a total of \$657 million - the highest ever capital budget to deliver major health infrastructure projects.

Education

Kindergarten to Grade 12

The 2025-26 Budget delivers increased opportunities and supports for kindergarten to Grade 12 students, parents and teachers across Saskatchewan.

Over the last two years, more than \$5 billion has been invested in kindergarten to Grade 12 education. In this year's budget, the Ministry of Education receives \$3.5 billion, an increase of \$184 million, or 5.5 per cent, over the previous year. That includes an increase of \$186 million, or 8.4 per cent, in school operating funding for a total of \$2.4 billion.

The 2025-26 Budget also includes an increase of \$130 million to fund the new teacher collective agreement and address growing student enrollment and the challenges facing today's classrooms.

Building on the success of last year's pilot project in eight Saskatchewan schools, the budget provides funding for 50 additional specialized support classrooms throughout the province. The specialized classrooms help reduce interruptions by providing additional supports to students who need them.

Student literacy is another area of emphasis in the 2025-26 Budget. Learning to read is one of the most valuable skills developed during childhood and sets the foundation for lifelong academic success. For this reason, this year's budget provides additional funding to improve kindergarten to Grade 3 reading levels in Saskatchewan.

The budget delivers on the challenges of student enrolment growth by investing in new schools with a \$191 million school capital budget. This includes ongoing funding for the 21 new or consolidated schools and three major renovations underway across Saskatchewan, as well as funding to begin planning for one new replacement school and preplanning for four new schools in the Saskatoon area.

Post-Secondary

The 2025-26 Budget also supports students as they advance into post-secondary education. It provides opportunities that will allow students to pursue post-secondary education close to home while focusing on programs that meet the needs of Saskatchewan's labour force and provincial economy.

The Ministry of Advanced Education receives \$788 million in this year's budget, with \$1.6 billion invested in post-secondary education over the past two years. As part of their budget, universities, technical schools, Indigenous institutions and regional colleges will receive \$718 million in operating and capital funding.

Health care training is a key priority as part of the province's *Health Human Resources Action Plan*. New and expanded programs will help build a stronger health care workforce to meet the needs of Saskatchewan residents, including training seats in areas of critical need. This includes supporting:

- 60 new training seats this year - more than 900 training seats overall - for nurse practitioners, registered psychiatric nurses and medical radiologic technologists; and
- Four new training programs that will be ready to accept students in fall 2025 (physician assistant) and fall 2026 (speech-language pathology, occupational therapy, respiratory therapy).

The 2025-26 Budget also delivers work on strategies to address veterinary services in rural and urban communities. This includes working toward an expansion of the Western College of Veterinary Medicine in the future.

To help ensure predictable and stable funding for the province's post-secondary institutions, the 2025-26 Budget extends the current multi-year funding agreement for an additional year. The extension will allow government and post-secondary institutions time to work through the potential impacts of the federal government's reduction of foreign student visas, before engaging in another multi-year funding agreement.

Community Safety

The 2025-26 Budget delivers safer communities across the province by enhancing the presence of law enforcement in Saskatchewan.

Over the last two years, \$2 billion has been invested into community safety. For the upcoming fiscal year, the Ministry of Corrections, Policing and Public Safety will receive \$798 million, including \$119 million for the Saskatchewan Public Safety Agency, while the Ministry of Justice and Attorney General will receive \$271 million.

Increases to the Municipal Police Grant Program will help frontline officers respond to more calls for service, while increased funding for the RCMP will support operations in the province and the RCMP First Nations Policing Program. The budget also includes funding for previous commitments for approximately 100 new municipal police officers, 14 new Safer Communities and Neighbourhoods personnel and funding for the Saskatchewan Police College to train more officers in the province.

This enhanced law enforcement presence extends to the border with the United States. The *Saskatchewan Border Security Plan* was introduced in January 2025 to mobilize Provincial Protective Services officers to work in partnership with provincial policing services and federal agencies to boost law enforcement near the border.

To complement the increased presence of law enforcement personnel, the 2025-26 Budget includes funding to improve safety for correctional staff, offenders and the public, as well as address capacity concerns at correctional facilities.

Additional investments will be made in interpersonal violence programs and services, including second-stage housing. The budget also delivers funding to create a more accessible court system for municipal bylaw offences and ensuring cases are complete and ready to move to trial more quickly.

Delivering More for You

The 2025-26 Budget delivers on the priorities of affordability, health care, education, community safety and fiscal responsibility. However, it delivers more than that. Some of the other important initiatives in this year's budget include:

- A record \$362 million in municipal revenue sharing, an increase of \$22 million, or 6.3 per cent, from 2024-25.
- New funding to start multi-year repair and renovation projects for 285 Saskatchewan Housing Corporation-owned units in Saskatoon, Regina and Prince Albert.
- Funding for expanded homelessness services developed through the Provincial Approach to Homelessness. This includes investments in the Rental Development Program to partner with third-

- party organizations to develop new supportive housing units for people who need additional support to live independently.
- Over the past two years, funding from the Ministry of Social Services has created 120 new emergency shelter spaces, 155 new supportive housing spaces, new street outreach services and an expanded income assistance mobile workforce serving clients on-site at more than 30 community-based organization locations.
- A grant to the Food Banks of Saskatchewan to fulfill the Government of Saskatchewan's two-year commitment to help families and food banks with high food costs.
- A \$20 million increase across government in funding for community-based organizations.
- The creation of a new Saskatchewan Young Entrepreneur Bursary, which is an annual grant of \$285,000 for a maximum of 57 bursaries distributed to support youth entrepreneurship in the province.
- The creation of a new Small and Medium Enterprise Investment Tax Credit, a 45 per cent non-refundable tax credit for individuals or corporations that invest in the equity of an eligible Saskatchewan small and medium size enterprise.
- Introduction of the Low Productivity and Reactivation Oil Well Program to encourage industry to make new capital investments in low-producing and inactive horizontal oil wells.
- Investment in capital projects that will improve our provincial transportation system, including:
 - Passing lanes for Highway 10 between Fort Qu'Appelle and Melville, and Highway 17 north of Lloydminster;
 - Highway 39 twinning at Weyburn;
 - Ongoing corridor improvements on Highway 5 east of Saskatoon; and
 - Improvements of more than 1,000 kilometres of provincial highways.

Fiscal Responsibility

The surplus forecast for the 2025-26 Budget leaves Saskatchewan in one of the strongest financial positions among provinces.

The surplus is driven by forecast revenues of \$21.1 billion, an increase of \$1.2 billion, or 6 per cent, compared to last year. Total expense is projected to be \$21.0 billion, which is an increase of \$909 million, or 4.5 per cent, from the 2024-25 Budget.

Non-Renewable Resources revenue accounts for 12.8 per cent of total expense in this year's budget.

Another sign of Saskatchewan's strong financial position is the province's net debt position, which remains the second lowest net debt-to-GDP ratio among Canadian provinces at 14.6 per cent.

The Government of Saskatchewan's prudent financial management is also reflected in the province's credit ratings. Saskatchewan currently maintains the second-best credit rating among the provinces when the

ratings from the three major agencies - Moody's Investors Service, Morningstar DBRS and S&P Global - are considered.

Saskatchewan's strong financial position in this year's budget is buoyed by the provincial economy's solid performance in 2024. Building upon this momentum, the Saskatchewan economy is expected to continue to grow in 2025 with real GDP projected to grow by 1.8 per cent according to the average private-sector forecast.

For more information on the 2025-26 Provincial Budget, please review the budget materials and ministry news releases on saskatchewan.ca/budget.

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