



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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April 1, 2025

[The committee met at 16:59.]

Chair B. McLeod: — Welcome everyone to this meeting of Intergovernmental Affairs and Justice, and we'll be focusing tonight on Government Relations, vote no. 30.

So welcome, everyone, and I'll introduce myself, Blaine McLeod; MLA [Member of the Legislative Assembly] Patterson, Moose Jaw North; MLA Martens from Martensville-Blairmore; MLA Hilbert from Humboldt-Watrous; MLA Clarke from . . . [inaudible interjection] . . . Oh, yes. Yes, thank you. Subbing in for MLA Albright tonight, and MLA Clarke is from Regina Walsh Acres. And then we have as well MLA Leroy Laliberte, and you are from Athabasca, thank you. And Jordan . . . MLA McPhail — I've got to get used to that — MLA McPhail subbing in for MLA Roy, and you are from Cumberland. Welcome, everyone. And those are the substitutions tonight, and the chit sheets have been provided for us.

We're dealing tonight with supplementary estimates, and I'd like to advise the committee that pursuant to rule 148(1), the 2025-26 estimates and the 2024-25 supplementary estimates no. 2 were committed to the Standing Committee on Intergovernmental Affairs and Justice on March 27, 2025 and March 19, 2025 respectively.

The 2025-26 estimates are vote 73, Corrections, Policing and Public Safety; vote 92, Firearms Secretariat; vote 30, Government Relations; vote no. 3, Justice and Attorney General; vote 27, Parks, Culture and Sport; and vote 88, Tourism Saskatchewan; the 2024-25 supplementary estimates no. 2, vote 73, Corrections, Policing and Public Safety; vote 92, Firearms Secretariat.

And I would like to table two lists from the Law Clerk and Parliamentary Counsel: regulations and bylaws filed with the Legislative Assembly between January 1, 2024 and December 31, 2024, which have been committed to the committee for review pursuant to rule 147(1). These documents are IAJ 2-30, Law Clerk and Parliamentary Counsel: 2024 regulations filed; and IAJ 3-30, Law Clerk and Parliamentary Counsel: 2024 bylaws filed.

The Law Clerk and Parliamentary Counsel will assist the committee in its review by submitting a subsequent report at a later date identifying any regulations that are not in order with the provisions of rule 147(2). However the committee may also decide to review any of these regulations or bylaws for policy implications.

**General Revenue Fund
Ministry of Government Relations
Vote 30**

Subvote (GR01)

Chair B. McLeod: — So we'll begin with the estimates for vote 30, which is Government Relations, central management and services, subvote (GR01). Minister Schmalz is here — welcome — with officials from the ministry. And I would ask that officials please introduce yourselves before they speak for the first time. And please do not touch the microphones because the people

behind us right here really like that if you don't touch them. Tender ears can be hurt by that kind of involvement, so you're welcome. The Hansard operator will turn them on for you when you speak, so there's no need to touch.

Minister, please introduce your officials, and I'd be pleased to hear your opening comments as well.

Hon. Eric Schmalz: — Thank you, Mr. Chair. Good evening, committee members. I am pleased to join you here tonight to speak to the spending priorities outlined in the Ministry of Government Relations budget and business plan for 2025-26.

I'm joined today by my deputy minister Laurier Donais, senior ministry officials, Bonnie Chambers to my left, representatives for the Provincial Capital Commission, and my chief of staff Ryan Bellamy.

I would like to start this committee by acknowledging that the land on which we are gathered here today is Treaty 4 territory, the traditional and ancestral lands of the Plains Cree, Saulteaux, Dakota, Lakota, Nakota, and home of the Métis. My home is on Treaty 6 territory, and I'm proud to represent my constituents and communities here today.

Less than a week ago, I had the privilege of participating in our first provincial budget as a new MLA and minister, and I look forward to discussing the estimates for the Ministry of Government Relations and the Provincial Capital Commission here tonight. Afterward I will be happy to answer questions from the committee.

Before I begin I would like to take this opportunity to thank the entire team gathered here in advance for their help in ensuring we can provide the best information for you today and for the enormous amount of work that goes into preparing for estimates.

The 2025-26 provincial budget delivers on the priorities of Saskatchewan people: affordability, health care, education, safe communities, and strong financial management while addressing the challenges of a growing province. The 2025-26 budget for the Ministry of Government Relations supports the overall direction of the government by helping build stronger communities. We ensure residents live in a safe and strong community through record municipal revenue sharing, resources to support local officials with governance and administration, and investments in essential infrastructure.

For First Nations and Métis communities specifically, we also provide funding through gaming and community grants and sponsorships. These grants for First Nations and Métis organizations and communities empower economic, social, educational, and cultural initiatives through the province.

I can state with confidence that the Ministry of Government Relations truly delivers for our residents as approximately 97 per cent of our budget allocation is transferred to third parties; 82 per cent is distributed to municipalities or municipal stakeholders, including through municipal revenue sharing; 14 per cent is distributed to First Nations and Métis organizations; and 1 per cent is distributed to the Provincial Capital Commission.

This year's ministry budget is \$781 million, with nominal increases for central management and services, the Saskatchewan Municipal Board, and the Provincial Capital Commission. These increases are largely due to salaries as the province signed a new collective bargaining agreement with SGEU [Saskatchewan Government and General Employees' Union] this past fiscal year.

With the most recent budget, we announced two areas of increased funding including gaming grants and municipal revenue sharing. I had the privilege of announcing the overall funding for municipal revenue sharing at the SARM [Saskatchewan Association of Rural Municipalities] convention just a few short weeks ago. For 2025-26 our government will be delivering 361.8 million in municipal revenue sharing. That is an increase of 21.6 million, or 6.3 per cent, from last year's budget.

We have set a new record for MRS [municipal revenue sharing] funding in '25-26, and I've heard directly from SARM, SUMA [Saskatchewan Urban Municipalities Association], and the communities they represent about how important this funding is to municipal budgets. In 2025-26 nearly 232 million will go to urban revenue sharing; approximately 103 million is dedicated to rural revenue sharing; and nearly 26.8 million is earmarked for northern revenue sharing.

Saskatchewan's municipal revenue-sharing program is predictable. It's based on PST [provincial sales tax] paid in the province. And this stability is one of the most common pieces of positive feedback we hear about this program.

As our economy grows, so does revenue sharing, because we understand that the economy is what provides us the ability to deliver education, health care, and services and programs that each of us rely on to support our quality of life. With more than 4.6 billion in municipal funding allocated through MRS since 2007-2008, our government is empowering locally elected leadership to serve the unique needs of their communities and support Saskatchewan's growth plan.

Our government remains committed to addressing the challenges of growth as well, particularly in these times of political and economic volatility. The 2025-26 budget prioritizes affordability with more than \$250 million in overall tax savings this year. A significant portion of these savings for residents and businesses will come through the reductions of education property tax mill rates.

As 2025 is a revaluation year, we expect that many homeowners, producers, and businesses will see an increase in the value of their properties. While we all welcome this growth in value, there is no doubt that there will be corresponding discomfort with the increased property taxes that accompany it.

To provide affordability relief for these property owners, our government is reducing the EPT [education property tax] mill rate for all property class types. That includes agricultural, residential, commercial/industrial, and resource. This measure will save Saskatchewan property owners more than \$100 million annually.

Total revenue to government will remain unchanged from the 2024-25 budget aside from base growth due to new construction

and the effective tax-rate ratio of 7 to 1 being maintained to help ensure tax fairness across different property types. As we focus on ensuring our province remains the best place to live, work, and raise a family, our government will continue to look at tools like EPT to support our families and our businesses.

In addition to record-setting MRS allocation and the reduction of the EPT mill rates, this budget delivers for communities by prioritizing investments to improve infrastructure. The 2025-26 government relations budget includes \$249.9 million in provincial and federal funding to support community infrastructure projects through federal-provincial programs.

This year Government Relations will allocate \$4 million in provincial funding to the New Building Canada Fund and \$76.5 million of provincial funding to the Investing in Canada Infrastructure Program or ICIP. ICIP has been an important program to build key infrastructure throughout the province, and the total for federal and provincial contributions to ICIP is 174.5 million this year.

Our government has allocated more than 700 million in provincial funding towards more than 475 ICIP projects since the agreement was signed in 2018. However with ICIP fully subscribed and no additional federal dollars going into the New Building Canada Fund, the overall number of dollars in these programs is now decreasing as projects are completed.

Our government has continually allocated for long-term cost-shared programs that address the infrastructure needs of our province, and we will continue to do so. This past year, Canada and Saskatchewan renewed the Canada Community-Building Fund program for 10 years, from 2024 to 2034, providing predictable, long-term, and stable funding to municipalities to invest in their public infrastructure. Over the first five years of the program, Saskatchewan will receive \$350 million to address municipal infrastructure priorities.

In February our government reached an agreement on the federal Canada Housing Infrastructure Fund. This new 10-year agreement will help Saskatchewan communities build or improve critical infrastructure related to drinking water, wastewater, storm water, and solid waste. We know that our municipalities are ready to take full advantage of these cost-shared programs. Still, our government continues to advocate for new federal infrastructure funding programs that reflect the needs and priorities of Saskatchewan without placing undue administrative burden on municipalities.

An ongoing priority for our government is to build and strengthen relationships with First Nation, Métis, and northern communities and organizations. This ongoing work is a significant part of reconciliation and will strengthen our province as a whole. In this year's budget, the Government of Saskatchewan is delivering \$284.9 million to First Nations and Métis people and organizations, an increase of almost \$30 million over last year.

The Ministry of Government Relations administers a number of grant programs that support innovative, community-based First Nations and Métis projects and events. The Missing and Murdered Indigenous Women and Girls+ Community Response Fund contains \$400,000 of provincial investment and \$400,000 of federal investment supporting events, initiatives, and projects

that prevent violence and build safety dedicated to Indigenous women, girls, and two-spirit individuals.

Under the First Nations and Métis community partnership project program, grants up to \$45,000 are available for innovative projects that help build safe communities, support strong families, enhance student achievement, and generate economic growth.

Our First Nations and Métis sponsorship supports public events that promote reconciliation and cultural understanding organized by qualifying community or non-profit organizations. These events focus on promoting education, employment, professional development, cultural celebrations, and honouring veterans and Elders. The spring intake for these grants is under way, and I would encourage any organization or group who is advancing programs and services that grow and support First Nations and Métis communities to apply.

The First Nations and Métis Consultation Participation Fund provides dedicated dollars each year to support our government's constitutional obligation towards duty-to-consult. When a resource project is proposed, government officials will ask about potential adverse impacts on First Nations and Métis communities' ability to hunt, trap, fish, or carry out traditional uses on that land.

Government recognizes that First Nations and Métis communities may require financial assistance to meaningfully engage in duty-to-consult, and eligible communities can apply to the First Nations and Métis Consultation Participation Fund to support those efforts. The Ministry of Government Relations allocates \$1 million to that fund annually, and it's always available to work with a First Nation or Métis community on proposed projects that grow our provincial economy.

[17:15]

The most significant increase to our government's Indigenous investments for this year's budget is our anticipated gaming agreements payments. There has been an increasing trend in gaming agreements payments over the last few years, and we are expecting a significant increase to more than \$107 million in 2025-26. The Ministry of Government Relations is responsible for distributing the allocated casino gaming profits to the First Nations Trust, community development corporations, and the Clarence Campeau Development Fund, which support local and economic programs that benefit First Nations and Métis people.

This budgeted amount is an estimate based on forecasted gaming revenue in the province this year, and we will make any required adjustments when we receive actual gaming profits at end of year. The last few years have seen an increase in gaming and additional payments in March, and on March 14th of this year we were able to announce an additional \$12.5 million in gaming grants, bringing the 2024-25 total to \$120.6 million.

In addition to Government Relations and First Nations and Métis northern relations, I have the honour of being Minister Responsible for the Provincial Capital Commission. This year, the Provincial Capital Commission will receive \$7.5 million in funding from the province, an increase of approximately \$200,000, largely due to salary increases with the new collective

bargaining agreement.

The commission is dedicated to providing enhanced visitor experience and educational programming at Wascana Centre and at Government House to inspire pride in Saskatchewan's capital city while focusing on stewardship. The commission is also responsible for the promotion of the Conexus Arts Centre and the Legislative Building. While they work hard every day to help build a sense of community around one of the most noteworthy urban parks in Canada, the commission is fully, fundamentally about community and partnership as the board of directors includes representatives of the Government of Saskatchewan, the city of Regina, and the University of Regina.

Overall Government Relations continues to manage its budget responsibly by prioritizing investments in our municipalities and Indigenous communities. As I mentioned, 97 per cent of our budget allocation is transferred to third parties, meaning only 3 per cent is administration and operations for the ministry. This underscores the ministry's commitment to working efficiently, focused on our government's goal to invest in our communities and deliver programs and services for the people of Saskatchewan.

The Ministry of Government Relations invests in First Nations and Métis communities and empowers Saskatchewan's municipalities so that we all benefit from the strength and growth of our province.

I thank you for the opportunity to be with you here tonight, and my officials and I are happy to take any questions you might have. Thank you.

Chair B. McLeod: — Thank you, Minister Schmalz, and I will now open the floor to questions. Questions from the floor. MLA McPhail.

Jordan McPhail: — Thank you. And I know at the outset of the meeting you had mentioned that it's tough to get used to saying "MLA McPhail," and I'll tell you even in my household it's been a change. And I will say that, you know, my girls are at home tonight, and I miss yet another night of being able to tuck them in. I had to spend the weekend here, got storm-stayed, so definitely missing the family back home. But that's what we do. That's why we do the work, is for our families and every family in the North.

And I do see a few familiar faces around this table. And I'll tell you, from the floor of the legislature to here, it might seem a little bit more at home for some of us that's served on municipal councils in previous lives. And speaking of the previous life, I was a town councillor for the town of La Ronge, had the honour to serve as deputy mayor for part of that time, and a lot of the officials that are in the back, I recognize you from SUMA tables, from New North tables. Many conversations had about how we can help our municipalities move forward.

And I thank you for your service not only here tonight — I know that you're going to be here till 10:30 alongside us — and I just want to thank you in advance for all the hard work that I'm sure goes into preparing for a day like today. And I promise to take it easy on you, but I will not promise to take it easy on your boss.

So I'll maybe get into my remarks and just thank Minister Schmalz. I also have a bit of a preamble myself before I get into some of my formal questions, and I hope you'll indulge me on that. And I'll also ask that if you feel the need to, to correct the record on anything that you might disagree with in my preamble.

You know, for the people of the North, the costs of nearly everything to manage a household day to day is more expensive. From the cost of groceries, I've seen \$168 turkeys in Wollaston Lake; \$20 grapes in Stony Rapids; \$18 for milk, Stony Rapids; \$10 for four tomatoes also in Stony Rapids. These are the real prices that people are paying for groceries which is far and away from anywhere else in the province, which access to healthy food has a real effect on one's ability to maintain a healthy diet and therefore leading to many long-term health challenges.

I know in the fall session, it'll be no stranger to anybody in this room here, but we had a case of scurvy . . . not a case, multiple cases of scurvy in the community of La Ronge. Twenty-seven of 50 First Nations patients through the Lac La Ronge Indian Band tested positive. Scurvy is a very clear indication of food insecurity.

Not only the cost of food, but the cost of fuel. My brother here on our side of the table here, him and I took a trip up into northern Saskatchewan, went to a place that some folks might have been there, Fond du Lac. \$3.50 a litre was the cost of gasoline at the time that we visited that community. This is the same gasoline that you and I might use in our vehicles here to travel around the North. They use it to put in their snow machines so they can go on a winter hunt for caribou, or on ATVs [all-terrain vehicle] to access parts of the land to trap, hunt, or fish. The same gasoline we use in our boats here to take the kids out for a tube ride, go water skiing, or catch a few rays of sun. It's the same gasoline that they use to take the boats out and set nets to provide fish and sustenance to their kitchen tables.

They live in an area with two options of leaving the community: either a couple-of-thousand-dollar flight, or a couple-of-thousand-dollar gasoline and maintenance bill on their vehicles after travelling some of the northern highways, which are usually in a state of disrepair despite the best efforts of the workers that try to maintain them.

It also provides some of the narrowest high-risk travel due to wildlife in close proximity to the road and not a wide enough right-of-way to respond quick enough to oncoming wildlife or traffic. Again me and my brother from Athabasca here, we got to see that first-hand. And if you want to know how close you come with wildlife, look no further than my vehicle in the parking lot. I have a damaged grille from hitting some wildlife on our trip north.

The traffic that you see on those northern highways consists of large semi-trucks predominantly, hauling either uranium, forest products, gold, minerals, copper, zinc, and many of the chemicals that are needed to extract the above materials from the earth. The northern highways can also have sporadic cell reception, sometimes leaving people two to three hours with travel without the ability to call and get help in the event that there is an accident or experiencing vehicle troubles.

Housing in the North is a challenge to find, in many cases even

harder to build, with challenges with getting construction crews to smaller communities. Or in the event that you can afford to bring in a construction crew or that you've spent the money to hire or train local people to build, the challenges you would face in northern Saskatchewan would also be higher as there is plenty of either muskeg or bedrock in the developmental areas of a community.

With a lack of housing, it is not uncommon to see people bring multiple generations of a family into a single household as it may be the only option in the community. I think of the people of Sandy Bay and many other reserves that I've had the honour to attend in northern Saskatchewan. They have 13 to 15 people living under the same roof in communities that have Saskatchewan Housing units boarded up for months on end.

With the overcrowding, the lack of access to healthy food to support good immunity, the effects of poverty has taken hold in some of these communities which has led to tuberculosis outbreaks in many of the communities that have the challenges that I've mentioned above. I will also state for the record that a majority of Saskatchewan's North is populated with predominantly Indigenous peoples, ranging from Cree, Dene, and Métis.

I guess I'll stop there and just ask: for anything that I've said so far, did you want to correct the record?

On the Government of Saskatchewan website it is listed that there is a 2.7 per cent consumer price index. Would you agree as a general rule that as the CPI [consumer price index] has increased it would naturally be expected that the price of goods and services would increase, maybe not to the same degree as the CPI but a marginal amount to keep up with that adjustment?

Hon. Eric Schmalz: — Thank you. I just wanted to thank you for your comments, and now that we're moving into questions, I would ask that we maybe stick to questions related to Government Relations as CPI is more related to the purview of the Ministry of Finance and not the domain of Government Relations.

Jordan McPhail: — Thanks for the response. As Minister Responsible for Northern Affairs, since being elected and appointed to the position which communities have you visited in Saskatchewan's northern administrative district and what method of travel did you use to get there?

Chair B. McLeod: — I would just encourage that the questions that come forward be related to the topic at hand. I'll allow this question to be answered, but I'm certainly going to ask that we keep to the topic of the estimates that are in front of us tonight. Thank you.

Hon. Eric Schmalz: — Thank you for your question. You know, as minister and after being elected, I haven't had the opportunity yet to be up there to travel to the North.

I will mention though however, you know, for my wife and I, our first home together was in La Loche, Saskatchewan, and very much a northern community. Travelling through the member from Athabasca's hometown of Beauval several times on my way to work. I, in my youth, spent a lot of time up in the North.

Have had time on the very roads that you're talking about, Geikie River heading up to Stanley Mission.

And I've also had the opportunity to travel to almost every northern community through my work with the Royal Canadian Mounted Police prior to becoming elected and having the honour to serve as the member for Saskatchewan Rivers and Minister of Government Relations.

That being said, I look forward to my first opportunity, hopefully after session this year, to be up there this summer visiting those communities. Our officials are there on a regular basis and inform me, keep me apprised of the situations in the communities up there and the current state of the infrastructure in those areas.

[17:30]

Jordan McPhail: — Thank you, Minister. I guess since being elected you haven't been to the northern administrative district, but in the lead-up to the budget and the preparation for the budget, is there a budget that is set for maybe officials to be able to go into northern communities, see the issues that they might want to see in the provincial budget when you're doing the deliberations to decide what the ministry will be investing in?

Hon. Eric Schmalz: — Yes, thank you for the question. We do, as a ministry, have a significant budget allocated for travel and the ability for ministry officials to travel to northern communities and assess the needs of those communities and then again relay those needs to the government through cabinet, and also that includes Ministry of Highways and Infrastructure. So a lot of the budget allocations from that ministry come through collaborative engagement with all ministries that are involved in the North.

I'm going to turn the mike over to Mr. Brad Henry here for further expoundment.

Chair B. McLeod: — Could I ask you just to introduce yourself for the first time just to make sure we have it on record? Thank you.

Brad Henry: — Sure. My name is Brad Henry. I'm the executive director of northern municipal services. My staff in northern municipal services, we do a lot of direct support with northern municipalities.

I'd say that we don't travel as much as we used to. A lot of our work these days, honestly given the connectivity increases over the last few years, a lot of our work is remote. We work with folks either through phone calls or more often like video conference. And we find that that actually makes our staff more available just given the connectivity issues you mentioned, for example, on the highways. Our folks aren't available when they're travelling, so we find that to be able to deliver those services remotely is a lot more effective.

Jordan McPhail: — Thanks for that. I guess since you kind of in your response had talked about some of the northern highways, how much of the budget would be allocated through the advocacy of the ministry to invest in highways infrastructure in northern Saskatchewan?

Hon. Eric Schmalz: — Thank you for the question again.

Chair B. McLeod: — Just before you speak, Minister, this really is a Highways question, but high level. I'll let you speak to it, but we're going to insist on we work through the estimates in that regard as well. So answer it high level, but I'm going to ask that we really focus, MLAs, on the estimates that are in front of us.

Hon. Eric Schmalz: — Thank you, Mr. Chair. Again and to your point, very high level, currently we know of major capital projects happening in the North of \$85.8 million, a significant increase year over year.

We also have the northern share of municipal revenue sharing at \$26 million, which is every year far outpacing the CPI. So last year was 14 per cent increase in MRS to the North; this year it's at six, far higher than CPI. For further information I'm going to again turn it over to Mr. Henry.

Brad Henry: — Sure, just a couple of examples particularly to highways because we do administer settlements in the far North, including Uranium City, for example, Wollaston Lake. We consult with them regularly on the ice roads and the status of those as the year goes on.

Another example of the support that we provide to other ministries who are directly engaged in these activities is over the last couple of years we've been providing letters of support and consultation with SaskTel and the federal transportation ministry, which has led to the award of a project to increase connectivity along the Hanson Lake Road and provide service along that highway where there isn't any right now, which has a direct impact on the health and safety of residents. It's just an example.

Jordan McPhail: — Thank you. When was the last time that the revenue-sharing formula was visited in *The Northern Municipalities Act* for either northern capital grants or the Northern Municipal Trust Account?

Hon. Eric Schmalz: — Thank you for the question. Both programs were revisited in the '24-25 budget year.

Jordan McPhail: — Thanks. I guess, in the preparations for the budget and looking at the revenue sharing, did the ministry ever take into consideration that the 6 per cent provincial sales tax that is added to construction labour for communities, their capital projects, was it ever put into the considerations in the budget to offset the revenue sharing to make sure the government was not receiving some of their own revenue sharing back necessarily through the provincial sales tax on that construction labour?

[17:45]

Hon. Eric Schmalz: — Thank you for the question. Just to reiterate that the province is not benefiting from the PST. That goes back into the municipal revenue sharing. Any PST paid on projects in the North as well as PST paid on any capital project, whether it's the provincial government paying or industry paying, that all goes back into municipal revenue sharing. We stand by the formula that determines the amount of revenue sharing for municipalities. And as our economy grows, as you've seen, the increases in the revenue sharing for the North.

Jordan McPhail: — So maybe it's a bit of a math thing here for

me, but the PST on construction labour — whether it be in northern Saskatchewan or any part of Saskatchewan, residential build, commercial build — it's 6 per cent. And the revenue-sharing formula in Saskatchewan is based on three-quarters of 1 per cent.

So that would still mean that the government is taking five and a quarter per cent of that PST revenue into the GRF [General Revenue Fund]. Is my math wrong on that?

Hon. Eric Schmalz: — Thanks for the question. The vast majority, or the vast . . . all projects paid or PST paid on capital projects by the province is not returned to the province through municipal revenue sharing. That goes back to the municipalities. As far as the process around PST and PST collection, that would be better suited for Ministry of Finance.

Jordan McPhail: — During budget deliberations, I'm sure that — as you might have heard if travelling into northern Saskatchewan and speaking with northern mayors and councils, chief and councils — the cost to build, you know, a residential subdivision would be substantially higher due to the mob and demob costs of a construction outfit.

And you know, whether it be building a community hall that these communities have saved up for, adding that 6 per cent PST can really change the amount of whether a community just survives or thrives, is what we've been hearing as we travel across northern Saskatchewan.

And so I guess in this budget deliberations or previous budget deliberations, is there a reason why the government wouldn't have considered the removal of the PST for northern projects, specifically to the Ministry of Northern Affairs, as they're already paying astronomically higher prices than the rest of the province?

Chair B. McLeod: — I would just suggest and insist as well that that question is more related to Finance, and so I'm going to ask you to move on to a different line of questioning, please.

Jordan McPhail: — In the requirements for revenue sharing in the North, and maybe other parts of the province as well, I know this as a municipal councillor, that there are six pre-qualifications to ensuring that good governance and good fiscal management are protected, not only in northern Saskatchewan but in Saskatchewan in general. Is there any supports for training or recruiting northern chief administrative officers, municipal waterworks staff, or financial officer positions for municipalities in this year's budget?

Hon. Eric Schmalz: — Thank you. I know that Mr. Henry does spend time twice a year with the northern municipal administrators' association, and they have direct engagement with him and the office of Government Relations any time. They can interface at any time. But for more on that I will, first of all, I think I'll defer to one of our officials here, Bonnie Chambers.

Bonnie Chambers: — Hi. I'm Bonnie Chambers. I'm the assistant deputy minister for the municipal relations division. We know across the province that municipal administrators are hard to find. And this is not just in the North — but we know that it is a particular problem in the North — but even in the South.

So one thing that the province has done is, in addition to working directly with the northern municipal administrators' association and the administrators' associations in the South, is through our targeted sectors support we've provided some funding, and we worked with Sask Polytech on a new program for municipal administration that provides a little more technical assistance than the local government administration program through the U of R [University of Regina].

That's a virtual program. It just started last September. We don't have a lot of students in there now, but it is there for all persons wishing to be a municipal administrator across the province. All the programs are virtual, and they can get their training for administration over two years, along with a business admin degree. It works with the business admin program where they take the first year business admin, and the second year is focused on municipal administration, including municipal administration in the North.

Brad Henry: — Just to touch on the administrators' association for a sec, as you mentioned, twice per year northern municipal services meets with every administrator who's interested in joining us. This week, Thursday, Friday, we'll be meeting with them again. Some of the topics we'll be covering are establishing mill rates in the community to ensure proper taxation, making sure that civic addressing is correct so that public security agencies can provide service, assisting them with preparing for grant programs like the Canada Community-Building Fund, and as well as preparing for audits since it's audit season for municipalities.

In support of the water and wastewater operators, we also deliver what we call our water and sewer circuit rider program. And that's us going into every community twice per year. We have contracted technical professionals who go into . . . Whether it's a municipality or First Nation as long as there's a northern resident who utilizes that system, we send our folks in. And they work with those operators to make sure that they can help them with on-the-job training, the maintenance of the systems that they're expected to be operating. As well we provide reporting back to northern municipal services, which feeds into our prioritization of our northern water and sewer program.

As well we work very closely with Water Security Agency. We do what are called water and sewer assessments for every northern municipal water and wastewater system. And those reports feed directly into the Water Security Agency's oversight, but also our prioritization of our northern water and sewer program so we can make sure our investments are as effective as possible.

Jordan McPhail: — Thank you for that. I guess to touch on the administrative staff and the public works staff, I know that in northern Saskatchewan, whether it be for municipalities or maybe even some of the ministry staff there, due to the high cost of living of which I outlined in some of the preamble . . . And I don't believe I was needing to have the record corrected on any of the things that I had kind of mentioned as the high costs of living in northern Saskatchewan.

When discussing the northern revenue-sharing pot of money that is distributed to each municipality, is there something in the administrative part of that formula that recognizes that, in those

harder-to-recruit areas, that you might have to spend more than what a municipality might have to in southern Saskatchewan where the cost of living is far lower?

And if there has been adjustment — as you said in 2024-2025 the formula was revisited — is there additional dollars for the harder-to-recruit so that municipalities are freer to provide those folks with a higher wage to offset the cost of living?

[18:00]

Hon. Eric Schmalz: — Thanks for the question. Specifically related to, you know, in a broad sense affordability, we did as part of our budget this year provide for \$2 million in affordability measures. But that's again something that we can relay to the Minister of Finance for questions.

With respect to northern infrastructure projects and an eye to the added costs of infrastructure projects in the North, we have implemented the municipal share for northern municipalities at 8.33 per cent, Prince Albert being the southern boundary. Anywhere south of that is subject to the 26-to-100 per cent cost of any infrastructure projects that go on there. But I can defer to Mr. Henry here for further detailed information.

Brad Henry: — Yeah, just as the minister mentioned, any project delivered in a northern municipality through the Northern Municipal Trust Account that supports municipal infrastructure, the municipality pays 8.33 per cent of those costs, directly recognizing that northern municipalities are disadvantaged on a financial basis.

The other thing is that the municipal revenue-sharing formula that we've been using since 2024-25 does recognize that municipalities that are more distant face a larger burden of costs, and so the municipal revenue-sharing formula in 2024 recognized for every kilometre away from Prince Albert that a municipality is, they would see \$85.82 added to their revenue-sharing allocation. With the increase this year, it's \$91. So that's per kilometre from Prince Albert.

Jordan McPhail: — Thanks. And in regards to what you said in infrastructure builds in northern Saskatchewan, are you saying like the provincial government . . . Like let's say for example long-term care in La Ronge, that's the 8 per cent that you're speaking of on infrastructure costs. Or are you speaking more to like if a municipality went into a residential build, they only have to cover 8 per cent of the cost of their residential build?

Hon. Eric Schmalz: — Thanks for the question. Yes, specifically related to your question around care homes, that would be a 100 per cent provincially funded investment. That would be more related to one of the Health ministers and their files, so I would direct you to them.

With respect to the percentages paid, these are specifically to municipal infrastructure projects where the municipality is taking them on to build . . . supporting municipal infrastructure for their rate payers.

Jordan McPhail: — Minister, thanks. In your ministry, how many FTE [full-time equivalent] positions does the ministry have and how many of those FTEs are specifically tasked with

handling specific northern issues?

Hon. Eric Schmalz: — Thank you for the question. Currently there are 21 FTEs working in the La Ronge office. That's up by one individual. Last year it was 20 individuals. It's increased by one FTE position.

To speak directly to the layout of our staffing complement, I'll turn it over to the deputy minister.

Laurier Donais: — Thank you. Laurier Donais, deputy minister, Government Relations. So yes, as the minister indicated, we've got . . . I guess just taking a step back here, overall our ministry FTE count is 192.4 FTEs. That's across the whole ministry. Specifically in the North, as the minister indicated, we've got 21 FTEs. And that's split between our northern municipal services branch as well as we have some staff from our Indigenous and northern relations branch located up in La Ronge as well. So the total that we've got in the North would be 21.

Jordan McPhail: — Thank you. Going through the budget, I had a quick question in regards to . . . Going back to those six prequalifying questions, I know that if a municipality doesn't meet those requirements that their funds are withheld from the municipality until they come into compliance.

The funds that are withheld from the communities, are they invested into reserves and earning interest? And if so, is that interest kept within that reserve fund for municipalities to access later? Because of course, putting off some of those projects may in fact incur higher costs later. So I just want to know if the funds being withheld are held in reserves and if they're earning interest. And if so, where can we find that in the budget?

Hon. Eric Schmalz: — Thank you for your question. Yes, so when a municipality is non-compliant and we're waiting for them to become compliant on the seven items as you mentioned, that money goes back into general revenue. It stays there until such time as the municipality is able to meet the compliance model.

Now if it's multiple years that they are falling out of compliance, that money continues to accrue within general revenue, and it remains there. Now if the municipality becomes compliant in . . . You know, it's not predicated on them becoming compliant in all the years. For whichever year they become compliant on, they can access that funding. The same goes for any number of years in between. If it's a multiple of years or if it's just one year, the money is still there waiting for them to become compliant. We're here to support the North and all municipalities in the province.

So I'm going to quickly turn it over to the deputy minister. Then I'm going to turn it over to Mr. Henry as well to further expound on that information.

Laurier Donais: — Thank you, Minister. And thanks, thanks for the question. So the six eligibility requirements under the municipal revenue-sharing program are standard across the province, so they apply in the South as well as in the North.

And so what those six eligibility requirements are . . . And I would say that they are fairly standard, fairly basic, I guess, in terms of eligibility requirements. So the first one is submission of the audited annual financial statements. Second one is

submission of public reporting on municipal waterworks, if that's applicable for that municipality. The third one is ensuring that education property taxes are in good standing with respect to EPT reporting and remittance of those funds. The fourth one is adoption of a council procedures bylaw. The fifth one is adoption of an employee code of conduct, and the sixth and final one is filing and annually updating public disclosure statements from all members of council as required. So again I would say fairly standard, basic reporting pieces for municipalities. And I think we want to transfer over to Brad to provide some more detail.

Brad Henry: — Sure. So I guess just to make a bit of a clarification, with southern municipalities when funds are withheld, they're withheld in Saskatchewan's General Revenue Fund. In the North, before distribution those funds go to the Northern Municipal Trust Account. So if a northern municipality isn't able to be compliant, those funds are held in the Northern Municipal Trust Account. They do earn interest, but those interests are withheld by the NMTA [Northern Municipal Trust Account] for future investments in northern municipalities. They are provided back to the municipality.

[18:15]

We do have the same eligibility requirements in the North that they do face in the South, but in the South where a municipality isn't fully eligible they can get 100 per cent of their grant withheld. In the North that only happens when municipalities aren't meeting the very, very basic requirements, like not establishing a council procedures bylaw, not establishing an employee code of conduct, or not submitting their public disclosure statements. In the North where one of the more difficult requirements aren't met, we only withhold 16 per cent of the municipality's grant. And the other thing that we do to make sure that we don't put a municipality in a cash flow issue is that we distribute those grants on a monthly basis, so they get monthly payments from us.

Jordan McPhail: — Thanks for the response. Shifting gears a little bit, looking into a little bit of the First Nations and Métis funding that we see in the budget news releases here from the government. I do notice under Government Relations there is the gaming agreement payments. Would I be correct in assuming that the additional gaming agreement payments increase is less of a government policy change that allows to fund First Nations more, and is more directly correlated to the expansion of the casino games online through PlayNow?

Hon. Eric Schmalz: — Thank you for your question. So the gaming funding forms part of our gaming funding agreement. That includes our government's decision to allow for online gaming. And that has significantly increased the gaming revenue in the province.

I will turn it over to Jeff here to expound further.

Jeff Markewich: — Thank you, Minister. Jeff Markewich, assistant deputy minister of central services and standards for the Ministry of Government Relations.

So just to expand a little bit on the gaming, how the payments work. There's two parts to it. There's the gaming framework agreement and the formulas within that, as well as *The Lotteries*

and *Gaming Saskatchewan Corporation Act*. It has some formulas in it. So there's the casinos, the bricks-and-mortar ones that are SIGA [Saskatchewan Indian Gaming Authority Inc.] casinos, as well as there's the Crown casinos.

So with the SIGA profits, they're distributed in a way of \$2.5 million comes right off the top of the profits for the First Nation Addiction Rehabilitation Foundation. Out of that, 25 per cent of the profits goes to the General Revenue Fund, 50 per cent goes to the First Nations Trust, and 25 per cent goes to community development corporations.

Now *The Lotteries and Gaming Saskatchewan Corporation Act* outlines the distribution of the Crown casinos — so that's Regina and Moose Jaw — and 50 per cent goes to the General Revenue Fund; 25 per cent goes to the First Nations Trust; and then 25 per cent is split between the Community Initiatives Fund, which is through the Ministry of Parks, Culture and Sport, and the Clarence Campeau Development Fund, which is our Métis development fund, which is on the estimates line there.

The amount is split 80 per cent to the Community Initiatives Fund and 20 per cent to the CCDF [Clarence Campeau Development Fund] on the first 10 million, and 50/50 on the balance.

Now online gaming profits are split 50 per cent to the General Revenue Fund and then 50 per cent to the First Nations Trust. So overall based upon those formulas, depending on the profitability of the forecasts and profits from SIGA as well as from the province on the Crown casinos as well as the forecasted profits for online gaming, that's how the formula works to calculate the amounts that are in the budget.

Jordan McPhail: — Thank you. In the Corrections, Policing and Public Safety, in the news release that came out from the government, I'm looking to the line of "First Nations on-reserve policing and enhanced policing." Where is the additional \$2.1 million, or almost a 10 per cent increase, being spent in the First Nations on-reserve policing and enhanced policing?

Chair B. McLeod: — Again if I could interrupt here, we're dealing with the estimates and that's something I think is a Finance question more than anything. And Minister, you're welcome to answer if you so choose, but I don't know that it's appropriate for this point in time.

Hon. Eric Schmalz: — Thanks, thank you, Mr. Chair, and I appreciate the question, however it is not in the purview of Government Relations. You're best suited to ask that question of Corrections, Policing and Public Safety and/or the Minister of Finance.

Jordan McPhail: — So I guess just for clarification. On the news release that came from the First Nations and Métis funding budget 2025-2026 document that was put out by your ministry, in there it has budget line items that have been put out from your ministry that talks about the different . . . like specific to First Nations and Métis, which you're the minister of. And so the \$2.1 million that your ministry had put in the budget is not something that I'm able to question where that money will be spent?

Chair B. McLeod: — That's simply . . . It's a budget question. We're dealing with the estimates that are in front of us here. So let's stick to that questioning.

Hon. Eric Schmalz: — Also just to clarify, that news release is based on a government release as a whole. It's not entirely specific to any one ministry. It is based on executive government as a whole.

Jordan McPhail: — So I guess on everything here on this page here then, you wouldn't be able to explain why policing funds for Indigenous people receives a 10 per cent raise. For health outcomes, education outcomes, highways, trade and export development, social services, there's no additional dollars in the news release here or even a bump in the funding that would cover the cost of the CPI, and that would ultimately end in First Nations and Métis folks having less money to operate in their budgets. That doesn't fall under your ministry when talking about the budget?

Hon. Eric Schmalz: — I think you've outlined several ministries there in your question or your commentary, all of which form part of executive government. But those are again specific questions with relation to Corrections, Policing and Public Safety and Ministry of Finance.

Chair B. McLeod: — Correct, and I will say that that is indeed the answer and we will limit the questioning to what's in front of us now with the estimates that have been put forward. So those are questions that are budget related — Finance, Corrections and Policing. None of them really apply to the question at hand tonight. Thank you.

Jordan McPhail: — Thanks. So I guess — as I wrap here now and I'll be passing my time off to some of my colleagues here — I guess the Ministry of First Nations, Métis Relations and Northern Affairs as it pertains to First Nations, Métis and Northern Affairs, from what I can gather is in a situation where if there's any questions on how our provincial government is supporting that through the ministry, those can't be brought up necessarily in the estimates of which you're the minister of.

And so I mean, for me, that's obviously troubling because I think the folks of the North, as I outlined at the outset of what I had said here tonight, they expect the government to be able to react to the challenges that they're facing in northern Saskatchewan. And ministries of Northern Affairs in previous years — you know, I'm thinking of previous of 2007 — worked with northern leaders to increase highways, to increase education, health care, all of those things that are needed, specific focus in northern Saskatchewan.

And so I guess in wrapping up, as the Minister of First Nations and Métis Relations and Northern Affairs, what does that ministry specifically, not Government Relations, but as the Minister Responsible for First Nations and Métis funding and Northern Affairs, what is the job for you and your ministry . . .

Chair B. McLeod: — That's not a discussion item and I'm going to enter into here. What's in front of us tonight is the estimates that have been provided, specific questions to that, and it has to be kept to that material. So I appreciate your intervention, but it is offside with the topic of conversation for tonight. Thank you.

Jordan McPhail: — I will cede my time to my colleague from Regina Walsh Acres.

Jared Clarke: — Thank you. It's good to be here with you, Minister, and all the folks from Government Relations. And I just want to say thank you to my colleague from Cumberland for his passion and care for the people of the North who he represents. You can understand his frustration in some of the situations and challenges that folks from the North are facing certainly.

So to stay focused on the estimates in front of us, I'm wondering if the budget here for Government Relations has taken any account for tariffs.

Hon. Eric Schmalz: — Thank you for the question. And just before I answer that one, I wanted to just quickly address the previous member's comments there, that we do indeed want those questions asked. We don't want to skirt them. We do care about the North, and in fact, you know, any time that any member of the House feels that they need to contact our office to discuss those issues, the door is open. The fact of the matter is here tonight though we are working on Government Relations budgetary estimates, and this is just not the right venue for those type of inquiries at the moment.

Specifically related to your question, I would suggest that the ministry has issued a letter to municipalities encouraging them to revisit their procurement and identify areas where they can shield themselves from potential pressures regarding tariffs specific to areas that municipalities would require material goods or services. Beyond that, the government as a whole is taking action to ensure that we are shielded from tariffs as best we can.

[18:30]

Jared Clarke: — I understand we aren't seeing tariffs from the US [United States] at this point. We will see what tomorrow brings with the announcements coming from the US. We do see tariffs from China on canola not necessarily impacting Government Relations, or not that I would think. But has there been considerations to how, you know, 25 per cent tariffs across the board would impact the ministry in its procurement of anything that they're bringing in?

Hon. Eric Schmalz: — Thank you for the question. Our ministry, the Ministry of Government Relations, is a 97 per cent flow-through. It's stable, reliable funding that has been in place in every budget. By having that flow-through budget, we do not have specific requirements for tariff protections. Those would be more suited to the municipalities to provide estimations to ensure that they are shielded from that type of pressure.

Jared Clarke: — Thank you, Minister. Changing gears a little bit, the Investing in Canada Infrastructure Program funding has dropped by almost \$100 million from last year. Can you explain the drop?

Hon. Eric Schmalz: — Thank you for the question. Yes, so the ICIP funding obviously as most are aware, and I would assume that's common knowledge that that program is being wound down by the federal government. As the program is fully subscribed and accounted for, as projects become completed, that funding continually goes down because the federal government

is no longer participating in that funding, has chosen not to renew that program.

But I will turn it over for a more detailed analysis by our official here. Please, Iryna.

Iryna Soloduk: — Good evening, everybody. My name is Iryna Soloduk. I'm executive director for municipal infrastructure and finance. So ICIP funding is flow-through funding, but it's based on project projections. So the more projects use funding . . . are closing, the less funding obviously will be available through the years. So I'm happy to say that as of March 19, 2025, we have 435 ICIP projects delivered by GR [Government Relations]; 217 of those are completed. So we are looking at half of the programs being completed. That's why every quarter we do talk with all the recipients of ICIP agreement funding, and we get the projections from them how they think they're going to use the funding.

So based on that, we projected that next year the funding for ICIP will go down. But we have still many years on the ICIP funding, so the program is going to go until 2033.

Jared Clarke: — Can you explain that? So the ICIP funding federally is gone or is going in the next year or when is it going to be gone? So is the province then taking that over on its own, or the funding is already there? Can you just explain that nuance?

Hon. Eric Schmalz: — Thank you again for the question. Specific to the ICIP program, our government was very proud to be participating in that program. The federal government chose not to renew that program. We advocated for its remaining and refunding. Obviously that program has benefited a great many Saskatchewan communities in all manner of projects that were put through under that funding. Specific to the programming winding down, I'm going to again defer to the ministry official.

Iryna Soloduk: — Yes, so we are happy to say that in 2018 we signed the ICIP program. During that signing, Saskatchewan's portion of federal allocation was 907 million. In 2024, March 31st, 2024, we had a deadline to allocate all of the funding. So we had to choose all of the projects Saskatchewan will support — and obviously get the federal approval on that — that will receive funding on Saskatchewan's side.

Even though the funding has been allocated, not all the funding necessarily went out of the door from our budget because it's a claim-based program. So as soon as the municipality submit the claim on the project, we pay the federal portion and provincial portion and then get the reimbursement from the federal government. So that is why you will notice that again projects will go till 2033, and that's the year that we hope to complete the ICIP program.

We did advocate thoroughly with the federal government and asked to renew this program. This program was very effective. I shouldn't say "was." It still is effective again because it's still ongoing. It supports, as I said, 435 projects across Saskatchewan, which deliver great opportunity for Saskatchewan municipalities.

Jared Clarke: — Thank you. You mentioned in your opening remarks, Minister, about the negotiations to renew the Canada Community-Building Fund administrative agreement. Those

negotiations are completed, yes?

Hon. Eric Schmalz: — So thank you for the question. Again the Canada Community-Building Fund which was formerly known as, you know, the colloquial term is gas tax, was renegotiated last year for 10 years, so from 2024 to 2034. That has been completed.

And again I will defer to the ministry official to provide a more comprehensive view on what that negotiation and that fund entails.

Iryna Soloduk: — Yes, so on July 19, 2024 Canada, together with Minister of Government Relations, signed a new Canada Community-Building Fund. So that's a renewal of the agreement. It's a 10-year agreement starting in March 31st, 2024 till March 31st, 2034. This is a third iteration of that agreement so we are happy to continue with that.

It's a very nice, stable funding that is fully federal. Province is only designated to administer the funding. So it's kind of flow-through. Funding is based per capita, so over the next five years, Canada will invest over 350 million in Saskatchewan. And there's 66 million in the '24-25 budget for it.

I would like to highlight this program because it's a great program. It took us nine months to negotiate with the federal government this agreement, which as you can see was a little bit painful, but we got there.

This program is great based on the fact that it has a variety of infrastructure funding that can go to municipalities. So under this program you can do local roads and bridges, public transit, drinking water, wastewater, solid waste, community energy systems, capacity building, highways, regional local airports, short line rail, short sea shipping — not applicable to Saskatchewan — resilience, broadband connectivity, brownfield redevelopment, cultural infrastructure, tourism infrastructure, sport infrastructure, and recreational infrastructure. And the new expenditure that was added in 2021 was fire halls.

[18:45]

So you can see from the variety of options that municipalities can choose, this is really a great program for Saskatchewan. And we're happy and proud that we are delivering this, the third reiteration of that agreement.

Jared Clarke: — Were there any changes made to the new agreement?

Iryna Soloduk: — Yes, so obviously nine months, there was a reason why we negotiated so long. We did get some changes to the agreement.

So the first thing that I would like to highlight is the increased reporting compliance requirement and communication action, and introduction of housing as a priority. CCBF [Canada Community-Building Fund] was the first program where the federal government, I would say, pushed housing requirements on the province.

So new housing-related reporting that is required is saying that

any community in Saskatchewan over the 30,000 population mark as of 2021 census are required right now to fill out housing needs assessment, HNA. This means Regina, Saskatoon, Moose Jaw, and P.A. [Prince Albert].

In this housing needs assessment, they have to identify housing gaps per se. And the funding under CCBF, whichever category they choose, have to be related to support those housing gaps. So for example, if let's say city of Moose Jaw experienced some growth and there is a need to upgrade water treatment plant, CCBF funding should be targeted towards support of those new housing gaps.

Jared Clarke: — Thank you. In one of the conversations I had with a municipal leader in Saskatchewan . . . And I'm wondering, Minister, if you can comment on this. In terms of Canada Community-Building Fund, I understand like you've renegotiated for a 10-year agreement. One of the mayors in a community expressed concern about if there's a federal government change that the funding may be in jeopardy if, say, the Conservatives won. Is that something that you're worried about?

Hon. Eric Schmalz: — So not specifically related to but in a broader sense, any of these funding programs and agreements with the federal government, in the history of the funding programming that's been administered in Saskatchewan, there is always a sunset clause or some kind of an escape clause built into those agreements.

But we've never had one that has been cancelled by a change in federal government, and there has been times when there has been a change in the federal government. I think the only possible change you might see to it is if it's a Conservative government, you may see it return to the word "gas tax" in the title of the program.

Jared Clarke: — Thank you, Minister. I'm going to switch gears again. One of the things that I heard you speaking about at SARM was the new policy around derelict buildings. I'm wondering if you could explain, what is the role of Government Relations in this pilot?

Hon. Eric Schmalz: — Thank you for the question. Yes, speaking broadly again, this is not exactly a budget estimates question. But I'm happy to say that there are several ministries involved in the advancement of this pilot project and that when the legislation is introduced, there will be an opportunity for members on committee to ask questions directly related to the involvement of all ministries in that pilot program.

Jared Clarke: — So then it's fair to say that there's no money coming through Government Relations to support the pilot project?

Hon. Eric Schmalz: — Again . . .

Chair B. McLeod: — I'm going to intervene again, and let's keep the questions related to the estimates. And conjecture is not something that we want to be talking about here. Specifically the estimates and let's keep it to that. Thank you.

Jared Clarke: — My apologies. I was under the impression that,

you know, the pilot project would require funding. It's been announced for this fiscal year in November. I'm just looking for clarity as to where that funding would come from.

Hon. Eric Schmalz: — Mr. Chair . . .

Chair B. McLeod: — The funding for that program will be announced when the program's up and running, and that's the answer right there at that point in time. Just relate it just simply to the estimates for Government Relations. Nothing is in the estimates in regards to that, so let's keep that to that point. Thank you.

Jared Clarke: — Sure. I can imagine that the planning going into prepare for this pilot is not being spent right now, but I will move on.

How about . . . Let's go with this one. I think I should be safe on this one. I see that 98.4 per cent of municipalities were eligible for municipal revenue sharing. Is that figure still accurate? And could you explain why the remaining municipalities are ineligible, and are efforts being made to change that?

Hon. Eric Schmalz: — Thanks again for the question. Specific to the reason why municipalities are deemed ineligible, temporarily in most cases, is due to them not meeting their six criteria required in order to qualify for the funding, very basic criteria. And that number obviously is fluid week by week because as far as the percentage of compliant municipalities, just the nature of their ability to provide the information to the Ministry of Government Relations. I will defer to the ministry official here to further explain.

Karri Kempf: — Hi, I'm Karri Kempf. I'm the executive director of advisory services and municipal relations. So the number has dropped just a little bit as of March 19th; we're at 93.3 per cent compliance.

Again as the minister indicated, we ask for declarations to come from municipalities. They start arriving in December and will come in all the way through until May, so we expect that number to move. For the most part, many of them are waiting to get their audited financial statements signed off to be submitted. We've had some change in administrators. So there's multiple reasons why there may be temporary incompliance, but typically those are adjusted for the vast majority of municipalities and they become compliant.

Jared Clarke: — Thank you. Does the Government Relations ministry have an idea how many municipalities will need new fire halls in the next five years?

[19:00]

Hon. Eric Schmalz: — Thanks for the question. As government, we believe that municipalities need to retain their autonomy from the provincial government, the next level of government as much as possible. The decisions at the local level on where expenditures are made with respect to local infrastructure again should remain with those local councils, with members of that community.

There is provisions for funding of new fire halls and related

infrastructure, under the CCBF funding that we were just talking about, the renegotiated fund, and you know, we're here to support them if they ever apply for it.

We are not collecting data on fire halls in any way, and the municipalities are not required to submit it to us. That is again completely up to those municipalities to identify where those infrastructure needs are. And I'll defer the follow-up to Bonnie here again.

Bonnie Chambers: — Thank you. Thank you for the question. As the minister said, there is funding available for municipalities under CCBF if they choose, if the council chooses to apply for funding for a fire hall.

Municipalities are a level of government. They have an elected council to make the decisions that are in the best interests of their local residents. So they also are the ones that would set up priorities for any infrastructure development or applications for infrastructure funding.

Chair B. McLeod: — It now being 7:01, we're going to recess until 7:31. Thank you.

[The committee recessed from 19:01 until 19:30.]

Chair B. McLeod: — Welcome back, everyone, committee members. And we are now going to resume consideration of the estimates for the Ministry of Government Relations. I recognize MLA Clarke.

Jared Clarke: — Thank you, Mr. Chair. On page 65 under municipal relations (GR07), under allocations, building and technical standards, there's a fairly significant drop between what was in the budget last year — \$3.062 million. Now we're at just \$947,000 for this year. I'm wondering if you can explain the reason for that.

Hon. Eric Schmalz: — Thank you for the question. Yes, that drop in funding is directly related to the Codes Acceleration Fund. It was federal funding that was allocated to increasing from tier 1 to tier 3 our building codes' energy efficiency modelling. We recognize that there would have been significant affordability pressures placed on individuals looking to build their family homes, and as a result we responded by exiting that program and therein becoming compliant . . . not compliant, sorry. The same as our neighbours to the east and west in Alberta and Manitoba.

Jared Clarke: — So what was that funding doing then? The accelerator fund, what was that being used by the ministry for?

William Hawkins: — Thank you for the question. I'm Bill Hawkins. I'm the executive director of building and technical standards with the Ministry of Government Relations. My team is responsible for development, adoption, and implementation of construction codes.

So specific to the budget item that you reference, the three-plus million dollars and the change from last year to this year, it was for the Codes Acceleration Fund. And as the minister has explained, we have withdrawn from that program to address housing affordability issues. The changing landscape issues in this sector, interest from the sector to move to more of an

affordable platform to develop housing, and housing needs across Saskatchewan led to that decision.

The \$3 million was for a program to advance construction codes further and faster. In alignment with other jurisdictions — Manitoba to our east and Alberta to our west, in particular — we discovered late in the program implementation that they had not moved forward as fast, and determined that we should align ourselves more directly with our prairie counterparts and limit that.

Moving the program forward would have engaged the Regina and Saskatoon Home Builders' Associations and the cities of Regina and Saskatoon in developing skills, abilities, and other tools for industry to utilize to achieve the goals. We still work with those organizations in partnership on other initiatives that are directly related to codes and standards, but without advancing to the higher energy tiers, which would have caused some affordability issues and some challenges in industry.

Jared Clarke: — Thank you for that. I'm wondering if you can speak specifically to the dollar values that are being saved by, you know, an individual buying a home by lowering it from tier 2 to tier 1.

William Hawkins: — Thank you for the question. With respect to how much it costs to move from one tier to the next and improve energy efficiency, I want to reflect that late last year the home builders in association with the realtors and the landlords requested that the government pause energy efficiency while they could look at what some of the increased costs would be in preparation for moving to higher tiers.

We did that, paused the move to tier 3 for a year. Subsequent to that, information became available from industry sources that suggested that the numbers would be significant, significantly more than the benefit at a time when there was demands for housing and moving back to a more efficient standard, in alignment with Alberta and Manitoba. Some of those costs have been reported as high as \$15,000 moving from tier 1 to tier 3.

We had hoped through the duration of the program to quantify that better so that we could understand more closely. Some of the projects that we had intended to use the funding for would have delved into that at great length to determine what those costs would be, and that would have informed moving forward beyond tier 3 at a later date. But at this point in time, again, shifting interests in housing affordability and other challenges have led to this.

Jared Clarke: — So that work was not completed then in terms of, what's say the average? I know you quoted like kind of the high level of 15,000 to go from one tier to the next, but you haven't completed like the quantitative analysis of how much that would actually cost for a single home in Regina?

William Hawkins: — We have not done that work. It was part of the project and it is incomplete because we are at tier 1 and don't have a plan to move to tier 2 at this time.

Jared Clarke: — So if I'm understanding you correctly, you are not sure — the government is not sure — how much this actually is saving the average homebuyer, so you don't know how much

going up a tier would actually cost a homebuyer. Do you know how much of a savings you would see for a homebuyer?

[19:45]

Hon. Eric Schmalz: — Thanks for the question. So throughout the course of this discussion surrounding the Codes Acceleration Fund, we consulted with industry and heard loud and clear from industry on what the housing pressures were, what the costs of building were. This was at their request that we review this and back away from it specifically related to their costs — the costs, the downstream costs to the individuals building the homes.

In Saskatchewan, in the Prairies in general, the construction of homes is already at a higher tier because of our just natural elements in this province that are faced by our homeowners. So in their mind, in industry's mind, they communicated to me specifically that they were confident that they could help modulate affordability with energy efficiency so that there would be a good result for the homebuyer.

Jared Clarke: — Thank you for the answer there. You know, we live in one of the most variable climates. I talked about this in Environment estimates yesterday, and I understand industry's request on this side. I do think homebuyers should have some protections in terms of the quality of workmanship. And I'm not saying all homes are not built well, but I would say perhaps not all homes are built well depending on, you know, folks in the . . . you know, contractors who are not living up to expectation.

And so I do think this doesn't take into account, you know, the cost savings for residents for energy reduction. So some estimates that I've seen, going from a tier 1 to a tier 3 is going to save a homeowner about \$620 a year in energy costs. And so that was not, you know, taken into consideration over the lifetime of the home, how much that would save like a homeowner. So we're talking affordability. That wasn't taken into consideration?

Hon. Eric Schmalz: — All right, and thank you for the question. Specific to your question related to the quality of homes being built in Saskatchewan, I would suggest that your assertion that there's some level of incompetence being exerted by home builders in this province is unwarranted. And we'd stand by the ability of our home builders in this province to be able to construct homes of a nature that is suited to this climate and this environment.

Obviously the building code of the province still remains. The quality requirements within that building code are stand-alone. The energy efficiency modelling, as you point out, is now open for individuals to decide if they want to build to a higher energy efficiency model than is currently required by the provincial government.

The energy efficiency modelling to tier 1 now aligns us with our neighbours who are in similar climates to the east and west, and Manitoba and in Alberta are both still at tier 1. We are back at tier 1, aligning ourselves with our neighbours and ensuring that we provide the freedom for individuals to decide where they choose to invest that money. If they choose to invest it in energy efficiency modelling, that's perfectly fine, and they are more than able to do that under the current model.

Jared Clarke: — So if this is being predicated on the notion that it is an affordability measure, why not cut the PST on construction in building a house instead of making homes less energy efficient?

Hon. Eric Schmalz: — So again, this is an issue for the Ministry of Finance. It's not specific to Government Relations or estimates for Government Relations, unfortunately, Mr. Chair.

Chair B. McLeod: — And I would concur with that. We've been down that one, that conversation already in this, and we want to make sure we stay focused on the estimates that are in front of us. Thank you, MLA.

Jared Clarke: — Thank you, Mr. Chair. As shadow minister for municipal affairs, I have been travelling across the province and talking to a lot of municipalities, as I know you and your ministry does as well. And one of the things I will point out is that PST on construction comes back in almost every municipality conversation. And so it is something that municipalities are talking about and are frustrated about, and so my hope is to be able to bring some of those issues and frustrations from municipalities to the floor here.

But I will switch gears a little. In terms of an announcement in . . . I'm just looking for an update. In the election campaign, the Sask Party campaigned on a community rinks affordability grant. Is that included in this budget here?

Hon. Eric Schmalz: — Thanks for the question. Specific to the funding for the rinks grant, that does fall under the Ministry of Parks, Culture and Sport. Broadly though, I will say that we as a government do actively pursue funding options through the federal government to allow us to be able to invest in those rinks, those . . . we'll call them the spiritual centre, outside of the ecclesiastical sense, of most Saskatchewan municipalities. I mean the community rink is a place of gathering and fellowship and community spirit, and I think that any time that we as a government can advocate for funding to help support those vital facilities within our communities, we will do so in earnest.

Jared Clarke: — Thank you, Minister. One of the things that I've certainly heard at the SARM convention, 81 per cent of bridges in the province are in need of upgrades or replacement in the next five years. How is the ministry looking at addressing those needs?

Hon. Eric Schmalz: — Thank you. Yes, so it's my understanding that the Ministry of Highways does have a program in conjunction with SARM to address this issue. However that'll have to be directed to Highways in their budgetary estimates. We do have a funding option under the Ministry of Government Relations directly related to the Canada Community-Building Fund. And I'm going to defer to our ministry official Iryna to explain that a little further.

Iryna Soloduk: — Yes, so as the minister mentioned, under the Canada Community-Building Fund bridges are an eligible category. So in order to get that funding obviously municipalities have to enter into the agreement with a provincial government which is, since announcement of a new 10-year agreement with the federal government, we have been actively involving all the municipalities. So we have more than 700 municipalities at this

point got into the agreement with us.

After that the municipalities have to submit, like, an application; we call it IAP [independent assessment process]. As soon as that application is eligible, meaning that a municipality has all of the required elements under the program met as well as fit into one of the categories — for this case it would be a bridge — then this application would be eligible.

We also encourage municipalities to think a bit broader. So even though you are applying under CCBF, because that funding is per capita, for example, some smaller municipality may not necessarily have enough funding. So we encourage municipalities to accumulate that funding through the years. So they can sit on the funding for five years, and then at the end of the five years get the project going.

We also would encourage them to combine the funding. We have municipal revenue sharing which is, you know, a flagship program for us, so we would highly encourage municipalities to combine municipal revenue sharing together with CCBF funding to get that project going.

Another option that was available was ICIP, Investing in Canada Infrastructure Program. Under that program we did approve 81 bridges since 2018. Sixty-one of those are completed, and we spent \$26,121,368 on those projects.

Bridges are important for provincial government as well as the municipalities. At this point of time there is no, as we said, renewal per se for the ICIP program to support those bridges, even though we understand . . . Provincial government will be obviously asking federal government to possibly update ICIP or maybe provide a program that would be similar to that because there is lots of other priorities that may not necessarily fit with the provincial one, so we understand that bridges and local roads would be one of those that we would be advocating in the future.

Jared Clarke: — Do you have a number on how many municipalities have reached out for that Building Canada Fund specifically to bridges?

[20:00]

Iryna Soloduk: — So unfortunately I wouldn't have necessarily a number on the bridges, but we have the category called local roads and bridges. And in that category we have 2,366 CCBF projects, and the costs that has been spent on that required 51.8 per cent of the total CCBF allocation. So that is the most, I would say, used category under CCBF funding. However I wouldn't have it directly divided by roads and bridges. It's roads and bridges together.

Jared Clarke: — Okay. Thank you. You mentioned municipal revenue sharing, and I'm just going to ask a quick question on that. For a city like Lloydminster, is municipal revenue sharing able to be used in any part of the city, Alberta or Saskatchewan side?

Hon. Eric Schmalz: — Yeah, thanks for the question. Yes, so with respect to the city of Lloydminster — oddly enough, my second RCMP [Royal Canadian Mounted Police] posting was in Lloydminster — so it required a significant learning curve in

trying to administer two different provincial statutory Acts. But with respect specifically to the MRS funding, the funding is allocated based on the Saskatchewan population in that city, but geographically it's allowed to be used in any part of that city. But they do not receive funding based on any of their Alberta residents.

Jared Clarke: — Thank you, Minister. Does the same agreement exist in Creighton?

Hon. Eric Schmalz: — Yes, thanks. The municipal boundaries for Creighton are all entirely in Saskatchewan, so they would receive, their entire population would be part of that catchment, as it were, for municipal revenue-sharing calculations formula.

Jordan McPhail: — If I can just quickly ask a follow-up to that. So the things that do fall under municipal jurisdiction, if there's an animal control officer that wants to be shared amongst the city of Flin Flon, the town of Creighton, and the village of Denare Beach; secondarily if they were looking at a municipal rink build, library, some of the things that a municipal government has the opportunity to do, I know northern revenue sharing and revenue sharing in general across Saskatchewan is seen as no strings attached.

So if the local region decided that they wanted to put any one of those things that are typically built municipally — like I said, the rink, the library, control officer — does the ministry currently allow for those funds to be going toward capital builds on, let's say, the Manitoba side? If they wanted to replace the rink, could they do so using any of the municipal revenue-sharing funds on the Manitoba side?

Hon. Eric Schmalz: — Thanks for the follow-up. Yes, the funding, the municipal revenue-sharing funding is completely unconditional. So if a municipality in Saskatchewan wanted to partner with a neighbour that was across the border on building a piece of infrastructure that would serve their community, they are more than free to do so because that funding is based off of what their contributions into that municipal revenue sharing would be. So that's where the formula is.

And there's also, you know, to a certain degree a level of encouragement within the Ministry of Government Relations for co-operation on those facilities with neighbours, with community neighbours. So in order to share those costs and those burdens on the community, we look to encourage individual municipalities and communities to do that work.

I'm going to turn it over to our ministry official here, Bonnie, to further explain a bit of the supports we have in that light.

Bonnie Chambers: — Thank you, Minister, and thank you for the question. We have a program with the ministry; it's the targeted sector support program. And this is what, while it's not a capital program at all, it is a program that encourages co-operation between municipalities.

So in the scenario that MLA McPhail asked, those three communities could use TSS [targeted sector support] funding to do a feasibility study to where some type of infrastructure would best be suited to support more of the citizens or better support the citizens. So there's stuff like that. And we always encourage

municipalities to work together, whether it be on the infrastructure or any other regional co-operation.

Jared Clarke: — Thank you. Going back to (GR07) on page 65, looking at transit assistance for people with disabilities program. You know, year over year there is no change to the budget. I'm wondering, given the rising costs of fuel, can you explain why their funding has remained frozen for the last few years?

Hon. Eric Schmalz: — With respect to your question, I personally have not, prior to budget deliberations, have not heard of the shortfall for municipal transit specifically related to your question. But since budget, we have heard it a couple of times now and are committed to reviewing it with our municipal stakeholders. Obviously there's not anything in the budget this year for it, but we are looking at options in those consultations and having those collaborative meetings with our municipal partners and determining which municipalities are facing pressures on that particular issue.

With respect to the capital side of the program, it was being underutilized and therefore did not raise a red flag for us, obviously. There was still portions of that funding that were left available at the end of the year. So with our conversations that we're currently having with municipal partners, we are looking at options going forward.

So with that I'd like to turn it over to again our ministry official, Iryna, to further explain.

Iryna Soloduk: — Yeah, I just want to say, in our 2024-25 budget we allocated 3.78 million for this program. So this program has like two parts to it: capital and operational. Historically we have given 800,000 to capital portion, but in the last two years we noted that, as the minister already mentioned, that had not been utilized.

So for example, in '24-25 budget we only allocated 550,000 to it. So the remaining 250 has been moved to the operational, which the original amount was two million, eighty-nine hundred. So with that addition of 250,000 it comes to 3.237 million.

As minister mentioned, we have received a few inquiries about maybe reviewing specifically that capital portion, and we would be happy to have a consultation and see how we can improve the program to make sure that we do support transit for people with disability in Saskatchewan.

Jared Clarke: — I'm wondering if you can speak to why that funding was not being utilized. Are there restrictive funding requirements, say, an organization or a community has to have 50 per cent of the funding from them and then 50 is coming from Government Relations? Or just wondering for some insight as to why that's not being taken up because I would find it hard to believe that there isn't a need for that.

[20:15]

Hon. Eric Schmalz: — Specific to your question, there is no co-funding requirement for this for the capital side. And prior to the budget we had not specifically heard on this topic from our stakeholders, but now that we have, we are going to be looking at those — the entire program — and looking at ways that we can

work to make it more amenable to the municipalities that require it. That is something that, again, we will engage with stakeholders and have those conversations going forward.

Jared Clarke: — Thank you, Minister. Obviously in my capacity I serve on our team as shadow minister for municipal affairs but also for Environment. Was talking climate change quite a bit yesterday in Environment estimates. Given the reduction in the tiers around building codes, I'm wondering if there's anything in the municipal affairs budget here that works to address reducing emissions or addressing climate change.

Hon. Eric Schmalz: — Thank you. With respect to specific funding, obviously we're once again talking about municipal revenue sharing being the no-strings-attached funding that municipalities can use to create or build infrastructure around the area of climate change, should they choose. I am going to defer to Ian, another one of our ministry officials here, to expound on another piece.

Ian Goeres: — Great, thank you. Ian Goeres, executive director, community planning branch here with the Ministry of Government Relations. One of the regulations under *The Planning and Development Act* is *The Statements of Provincial Interest Regulations*. One of these statements deals specifically with public safety so it does work to address items such as flooding and wildfire.

We require municipal planning documents and decisions to limit development on hazardous lands. We require the planning documents to consider community and regional fire protection measures, including escape routes and provision of emergency services adjacent to forests or areas at risk of wildfire.

Jared Clarke: — Thank you. Certainly as it relates to the provincial budget over the last, say, 20 years, climate change and extreme weather events around extreme fires, forest fires, flooding, drought generally are . . . You know, if you look at like the high-level budgets for the province, climate change is usually the reason why there is huge deficits in years. I think of the 2015 flood in southeast Saskatchewan that caused municipalities and a lot of people — homeowners, farmers — to have big payouts in insurance there. Crop insurance payouts have reached record levels, so certainly something that's affecting the budget.

One of the things that SUMA has been actively trying to engage with Government Relations, I know, is setting up and establishing municipal EcoAction centres. These are modelled after the Alberta Municipal Climate Change Action Centres. And they would help as a hub, a central resource hub to simplify access to information, collaboration, and funding for municipalities to address climate change challenges through green infrastructure projects.

I know there's a lot of funding available through the federal government around green infrastructure projects. I'm wondering if this is something that government is looking at. Is there any money in this budget to allow for the development of a municipal EcoAction centre in the province?

Hon. Eric Schmalz: — So we do meet regularly with SUMA and SARM on any number of topics. Obviously they have raised several issues with us related to any number of topics that are

being faced by their member municipalities. We actively pursue options for solutions for those in those instances, and we have two ministry officials here that are able to explain a little bit more on what we've done specifically within this ministry.

Iryna Soloduk: — So under the Investing in Canada Infrastructure Program or short form, ICIP, we had six projects, which intention was to reduce GHG [greenhouse gas]. Five projects of those are still in the works and one has been completed. Overall federal-provincial cost-share for those projects was \$263 million.

We also have another category which talks about the resilience or disaster mitigation under CCBF. That's another opportunity for municipalities to apply if they see that there's a project that can be fit under that category. From the inception of CCBF we had approved 16 projects under that category, which equals to \$3.7 million.

Ian Goeres: — Thank you. And through the targeted sector support program, there is also available funding for an emergency response plan for a municipality and their other partner to look at what they could do in the case of an emergency.

Jared Clarke: — Thank you. So I'm just going to go back. My question was more around, you know, municipal EcoAction centres and the willingness of the government to engage with municipalities on establishing these in Saskatchewan like they are in Alberta. So is there any work being done on that front or a willingness from government to engage in that work?

Hon. Eric Schmalz: — So with respect to your question, we have met with SUMA several times formally after I was given the honour and privilege to serve as Minister of GR, and we have not heard that concern specifically from them in those instances.

However we are open. I personally have a philosophy or a policy that anybody who can come forward can bring a proposal to the ministry and have it weighed on its merits and be seen to. Whether or not we can make it work or not, that's something that we're obviously willing to do — hear any proposal.

Jared Clarke: — Thank you, Minister. I'm going to pass the mike over to my colleague from Athabasca and let him ask a few questions here.

Leroy Laliberte: — Thank you. And thank you, Mr. Chair. Thank you, Minister Schmalz and team. Thank you for being here. And I know everybody's tired but you need to try to sit back. We've got about three or four more hours here to go. It'll feel like it anyways.

So for those that don't know who I am, my name is Leroy Laliberte. I'm the MLA for Athabasca. I also have the privilege of being the shadow minister for First Nations and Métis relations. I'm from the North, I'm from the beautiful valley — sîpîsisîhk, we call it — Beauval. I know most of you probably know where that is, and, Minister Schmalz, you spoke about being up in the La Loche area and seeing first-hand, you know, a lot of the issues and things that happen in the North.

You know, I was really happy that my colleague from Cumberland spoke regarding the affordability measures in

northern Saskatchewan, because we've seen it first-hand. I've lived it. I understand it. I still have family up there that live it every day. And you know, and he spoke with passion because he loves the North. He lives in the North right now.

And many things that were brought forward, even in debates or in question period, we spoke of the lack of. And, Minister Schmalz, I know that you've seen the lack of, being up there. And you know, we were introduced to this budget, and now we're speaking about the estimates that were brought forward when it came to affordability measures. We spoke of Truth and Reconciliation and all of these things.

[20:30]

I have a few questions that I want to ask, and these are . . . And just to know that these questions that I'm going to ask will be bluntly put. I don't like to beat around the bush. I'm just, I'm not young enough to do that anymore.

Like I said, I have community members and I have a lot of family and friends that live in the North, and they're experiencing a lot of loss right now. Our suicide rate in northern Saskatchewan is unreal. And speaking personally, I just lost a friend on Friday to this. And I lost a lot of family members, and I lost a lot of friends in the past to this.

You know, when it comes to social programming, this is something that I'm very familiar with. I've worked in social programming for over 20 years — 25 years to be exact — before, you know, seeking representation or represent the people of Athabasca. So I worked closely with the First Nations and Métis communities not only in our province, where I visited all 74 First Nations in our beautiful province of Saskatchewan, but I visited a lot more throughout this country. Social programming is not funded properly. We have a lot of the communities where they have . . .

Chair B. McLeod: — Mr. Laliberte.

Leroy Laliberte: — Yeah, sorry. Sorry.

Chair B. McLeod: — I'm just going to interrupt here, just for a moment. We're here dealing with the estimates on vote 30, and I need you to move to a question that's related to that if you would, please.

Leroy Laliberte: — I'm sorry. The funds that were estimated when it comes to social programming, can you speak a little bit about how much money was actually allocated to the First Nation communities in this province?

Hon. Eric Schmalz: — MLA Laliberte, I want to start my response by offering my deepest condolences for the loss you've experienced. In my time in the North, as you're probably well aware, it's almost a cyclical thing where, you know, there's a mental health crisis that occurs. And sometimes there's a spike in suicide. I lived through that in my time in La Loche. It deeply affected me while I was there, and it was something that I don't wish on anyone. And I again want to offer my deepest condolences to you on the loss of your friend.

Moreover, Mr. Chair, you correctly point out that there's a

specific purpose for this committee. But I want to reiterate again that we hear you. We hear these concerns and we do care, albeit this is not the correct venue to have those conversations. I wanted to make sure that was conveyed to you on behalf of the entirety of the Ministry of Government Relations.

Now I'm going to turn it over to another Government Relations official to explain some of the supports that are provided through grant funding and the like.

Susan Carani: — Good evening. I'm Susan Carani. I'm assistant deputy minister of First Nations, Métis and Northern Affairs. Thank you for your question. So Government Relations doesn't have social funding. What we do is we administer grant programs that do reach many people in need. One of them is Missing and Murdered Indigenous Women and Girls+ Community Response Fund.

We have other types of sponsorships and project funding. We offer funding through the consultation policy participation fund, and also for rural municipalities, treaty land entitlements, tax loss compensation funding.

A large part of our work is relationships, so our officials are out there working with community members. One of the programs that we work on is called Embracing Life. We serve as a secretariat for Embracing Life. Its inception came about because of suicide in the North, and being able to reach young people in the North. And really it's for everyone, and it's reached beyond the North now. Everybody has a cell phone. They can go on their cell phone and go through a series of questions, whether they're helping a friend going through that or for themselves.

So that is the extent. We don't have social programming, but we do do a lot of outreach and engagement with communities.

Hon. Eric Schmalz: — And again just to reiterate, the bulk of the response to your question would be better suited to estimates with the Ministry of Social Services.

Leroy Laliberte: — Thank you for that. So does the ministry have any money that is allocated for supports for these families?

Hon. Eric Schmalz: — Thank you for the question. Yes, specific to individuals, the Ministry of Government Relations doesn't have any funding specific to individuals; however we do provide funding for organizations. Through the Missing and Murdered Indigenous Women and Girls+ Community, we do provide funding for response to an event or a situation that we can provide, you know, healing through the program offered under that banner. Specific funding for, I believe, what your question is related to would come from Rural and Remote Health or Mental Health and Ministry of Social Services. But I'm going to again ask our ministry official to explain a bit more or to have a little more input.

Susan Carani: — Thank you for your question. The fund that the minister is talking about again is the Missing and Murdered Indigenous Women and Girls+ Community Response Fund. That fund at this point is 800,000. Four hundred of it is covered by Government Relations, and we received a grant from the federal government to bring it up to 800,000.

So what we do is, it's an intake program. Organizations can apply for funding. And so what that funding does is it goes towards . . . We look at projects that empower communities, that work toward a safer and more inclusive future for Indigenous women and girls and two-spirit individuals. So the organizations that apply for this funding support families in need, and so those are the ones that we prioritize when we're funding these initiatives, their events, and different types of programs.

Leroy Laliberte: — Thank you. As for the funding, when people apply for this funding, they could apply for it through their municipal representation or else with one of the organizations. And I know we spoke about the helps that we are told that receiving in the North like virtually, which is something that is going to be another conversation for something a little bit later. Because, you know, we need some real beds to be able to help these individuals and these families.

One of the things that you spoke about, Minister Schmalz, was the reconciliation portion of funding. Can you tell me how that's going to be utilized and which initiatives would that be funding in the province?

Hon. Eric Schmalz: — Thank you for the question. Yes, specific to Truth and Reconciliation, I think at a very high level everything the ministry does with respect to First Nations, Métis and Northern Affairs as well as Government Relations, and in some components with the Provincial Capital Commission as well, looks at it through a lens of Truth and Reconciliation.

[20:45]

Currently our government is answering 30 of the 34 Calls to Action outlined by the commission, and also answering an additional 16 Calls to Action that are not directed at the provinces but are being done so on a good-faith basis. More specifically, for some of the things that we are doing directly related to Truth and Reconciliation, I'm going to turn it over to our Government Relations official here, Susan Carani.

Susan Carani: — Thank you for your question. So some of the larger work that we do that's related to Truth and Reconciliation would include something like treaty land entitlement. We've been working for 30 years — before the TRC [Truth and Reconciliation Commission] came into play — we've been working with First Nations in Canada to resolve outstanding treaty land entitlement claims. And we continue to do that work with the spirit of reconciliation.

And with regard especially to TRC Call to Action no. 57, which is about educating provincial, federal officials on First Nations and Métis history and culture, that's something that's a priority for the Government of Saskatchewan and the Ministry of Government Relations.

So some of the things that we do as . . . First of all, we require every single staff member to undergo the program called the 4 Seasons of Reconciliation. And so this takes place over a year. They learn about history and culture of First Nations people. And with regard to Métis, we've launched a Métis speaker series, and through this we bring in notable Métis citizens in Saskatchewan to come and help our ministry officials understand better Métis culture and history.

And the work that Government Relations does is we actually collect from all the other ministries the work that they're doing on the TRC. So some of the notable items from that that I can speak to: the Ministry of Social Services income assistance branch partnered with Indigenous Elders and Knowledge Keepers to provide on-site Elder support for clients and employees at the Saskatoon income assistance office.

With regard to Call to Action no. 12, Saskatchewan has collaborated with Saskatchewan Indian Institute of Technologies and the Dumont Technical Institute to offer tuition-free early childhood education training. And we also are working on another piece with Parks, Culture, Sport and Justice with the recommendations from the special interlocutor on missing children and unmarked graves. So there's ongoing work that's happening government-wide and work that Government Relations does in regard to the TRC.

Leroy Laliberte: — Thank you. So what funding has been allocated to the North in respects to reconciliation? Was there money allocated to the North? Have people applied for the funding? Just seeing that Ile-a-la-Crosse residential school had just settled with the federal government and they were looking for supports from the province. Was there anything allocated to the North in that respect?

Hon. Eric Schmalz: — Well yeah, thanks. Specific to the question regarding Ile-a-la-Crosse, that would have to go more towards Justice, the Ministry of Justice, in order to have that answered in a more comprehensive way.

Specific funding for Truth and Reconciliation, it's not a funding under that specifically. But the areas of Truth and Reconciliation as Ms. Carani alluded to, the TLE [treaty land entitlement] funding, funding for duty-to-consult policy framework, some of those things that flow into that envelope of Truth and Reconciliation — that is where the funding goes to the specific, I guess you'd call them subheadings under that umbrella of Truth and Reconciliation. I'm going to turn it over again to Ms. Carani here to further explain.

Susan Carani: — A large number of our funding does go to the North. Organizations in the North apply for funding through our grant programs. We don't differentiate that data though, so I can't give you the exact amount of funding that we've provided. With regard to the Consultation Participation Fund however, that also . . . a large portion of that is spent in the North by northern, Métis, and First Nation communities.

So like last year, the Consultation Participation Fund, I think we expended, I think, about 1.4 million. And a large portion of that would be in the North to support First Nations and Métis communities in their efforts to provide information during their consultations on how projects are impacting their treaty and Aboriginal rights.

Leroy Laliberte: — Thank you. All right, so I'm just going to move over into something a little different here. When it comes to duty-to-consult, I know when you first opened with your remarks, there was money that was put as part of a budget for duty-to-consult. I noticed that the money hasn't changed, and I noticed that it actually went a little . . . it was cut a little bit when it came to the duty-to-consult portion of it. And is there a reason

for that?

Hon. Eric Schmalz: — Specific to consultation policy and the funding that's available for participants in that grant program, in 2023, I believe, we increased it from 400,000 to a million dollars. The funding, the baseline funding has not changed. There hasn't been a cut.

What I believe you're seeing there is the fact that as long as the applicants qualify, we have not denied funding. So it was actually we provided funding over and above the \$1 million budget amount last year.

To further that conversation and that question, I'd defer to again to ministry officials to explain further . . . [inaudible interjection] . . . Apparently I answered very well.

Leroy Laliberte: — I was taking a look at the estimates and I seen that it was, you know, the same from the year to year. But I was thinking about the inflation measures that, you know, that are put in place here when it comes, and that's reality for a lot of places. In the North, when we talked about affordability, this is where the duty-to-consult and accommodate hasn't, you know, a lot feel that it hasn't taken place.

But, Minister Schmalz, I wanted to . . . Just from your point of view, if you don't mind me asking, what is your responsibility as the First Nations and Métis relations minister?

Hon. Eric Schmalz: — So to your question, obviously as Minister for First Nations, Métis and Northern Affairs, the key role for me to play is the collaboration with partners to improve the social and economic outcomes for First Nations in northern communities.

We engage, I engage personally with the stakeholders in the North — not just in the North, but obviously there are First Nations communities around this province and Métis communities right across the province as well — engaging with them and ensuring that their concerns, their voices are heard at the cabinet table and the government table moreover.

[21:00]

I continue that work on a daily basis in my conversations with organizations that represent Indigenous people across the province. Federation of Sovereign Indigenous Nations, Métis Nation of Saskatchewan, all of these communities and community-based organizations are important partners in our province, and we look — not just at the ministry, but me as a minister — to engage with them in a meaningful way to ensure their voices are heard.

Chair B. McLeod: — Thank you, Minister Schultz, for that response. Schmalz, I should say. Schultz is not your name. Schmalz. I know your name.

I would say that in the conversation that just occurred, we're moving into an area, a territory, that's not really appropriate for this committee as such. And I would like you to stay really focused on the events at hand here in terms of the appropriation, the allocations, the estimates that are there in front of us for questioning. I appreciate the comment, and I would like to keep

moving us in the right direction, so thank you for co-operation.

Leroy Laliberte: — So how are you going to determine if the consultation process is done properly? Is there an evaluation that's done? You know, because there's people that are looking towards like the framework when it comes to duty-to-consult. Like are you involved in that at all?

Hon. Eric Schmalz: — Thank you for the question. Specific to feedback on what we've done, with respect to your question, our engagement — the level of engagement when building the policy framework to bringing that into the public realm and having active participants — the feedback we receive is positive.

The people that I speak to personally, I think everybody in this room was at the Ya' thi Néné event in the legislature here last week, and the positive response that was conveyed by the Chair of the organization to us. So I think that speaks to the direct communication that happens with the participants in our consultation policy framework. I'm going to defer, again, to a ministry official to further expand on that specific question.

Sherelyn Caderma: — Hello. My name is Sherelyn Caderma. I'm the executive director of lands and consultation. So the minister talked about engagement. We actually recently engaged on the First Nation and Métis consultation policy framework, and this engagement took place in the summer and fall of 2022.

And as part of this engagement, we invited all First Nations and Métis communities from across the province to participate in the engagement. We had a great big kickoff session and we said, "Hey, how do you want to communicate with us? How do you want to engage with us? Do you want to do it in person? We will come to your community. Do you want to do it virtually? We can do that as well."

So we were really doing the engagement process because we really wanted to hear what First Nations and Métis communities wanted to say in addition to municipal organizations and industry. And so throughout this engagement process we had 35 engagement sessions involving 22 First Nations, 3 tribal councils, 37 Métis locals, 7 MNS [Métis Nation-Saskatchewan] regional offices, and four Indigenous organizations in addition to three municipal representative organizations, one industry organization, and 40 companies. So we had a lot of feedback into this revised policy.

And from this policy we heard themes. What are ways we can improve this? And we heard about the importance of preserving land, building relationships, improving transparency, improving processes, and building greater capacity. And so from this, we have the revised policy which was released in August of 2023 and came into effect January in 2024.

So to make sure that people are aware of the policy, a key thing is building relationships with communities. We're open to sharing about the policy, sharing the revisions, sharing about the grant program, that type of thing. Our team provides advice to ministry officials to say, "Hey, do you need advice on duty-to-consult? What does that look like?" We provide training. So we've trained over 660 officials on the revised process to teach them how to do this, but also to teach them a little bit about relationship building as well and the importance of that.

As well, we have a number of documents that were produced that are on our website to help people be involved in part of the process. So the First Nation and Métis consultation policy framework which was revised, that's on the website. It shows our process about what does duty-to-consult look like, what's the two-step process, and what that looks like. And it's intended to be clear and transparent.

In addition to that, we have produced a number of other documents. So we have a fund that shows how do you access the fund. So communities can see how do you access the fund. And that has been quite positive because, since we had the revised policy, we've seen an increase or an uptake of the grant fund and we've overspent our million budget. So we see that there's a lot of interest in that fund as well.

In addition for proponents we have updated our voluntary proponent handbook to show proponents how do you engage the community, but also kind of did a quick guide as well. So there's a lot of things that we've put in place since the policy has been revised to kind of help people who are involved in the duty-to-consult process.

So we are in the second year. We are open to feedback, to listening, to finding ways that we can improve these things. And our team is always out in the community listening, hearing, learning, and we're always open to figuring out ways to do this better. Thank you.

Chair B. McLeod: — I'm just going to interject here and thank you so much for that answer to that question. We're at about the halfway point of the evening session here. And I think it might be a really great time for us to stretch our legs, take a five-minute break, and we'll just reconvene here in five minutes. So we'll do that now and thanks so much for everybody's attention. Appreciate it.

[The committee recessed for a period of time.]

Chair B. McLeod: — Thank you, everyone, for that little recess, and we'll welcome everyone back and we'll resume considerations. MLA Laliberte. Thank you.

Leroy Laliberte: — Thank you, Mr. Chair. Again I know everybody's tired here, and I only have maybe about 150 more questions, and then we could all go home. Question here: how is the First Nations and Métis Consultation Participation Fund administered?

Sherelyn Caderma: — Thank you for your question. So the Ministry of Government Relations administers the First Nations and Métis Consultation Participation Fund. And so the process of what this looks like is first of all a government organization will trigger duty-to-consult and will send a notification letter to the elected leadership of a potentially impacted First Nations or Métis community. Or if the community has appointed a delegate, the letter may be sent to the delegate instead.

So the letter itself will describe the proposed decision or action to be consulted on and invite the community to participate in the consultations. And the letter will inform the community if they're, you know, invited to apply for consultation funding.

So before making a funding application, the community contacts the government official that is named in the notification letter to advise their intent, that they want to participate in the consultation. So once the community has received the notification, they complete and they submit the application form. So they would get the application form from us, from the Aboriginal consultation unit, and they would complete the form. And they also have a document that they can get online to help them understand how to complete the forms or talk to our team as well.

And so basically when they prepare the application, there's a number of things that are considered. So for example, which activities the community wants to emphasize, and then these activities could be . . . sorry. There are three factors that are eligible for uses for the consultation fund. So first, the activity must be directly related to the proposed project or decision identified in the notification letter; second, the activity must be short-term and a one-time cost; and the activity must begin after the grant agreement is signed.

So we also have a criteria document to say what is the criteria that is applicable to the fund. And so the notification letter must be submitted to the Ministry of Government Relations within 30 days of receiving the notification letter. So after the application is submitted, the Ministry of Government Relations, the Aboriginal consultation unit, will review the application form. And if they have any concerns or any questions, someone will contact the community to talk about that.

And so within seven calendar days of receiving a completed application form, the Aboriginal consultation unit will confirm if a grant can be provided and will send an agreement to the community. And the grant agreement will talk about the amount of the funding that will be provided, how the funding will be spent, the timeline for completion of the consultation activities, and information that the community is required to report back.

And so this agreement will be sent to the community for the chief, local president, or the delegate to sign and to return. And upon receipt of the signed document, the ministry will also sign the agreement. And so both parties will sign the agreement, and then a first grant payment, which is equivalent to 80 per cent of the total amount, will be provided to community.

So following the consultation activities, the Aboriginal consultation unit will provide the community what's called a community activity report and a financial report for the community to fill out and to provide back to the ministry.

And so what the consultation activity report records is the dates, the locations, and the types of activities that have occurred, whether they're interviews, whether they're site visits, whether they're community meetings. And then the financial report itself will record the dates and the types of the expenses that occurred. And so these two documents are provided to the Aboriginal consultation unit, who reviews the information. And then when all of the consultation activities are completed and the consultation activity reports are submitted and the financial report, then the final 20 per cent will be provided, or up to 20 per cent, back to the community.

So that is kind of the process of how we administer the grant

program. There are a number of different types of projects that are involved. So for example, we have funded in the past year grants related to environmental assessments, forestry, mineral exploration, mining, power infrastructure, sand and gravel, vegetation management, and lease and sale of Crown land. So that's an overview of how we administer the grant program.

Leroy Laliberte: — Thank you. So I noticed that with the question that I'd asked earlier regarding the funds for duty-to-consult, you said that you overspent the budget with . . . There were what, 21 First Nation communities that had taken part with the money, and then there was 30-some-odd Métis communities and three tribal councils. And there's 74 First Nations yet, so there's most likely some people that had to go without.

Do you think that that's enough money allocated to that pot to be able to accommodate these Nations and these Métis communities? If you're going over budget.

Hon. Eric Schmalz: — Yeah, thanks for the question. This is the second year for this consultation policy framework. Obviously it's been stated before. As we move through the growth of this policy framework and then the fund, we want to . . . Obviously we're assessing the uptake and how many participants are engaging with the program and the policy. So as we take those numbers into account, obviously we look to other means to ensure that we're meeting that demand going forward.

Sherelyn Caderma: — Yeah, thank you. Just for clarification the numbers that were provided were for the engagement of the policy. And so the consultation is a different number. And of course it's a voluntary-based application, so communities, if they receive a notification letter, they can choose to apply.

Our team is going out there talking about the fund, raising awareness of the fund. For example, we recently went to Saskatchewan Aboriginal Land Technicians to talk about the fund, so we are definitely communicating to share more about it. Thank you.

Jordan McPhail: — If I can just ask you a quick follow-up on that one specifically. So to Minister Schmalz, I know that the official had said that they had overspent last year's budget on the First Nation and Métis Consultation Participation Fund. If there hasn't been an adjustment year to year on this to increase the fund, for you as the minister, are you giving direction by not increasing the budget to either consult less, or are you giving direction to allow to go over the budget and overspend what you have currently budgeted?

[21:30]

Hon. Eric Schmalz: — Thank you for question. So with respect to the total funding allotment, obviously with the new consultation policy framework being only a year, now in its second year, we need a baseline to be able to determine what funding requirements are needed in order to assess and determine what is required in the budget.

We are not denying anyone grant applications and funding. It's a good news story, essentially, for us that there is such an active and vigorous organizations across the North, across Saskatchewan participating in this consultation policy

framework and the funding that's there. I would submit it's not an overspend; it's a willingness of Government Relations to engage with people who are applying for this fund. And we don't want to be excluding anyone from having their voice heard in this process.

Again, the data points we need to collect are going to be going forward over the coming years. We have increased this fund by 150 per cent prior to the first two years and prior to the implementation of the new policy framework that came available in 2024. So with more on that, I would turn it over to our government officials here.

Sherelyn Caderma: — Thank you, and definitely the purpose of the First Nations and Métis Consultation Participation Fund is to encourage First Nations and Métis to participate in consultations, right? And those consultations, they depend on a lot of things, right — where the proposed project is, the location, and you know, who might be using the land. So it is definitely based on interest. So there's a lot of things in play in terms of who uptakes the fund.

Leroy Laliberte: — So it's based on how many people use the land? Is that what I heard?

Sherelyn Caderma: — So it's based on who receives the notification letter.

Leroy Laliberte: — Yeah.

Sherelyn Caderma: — Yeah. The notification letter with intent to apply for funding.

Leroy Laliberte: — So with the evaluations that were done previous, how many people applied for the funds, and how many were denied in previous?

Sherelyn Caderma: — So thank you for your question. So the First Nation Métis Consultation Participation is project-based for potential impacts to Aboriginal treaty rights to hunt, fish, and trap for food or traditional uses of land. In terms of criteria, if we receive an application that meets the criteria, we will accept it. We've never denied an application that has fulfilled the criteria.

And just to clarify, the number that was provided before was on the engagement of the First Nation Métis consultation policy framework rather than the number of communities who actually access our fund. Thank you.

Jordan McPhail: — Just a quick follow-up on that. How many Nations would have submitted an application request that didn't meet the criteria?

[21:45]

Hon. Eric Schmalz: — I just want to offer apologies. It took us a minute to find the data that the member had requested. So I'll turn it over to the official now.

Sherelyn Caderma: — Thank you so much for your question. So historically there have been a small percentage of applications that have been ineligible, and so right now, so far this year . . . Let me rephrase. As of March 19th, we have approved 179

applications under the fund, and so far in terms of ineligible applications, there have been 13 applications from 18 First Nations. And these are examples where the criteria, the criteria of what we will fund did not meet, or it would have been a historical application from maybe two years back. So those are examples.

Jordan McPhail: — Thanks for the response on that, and I was really hoping that we were crunching numbers and we were able to come back and say zero.

You know, for me I'm a proud member of the Lac La Ronge Indian Band, and I know that we're one of the largest bands here in Saskatchewan and a member of the Treaty 6. And I know that we've got resources in our Nation. We're grateful enough to have enough in our Nation to be able to have a dedicated lands and resources team. And, Minister Schmalz, you had talked about the Ya' thi Néné Lands and Resources team, and that's a bunch of Nations working together because they don't have the resources in and of themselves as an individual Nation to be able to talk about the lands and resources.

And so for me, you know, again, when there's 13 applications that are denied and there's an overspend in the budget already, I guess a question that I would have specifically to yourself is, in the budget, with it not being adjusted to meet even the demands of what was there last year, do you as the minister believe that you're providing enough resources to meaningfully consult with First Nations and Métis people in your ministry?

Hon. Eric Schmalz: — Again just speaking to the funding model as it is right now, I mean the baseline data we're gathering every year with respect to the amount of money that's required to adequately fund the program is something that's still being collected and going to be worked on in the following budget, in upcoming budgets.

Specifically to the 13 denials, that was not related to a lack of funding by any means. That was the result of criteria not being met. It could be even as simple as the project had been completed by the time the application was sent in, so there was issues there with respect to their . . . I mean the project was already done. That's just one example of how some of the denials that were generated.

Jordan McPhail: — Just on that, you know, again I talked about some Nations having the resources to do that. And I would hope that maybe in the budget deliberations, or as you go moving forward, that recognizing that some of these projects that might have been completed two years ago with the Nations that don't have the resources to apply for the funding. They're going to first look at how they're going to protect their treaty and inherent rights, and how they're going to protect the lands that they serve their Nation for, and then work later to receive the funding that they should have been entitled to in that process.

So I hope that in the future when you look to the First Nations and Métis Consultation Participation Fund that you take those things into consideration for future budgets.

That concludes my questions on that particular fund for now. Maybe I'll look to my colleague down here to ask another question here.

Leroy Laliberte: — Okay. Before I pass the puck again over to my colleague here, I have a question and then we could move on from there.

Regarding the disability — and I know that there was conversation that we've had earlier with the disability in the North — I just wanted to just see if the ministry had had any money allocated to be able to help the disabilities in northern Saskatchewan.

Hon. Eric Schmalz: — So thanks for your question. I just want to address something that was mentioned before by MLA McPhail specifically on the ability for First Nations to access applications under the grant funding for consultation policy.

As Government Relations, our ministry is actively engaged in the communities and will provide supports to any community or organization that is wanting to participate and receive funding. In fact they will assist them in filling out the grant application and provide supports around them to be able to move through that process. So in large part they're not being left to their own devices. They are actually being supported by the ministry itself in those applications.

Specific to your question regarding disability in the North and the supports around that, that would . . . Through our caucusing here, we would suggest that is probably best suited towards Social Services as that is more their purview specifically when it comes to disabilities in the North.

Leroy Laliberte: — Thank you for that. I just wanted to say thank you again for giving me the opportunity to ask some questions, Minister Schmalz, and to your team for trying to answer a few of those questions that were brought forward. I really do appreciate it. I appreciate everybody sticking around, you know, a little later than normal. I know we have this young guy that's just getting started.

You know, we are new to this. And you know, at the beginning when I had to . . . and I want to say thank you to Mr. Chair for allowing me to . . . I was always taught that way, you know, so that way we'd feel comfortable and get to know me a little bit and why I'm so passionate about these conversations.

And the questions that we asked is because we are going through a learning process ourselves, and there's questions that were asked to me as their MLA and representation for Athabasca in the North. And one of the things that we didn't want to do was to exclude them from anything. You know, and so when we're talking about these budgets and the estimates, these were questions that were put together not only by myself and our colleagues and our team but from people that are actually living in the ridings that we represent.

And what the First Nations and Métis relations shadow ministry position, you know, I'm going to take you up on that offer, the offer for us to eventually have a sit-down and a conversation so we could . . . You know, one of the things that we had spoken about previously at the beginning was collaboration. So I will hold you to that.

Thank you very much. I know my colleagues have a few more questions, so I'll pass things over to . . .

Jared Clarke: — Unless you want to say anything?

Hon. Eric Schmalz: — Thank you. Thank you. I appreciate your sentiments. And I thank you, Mr. Chair, as well for allowing some latitude on some what can be very emotional and inspiring conversations as well. We appreciate the fact that you were able to share some of those stories with us and some of your personal details. At the end of the day, we're all human beings, and we have desires and needs for our communities to see met. And we appreciate, or I appreciate, you taking the time to share with us here today. So thank you.

Jared Clarke: — All right, well we've still got 30 minutes to go, so don't get all sentimental, because we're not wrapping up yet. Well maybe it's good the minister softened it up a little bit; we'll get some good answers here before we end.

Wondering how many applications did you receive for targeted sector support funding in the last year, and how many of those were approved?

[22:00]

Bonnie Chambers: — Thank you for the question. For our last intake, which was intake 7 of the program, there was 22 applications approved. And the funds that were approved in that was \$623,136.95.

I can tell you what some of the projects were in that. We did some for the city of Saskatoon and four partners. They had some intermunicipal investment revenue strategy. Other ones are environmental site assessments for dissolution of a ferry in a regional park. We've had a lot of training when it comes to roles and responsibilities for government officials, like local government officials, where a number of villages and RMs [rural municipality] will get together and their councils will take some training. We had some wildfire response initiative around Pasqua Lake for the Calling Lakes regional area.

What else have we had? Incorporation for fire and rescue services, emergency management plans, that type of thing. So it's a number of things. It's all regional co-operation. Every application has to have at least one partner, and that could be another municipality, it could be an organized hamlet, it could be a community organization, or it could be a First Nation.

Jared Clarke: — Thank you. Are you able to break down the 22 applications by urban-rural-northern split?

Bonnie Chambers: — Probably not because each one has to have a partner, so we have a lot where the applicant may be a town, and yet their partners may be villages, rural municipalities, or even a city, if that makes sense.

Jared Clarke: — Yeah. How many property re-inspections did the Saskatchewan Assessment Management Agency complete this year?

Hon. Eric Schmalz: — [Inaudible interjection] . . . Before you yank the mike out of my hand, Rod, I want to take a moment to acknowledge Mr. Rod Nasewich. This is his retirement year. He's going to be retiring this year. This is his final estimates, and he is really excited that he got a question today. We want to, if

we could, please take a moment to applaud our official.

[Applause]

Rod Nasewich: — Thank you, Minister. Thanks for the question. My name is Rod Nasewich, and I'm the executive director of the policy and program services branch for Government Relations.

In 2024 which is obviously the most recent data for SAMA [Saskatchewan Assessment Management Agency] — they operate on a calendar year — the Saskatchewan Assessment Management Agency did just a little over 106,000 property re-inspections, which is basically what they target to do. They like to do between 100,000 and 110,000. So they're pretty much on the mark.

Jared Clarke: — I have a couple of follow-up questions on this, but I do want to say, Mr. Nasewich, congratulations on your upcoming retirement, and thank you on behalf of the official opposition because I don't think we'll have an opportunity to say this in another instance. But thank you for your service to the province of Saskatchewan and to the people that call this great province home. So really appreciate that.

Rod Nasewich: — Thank you.

Jared Clarke: — You said 106,000 this year. Is that up or down? You said the target is kind of . . . it's within target. Has that target been consistent over the last, say, like three, four years?

Rod Nasewich: — So yes, in terms of their number of property reviews or inspections, it has remained pretty consistent over the last few years. I have data back to 2018 from SAMA's annual reports. So in that year it was 105,000, little over 105,000. The following year was about 101,000. In 2020 it was 117,000. In 2021 about 106,000. In 2022 about 111,000. 2023 it was about 94,000 for various reasons; they had other issues going on. And then 2024 the 106,000.

Jared Clarke: — Thank you. Is it expected that re-inspections will result in higher assessments of monetary value just due to inflation, or do you get a fair number of depreciations as well?

Abayomi Akintola: — Good evening, everyone. My name is Yomi Akintola and I'm the director of property tax and property assessment with Government Relations.

And in response to your question, inflation doesn't really impact, you know, the value of the property because SAMA uses a method we call the mass appraisal method. So when it comes to reinspection, the objective is to reinspect properties for improvement or addition. So let's say you have your property that you don't have a gazebo before, or maybe you have an addition to the property like an additional garage. So if that property is being reassessed because of those improvements, the value of your property will change.

And SAMA, typically they have a 10-year plan such that within that 10 years all properties, all municipalities that they provide services for, their property has to be reinspected within that 10 years.

So with respect to your question, inflation would not. Majorly

it's due to improvement to properties, or if the . . . Maybe you used to have a garage, but that garage has been torn down and you no longer have the garage. The value of the property will be impacted. Thank you.

Jared Clarke: — Thank you. Switching gears, I know in my conversations with a number of municipalities there is interest in the municipal bylaw court that was announced in the budget. Is that something that impacts Government Relations in how that's administered, or is that all through Justice?

Hon. Eric Schmalz: — So the answer to your question is that that would fall directly under the Ministry of Justice. I will say however that, as you alluded to in your interactions with municipal stakeholders, that they have voiced those concerns and hopes to us obviously around this. We've heard them. Myself, even in my prior life as a reeve for a rural municipality, also felt the need for this and could relate to their need for and concern for this.

Jared Clarke: — Thank you. Mr. McPhail?

Jordan McPhail: — Yeah, thanks. Just a bit of a follow-up to one of my colleague's questions here on the targeted sector support. Is there an ability for northern Saskatchewan communities to work with neighbouring First Nations? And is there a, like, kilometre or a distance circle if you will that Nations can't, you know, work together?

I'm thinking of communities like Deschambault Lake, Sandy Bay, Pelican Narrows where there's close proximity in some of those locations to First Nations municipalities, but they're also, you know, regionally trying to develop economics. And so I'm wondering, is target sector support specific to municipalities, or can it be used for First Nations partnerships as well? And is there is a distance circle?

Hon. Eric Schmalz: — So the answer in short is yes, that municipalities can apply to partner with First Nations utilizing TSS, targeted sector support. It is contingent on the municipality being the one who applies, because they are under *The Municipalities Act* of the province as opposed to federal jurisdiction with First Nations. So there is no kilometeric, geographic boundary or stipulations put on it.

[22:15]

So any communities that are working together collaboratively are able to access this fund as long as one of those is a municipality of some level in the province. And I'll defer to Mr. Henry for more information.

Brad Henry: — Sure, thanks for the question. I guess two parts, and really just reinforcing what the minister's already said.

Particularly in the North, the idea of a region could literally encompass the entire North; it could encompass a quarter of the North, half of it. I mean northern Saskatchewan is roughly the size of the country of Italy, so that's a pretty big region, right. But working together doesn't necessarily mean side-by-side contiguous boundaries.

That said, a lot of northern municipalities and First Nations do

have contiguous boundaries or are very, very close together. And that was definitely one of the intentions behind the TSS program was to enable First Nations and municipalities to work together.

As much as it's municipal funding from municipal revenue sharing, that's ultimately why the municipality has to lead the project. But there's absolutely no limits in terms of what their partner could be for a First Nation, for example.

Jordan McPhail: — Thank you for the response. And I will say that part of your response now makes me want to take my colleague here from Athabasca out for some pasta, now that I know that we are about the same size as Italy. So thank you for that tidbit of information.

Just a quick question on Government Relations. I know that you'd kind of talked about how the ministry is kind of set up as a flow-through organization for a lot of funds. Just one of the questions that I have in relations to that is, did your ministry walk away from or leave any federal funds that could have flowed through your ministry to municipalities?

Hon. Eric Schmalz: — So to answer your question, when it comes to infrastructure funding throughout the province, our government has always fought and advocated for the advancement of those programs and that funding for our municipal partners through our ministry to be able to provide that funding for our municipalities for important projects like rinks, roads, all of those things. They are an imperative that we be there to help fund those specific infrastructure needs for our urban municipalities and small towns, rural municipalities moreover.

We have currently signed on to another program called CHIF, Canada Housing Infrastructure Fund. We are signed on to it now. I'm going to defer to Iryna, our ministerial official here, to expound on that a little further.

Iryna Soloduk: — So as Minister's confirmed, we have never left federal infrastructure funding on the table without signing into the agreement. A CHIF agreement has been signed a month ago and was announced on March 10. We are happy and excited. That was another six-month negotiation process with the federal government.

We are aware that at this point there's few other provinces that have not signed that agreement, but we are happy to announce that we did. There will be more information coming on that exciting program that will support water, wastewater, solid waste infrastructure programs in Saskatchewan.

Jordan McPhail: — Thank you.

Chair B. McLeod: — Just before you jump back in, Jordan, and just to make sure that everybody understands the timing of what we're doing here. Because we took one break in there, we're going to add another five minutes to the discussions tonight. So we'll conclude at 10:35 just to complete our time requirements. Thank you. Go ahead please.

Jordan McPhail: — Thanks for that. I'll maybe just table one question here, and then it can maybe just be brought back in written. And then just for the sake of time I've got a couple questions.

But specific to New North and SUMA funding, does the ministry provide any level of funding to New North, or the association of northern Saskatchewan communities funding through your ministry? As well as SUMA, do they get that? And is that also no-strings-attached to use for their operations? So that's the question I'll just table for the committee here.

But I do want to quickly move on to page 66 here on First Nations, Métis and Northern Affairs. You said there was treaty land entitlements, 335,000 budgeted here. What is the process for a Nation to receive treaty land entitlements through this budget?

Susan Carani: — Okay. Thank you for your question. So your question, you asked about the 335 K that's allocated in our budget and treaty land entitlement. So the 335 K that's allocated in our budget is specifically for tax loss compensation. Tax loss compensation is attached to the TLE agreements. It was something that was negotiated in 1992 to compensate the loss of tax base for rural municipalities and school divisions.

So when land transfers to reserve status, Saskatchewan and Canada share the costs to compensate RMs for that loss of tax base. It's based on the previous year's property tax, and we share . . . I think I'm getting a little bit tired. I'm sorry. The cost-share is Saskatchewan 30 per cent, Canada 70 per cent. And it's 22.5 times the previous year's taxes, so that's what that 335,000 is for.

With regard to the TLE agreements, we've signed 36 TLE agreements since 1992. Through those agreements, the total amount that Saskatchewan and Canada have shared the cost is 687 million that has gone into those agreements. It allows First Nations who had a shortfall the ability to purchase land anywhere in the province on a willing-seller, willing-buyer basis. And Saskatchewan's share of that was 207 million. So that's what the TLE tax loss compensation amount is for. We've paid out all the agreements already. We are in negotiations with a few more, but Saskatchewan and Canada have fully paid out the TLE agreements.

Hon. Eric Schmalz: — Mr. Chair, I would just like to add that we do have, with respect to the first question the member had, we do have information on that right here at hand. And if you permit us to respond, we can provide more information on that.

Chair B. McLeod: — And I'd also add that written questions are not to be left here. And so if you choose to answer that question now or you want to phrase it again, they can have an opportunity to respond to it. So written questions are not allowed at this. Yeah. So if you want to ask that again, MLA McPhail, then we'll ask the minister to respond.

Jordan McPhail: — How much money is being funded to New North and SUMA? And is it no strings attached through your ministry?

Hon. Eric Schmalz: — And I'll defer to Mr. Henry on that regard.

Brad Henry: — Thanks for that question. There isn't any funding provided directly to SUMA as a municipal organization. Under section 62.92 of the Northern Municipalities Regulations, the Minister of Government Relations has the authority to provide grants to entities to support municipal interests.

That was the legislation we had previous to 2024, been using to provide funding to New North to support their operations. The last time we made payment to New North under that legislation was in January of 2024. We paid them \$90,000 as the last piece of their 2023 grant.

As of 2024 the ministry, with the support of the minister, implemented a new policy to govern grants under that section of the legislation, and so now there's policy requirements in place that any entity would need to meet in order to be able to access grants from that section of the legislation.

Under that policy we're willing to entertain applications in October for funding, and so if New North is able to put forward an application, meet those criteria, they would potentially be eligible. But then so would potentially any other entity that met those criteria as well.

Jordan McPhail: — Understood. Thanks. So I'm guessing with a look at the clock this might be my last question, but I do have I guess partly follow-up on the treaty land entitlements.

So the treaty land entitlement is when a Nation receives the land. The loss of tax revenue goes to the RM that would have received the tax revenues from that treaty land entitlement. And so if I've mischaracterized that, can you correct me?

And the second part to that is, through the duty-to-consult processes, if treaty lands are being affected to loss of revenue . . . I'm thinking of trappers in northern Saskatchewan or people that access the medicines in the area. Is there anything that is reflective in the government relations budget that would compensate people when projects that have been consulted with in northern Saskatchewan, or any part of Saskatchewan . . . Is there any compensation from the government when those Nations' treaty lands are affected due to government policy?

[22:30]

Susan Carani: — Thank you for your question. Would you mind repeating it?

Jordan McPhail: — Repeating the question?

Susan Carani: — Yeah.

Jordan McPhail: — Sure. So in your response to the treaty land entitlements, it was my understanding from your response that there was the tax loss revenue for the RM. When the treaty lands were expanded into the RM, it was the transfer of what would be the tax revenue for those lands to the RM, not to the First Nation.

And I'm wondering if there is through the Ministry of Government Relations, when there is a project or a consultation done with a Nation — if there's any impact to their communities, whether it be their treaty lands or their trappers that operate in the area — is there anything that's compensating them for the loss of revenue that they would have in their treaty lands?

Susan Carani: — Okay. Okay, I understand. So you're correct with regard to the TLE tax loss compensation. It is directly on land that is transferred to reserve status to attempt to offset the loss of tax base for an RM. And just to say the majority of what

an RM does with that land, with that tax loss compensation payment, is for the purpose of road maintenance, which benefits both the First Nation and the RM because the First Nation now has jurisdiction in that land as well.

With regard to the duty-to-consult and projects that are taken up in the province on Crown land and other, what happens is its First Nations and Métis locals can be accommodated. So a ministry like Environment, for example, if they have a project, they will advise the community if they've told them that the particular project will significantly impact their rights to hunt, fish, or trap. They will alter boundaries.

There are actually situations where TLE and duty-to-consult cross over also. So in those instances when a First Nation wants to purchase Crown land, a consultation is undertaken. And other communities may come and say, you can't make this land available for sale; it impacts our rights too much. And so in those cases the land might not be made available for sale or projects might not be approved. So it isn't financial compensation that is provided, but it's alteration and recognition of the rights that have been impacted for First Nation and Métis communities.

Also we encourage early engagement with proponents and First Nation and Métis communities on any type of consultation. So we're always making sure the proponents are engaging early with communities so communities have, you know, early advanced notice of any projects that are going to be impacting their traditional areas. And while this isn't part of our policy, we know that proponents do work closely with communities and organizations to make sure that, you know, however their rights may be impacted, there are times when proponents will accommodate also First Nation and Métis communities.

Chair B. McLeod: — Thank you very much. Having reached our agreed-upon time for consideration of these estimates, we will adjourn consideration of the estimates for the Ministry of Government Relations.

I just want to say — and I'm going to give you opportunity yet to speak — but I want to say that there's a list of 19 ministry officials that were here in front of me, and by my score 12 of the 19 participated in a public way in speaking today. For those of you that didn't get the opportunity to speak, you got off easy apparently. But you spent five hours here of your time, and we thank you so much for it and appreciate all the insight that has been brought forward. It's not gone unnoticed. I just needed to say that to you.

So, Minister, if you have any closing comments, I'm prepared to hear them now. Thank you.

Hon. Eric Schmalz: — Yes, I want to thank you, Mr. Chair, and the committee as a whole for this opportunity today to participate in estimates here with all of you. I also want to thank all the officials who work diligently within the Ministry of Government Relations and who are here today grinding it out into the late hours with each of us. I can't express my thanks to them for all their hard work enough. They do us all proud as citizens of this province, beyond our membership with or affiliation with a political party or membership with the Legislative Assembly. As citizens we owe them a debt of gratitude for their work that they do every day, and I can't express how much I appreciate their

support and look forward to continuing to work with them. So thank you very much.

Chair B. McLeod: — And, MLA McPhail, any closing comments?

Jordan McPhail: — How long do I have?

Chair B. McLeod: — Moments. Moments.

Jordan McPhail: — No, I just want to join the minister and thanking the staff here. I know again a lot of us have had the opportunity to serve as municipal councillors, and it was quite normal for us who had day jobs at the time to go into the late hours of the day. And I know that you all have so much work and families that you have back at home too. And thank you for taking the time to come here, answer the questions, and to, you know, provide the official opposition with an opportunity to get to know your ministry and the work that you guys do a little bit more on a deeper level.

And I thank the members here for taking the time, and especially the members opposite that had to listen to some of my questions here. So thank you. Thank you so much for everything that you guys do for the province of Saskatchewan.

Chair B. McLeod: — So appreciate that, and thank you, each one, for your presence and your participation today. It's been a really good exchange, and lots of education happened tonight, so it's very good. This committee stands adjourned to the call of the Chair. Thank you for being here.

[The committee adjourned at 22:39.]