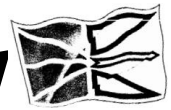


MARCH 26, 2001

Noteworthy



BUDGET 2001 Highlights

Investing in our Youth - Investing in our Future

BUDGET OUTLOOK 2001 - 02

- Responsible financial management allows us to run a modest deficit of \$30.5 million
- \$10 million contingency reserve is included
- No new taxes in this Budget
- Personal Income Tax reduction strategy continues. \$30 million tax cut in 2001 taxation year, in addition to \$30 million in 2000 (\$60 million to date)
- Fourth consecutive year of Payroll Tax reductions
 - 2 tax free threshold increases from \$400,000 to \$500,000, effective April 1, 2001
 - 2 200 more businesses removed from tax roll in 2001-02 (2,025 since 1998-99)
 - 2 \$2 million reduction in tax burden in 2001-02 (\$8.6 million since 1998-99)

INVESTING IN OUR YOUTH

K to 12 System

- The current method for allocating teachers could have resulted in a loss of an additional 218 teaching positions. Almost \$11 million is maintained to fund all these positions
- \$3.5 million is allocated to address increased utility costs incurred by school boards over the past two years
- School board budgets will be maintained at last year's level despite enrolment declines and school closures. \$5.6 million will be retained in operating grants in 2000-01
- An additional \$23 million is announced to address priority capital needs in our schools. The total investment planned in school buildings since educational reorganization is \$160 million
- \$5 million is allocated to implement the recommendations of the Sparkes/Williams Ministerial Panel on Educational Delivery in the Classroom
- \$4.4 million is provided for teacher professional development, which includes a continuation of the increased funding of \$900,000 provided in 2000-01
- \$800,000 is provided for school busing for Grade 7 to 12 in St. John's
- \$800,000 is provided for a recruitment and retention bonus for teachers who work in isolated coastal communities in Labrador

- In addition to regular annual funding, \$1.0 million is provided for new library books in the public libraries system
- \$500,000 is provided to support the Strategic Literacy Plan

Post Secondary

- \$3.3 million is provided to implement a 10% reduction in tuition for MUN students for the academic year commencing in September 2001
- The tuition freeze for students attending the College of the North Atlantic and the Marine Institute will continue for the coming academic year
- \$4.0 million is allocated to create a new Student Investment and Opportunity Corporation to aid post-secondary students gain work experience and employment and help defray the cost of their education
- \$8.1 million has been allocated for renovations at the College of the North Atlantic
- \$500,000 is provided to permit MUN and other post secondary facilities to access funding for research and development from the Canada Foundation for Innovation
- In keeping with the commitment to match private sector donations, \$3 million will be paid to the MUN Opportunity Fund. This will bring the total provincial contribution to date to \$21.3 million

INVESTING IN HEALTH CARE

A Top Priority

- \$1.4 billion allocated to operate the health care system in 2001-02, an increase of \$114 million over last year and a cumulative increase in the health care budget over the past six years of \$381 million or 38%
- Total value committed by this government in 2001-02 for capital spending for new health facilities, renovations of existing facilities and equipment is \$82 million
- Overall, this Budget commits an additional \$196 million to health care in the Province

Stabilizing Health Board Budgets

- \$50 million added to the base budgets of health care boards in 2001-02. This does not include salary increases and

- reclassification costs that may arise in 2001-02
- \$7 million has been added to the base budgets of the health and community services boards

Health Facilities

- \$50 million will be spent on capital projects underway throughout the Province, including \$7.5 million to be spent on renovations to existing facilities
- The Janeway Children's Health and Rehabilitation Centre, Old Perlican and Grand Falls-Windsor will open in 2001
- Work continues on construction of facilities in Gander, Fogo, Bonne Bay, Stephenville and Grand Bank

Equipment

- \$32.4 million for new and improved health care technologies

Health Care Workers

- \$11 million is allocated to continue efforts to recruit and retain physicians
- \$4.8 million is allocated on an annual basis to increase the wages of home support workers from \$5.84 per hour to \$7.01 per hour, a 20% increase. On June 1, 2001, the rate will increase to \$6.66 with a further \$0.35 per hour increase on December 1, 2001

High Priority Programs

- \$3.1 million in new funding to increase the level of service in the Province's cardiac care program. \$2.4 million allocated to increase the cardiac surgery program to 20 cases per week and \$710,000 is provided to increase the level of cardiac catheterization
- \$1.3 million is provided to increase funding to personal care homes and clients
- \$5.2 million will be spent on programs and services to ensure young children get a good start in life through the Early Childhood Development initiative
- The pharmacist dispensing fees for income support clients will be increased to \$6.50, fully restoring it to the level prior to the 1996 budget. This measure will cost \$2.1 million

INVESTING IN OUR COMMUNITIES

- \$50 million to be spent in 2001-02 for municipal infrastructure and capital works
 - 2 \$30 million to be cost shared between the federal, provincial and municipal governments on green municipal projects. One-third will be contributed by the federal government with the province and municipalities sharing the remaining two-thirds
 - 2 \$20 million will be cost shared by the Province and municipalities for the municipal capital works program

- Municipal Operating Grants maintained at \$21.5 million
- \$11 million is allocated for a multi-year safe drinking water initiative. \$10 million of the initiative is funded under the three year Federal, Provincial and Municipal Infrastructure/Capital works program and \$1.0 million is provided to various departments to ensure safe drinking water
- \$10 million will be available in 2001-02 for the Municipal Debt Relief Program
- \$800,000 is provided to continue environmental remediation of contaminated sites

INVESTING IN OUR ECONOMY

Renewal Strategy for Jobs and Growth

- Final Report of the Renewal Strategy for Jobs and Growth released
- \$1.3 million to continue with initiatives arising from the Jobs and Growth Strategy

Rural Revitalization

- \$60 million committed to support economic and rural development initiatives in the new Department of Industry, Trade and Rural Development
- Resources are available from the recently signed \$44.8 million extension to the Canada-Newfoundland Comprehensive Economic Development Agreement, as well as, from continued activity under the \$81 million "FRAM-ED" post-TAGS agreement

Other Initiatives

- \$300,000 is allocated for a natural gas study to determine the economic potential of offshore gas
- \$3.2 million is provided for Receiving the World: Celebrating Communications
- Heritage grants, which help fund 200 community museums throughout Newfoundland and Labrador, are increased by \$80,000 to \$161,700
- In recognition of the 50th anniversary of the Arts and Letters Program in 2002, additional funding of \$40,000 is allocated, increasing the total funding to \$76,000
- Funding of \$100,000 for the Community Fisheries Infrastructure Program and \$254,000 to maintain the Quality Assurance and Inspection Program
- \$300,000 for four additional highway patrol positions to improve safety on our highways
- \$2.5 million in additional funding is provided for the 2001 forest insect control program
- \$1.3 million is allocated to prepare the House of Assembly for televising proceedings by the Fall 2001 sitting
- \$390,000 is provided to renovate the Buchans Core Storage Facility
- Labrador travel subsidy of \$427,000 is provided to permit students living in Labrador to increase their participation in athletic tournaments throughout the Province

