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# DEBATES and PROCEEDINGS

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### **Social Impact Bond**

Mr. Merriman: — Thank you very much, Mr. Speaker. I'm very honoured to be entering into this very exciting time in the new Saskatchewan, talking about social impact bonds. And I'll be reading the motion at the end of my speech, Mr. Speaker.

But this is something that is extremely exciting certainly for Saskatoon, certainly for Saskatchewan, and for all of Canada because this is the first social impact bond that is going on in Canada. There have been some other ones previously in the United States as well as the United Kingdom, but this is a new and innovative way of dealing with certain issues within the social community that government and the community faces, Mr. Speaker. It's one of those new and innovative things, as I've said, Mr. Speaker, that this side of the House certainly looks at, trying to use different mechanisms and use different tools to be able to start addressing some of the core needs.

We're trying to make sure, Mr. Speaker, that we get to exactly who is going to need this program. And I'll talk a little bit about the specifics of the Sweet Dreams program, but it's a, I don't use this word often, Mr. Speaker, but it is a game changer. It certainly is. We've had, since we've made this announcement on Monday, the Minister of Social Services up in Saskatoon, we've had counterparts from all across Canada, including the federal government, calling and asking, how did we do this? And I think it comes down to very simple terms, Mr. Speaker, on how we were able to achieve this and how the minister was able to work with this, and I think it's straight-up communication.

And I want it on the record for the House that this isn't something that government is driving. This is something that the business community and the service providers approached us on, Mr. Speaker. They were the ones that came and said, how can we help out with what's going on? I think they realized that not all of the responsibility of everything that goes on in the community is the government's responsibility, Mr. Speaker. They feel that they have a vested interest in exactly what is going on within their communities, and they want to be able to help out in any way they can.

Now I want to talk a little bit about local businesses and how they do this on a smaller level. Certainly when I was working at the Saskatoon Food Bank and several other charities in Saskatoon, the local businesses always were there to help out. They were there to help out with an auction, to buy a table at an event, to supply food. Whatever it was, they were there. Now this is taking that idea of just a little bit, but taking it to the next level, Mr. Speaker. The social impact bond is something that is certainly in our future. We are very, very excited about this. And you know what? It just makes sense. And I'll get into some of the quotes from the people involved, but I guess I'll describe a little bit what a social impact bond is.

What a social impact bond is, Mr. Speaker, is when you have an investment from the private sector to help out with a government initiative. They were investing the capital in this project, Mr. Speaker. And I'll get into who the investors are right away. They're investing in this because they want to invest. They don't feel that this is something that the government is driving. They want to make sure that they are able to help out whenever they can.

Now, Mr. Speaker, the social impact bond has some parameters around it, and it has to be very clear on this. We are putting through 23 people through the Sweet Dreams program. Now in order for the social impact bond to actually be paid out for by government — it's on a five-year-plan — we actually will only pay if there is a success rate of 75 per cent.

And I think, Mr. Speaker, that's an extremely important point on the 75 per cent. We want measurable, attainable outcomes. And we're very excited that people like Egadz are administering or helping us with this program because they are at the ground level. Egadz has been around for over 20 years, Mr. Speaker, and they are very involved in what is going on in the core within Saskatoon. Mr. Speaker, I've worked with Don and Barry, several different charities, as well as I was with the food bank. When I was with SaskEnergy, on the United Way Day of Caring we chose to go over and help out with them on their deck. We rebuilt their deck. We had a bunch of guys there and rebuilt their deck because that was something that they needed.

So again it was government working with the community to be able to address some of their needs. Now it's been flipped around, Mr. Speaker. Now we have these agencies approaching businesses and to partner with the government to be able to help out.

Now this project, specifically about Sweet Dreams, is about helping single mothers. And I don't want that to get lost because I'm pretty sure that the opposition is going to disagree with this, Mr. Speaker, because they seem to disagree with absolutely anything and everything that we do on this side of the House. But the program is designed to be able to bring single mothers into a safe home.

And one of my first questions when I had this debriefing with the people that put together the social impact bond is to make sure that the mother and children are safe, that there are no men allowed in the house. And even though one of the key investors is a husband and wife combo, the gentleman isn't allowed in the house because of the safety of the mothers and the children is the first priority certainly for this government, certainly for

Egadz, as well as certainly for the investors.

Now I'm going to talk a little bit about who the investors are, and I think we have an absolute perfect combination here. We have Colleen and Wally Mah of North Ridge Developments. Now, Mr. Speaker, Colleen and Wally are very familiar throughout Saskatchewan. They've been involved with North Ridge Developments. They're involved in Regina, Saskatoon, Martensville, Swift Current. They are trying to build Saskatchewan one home at a time.

But they're not just building homes, Mr. Speaker. They are investing in their community by doing things like Sweet Dreams, Mr. Speaker. They are out there on the front line and want to know what they can do. They've been very successful business people, very successful business partners, Julius Calyniuk also with that. These are the people that just get out and do it.

And I want to talk about a personal example, when I was at the food bank, on how Colleen and Wally actually came out to help us build our garden on 2nd Avenue in Saskatoon, a community garden. This was something that, not just did they help out with some financial money to be able to provide some seed and provide some infrastructure around that, but Wally Mah and Julius Calyniuk were actually out there. Julius was on the tractor plowing it himself.

Now this is an owner of a multi-million dollar business that's not just cutting a cheque to see how he can help out. He's in the dirt on 2nd Avenue in Saskatoon, picking rocks out there with myself and actually some people that were from Urban Camp, the prison system. Some offenders were out there. So there you have a multi-million dollar businessman, people from the food bank, and you have offenders, all working side by side to help out St. Mary's School.

And that's the kind of people that Wally Mah and his business associates are . . . certainly doing within our community. They're very, very exciting, very energetic people. And whoever has spoken to Wally and had the chance to talk to him and Colleen, they're very much great, salt of the earth people, and they want to be able to help out within the community, Mr. Speaker. So that's a little bit of background about the Mahs, but I want to talk a little bit about the other investor. Colleen and Wally in North Ridge Developments have invested a half million dollars, which is a substantial amount of money, Mr. Speaker.

We also have an investment from the credit union and Eric Dillon at the credit union. This is an extremely important investment from their perspective because they have been out with the Minister of Social Services at Habitat for Humanity. They see the value of being able to invest in permanent resident homes for people with Habitat for Humanity, and now they're taking that one step further in being able to work on what is going on with the Sweet Dreams home.

I just want to read you a little quote from Eric Dillon. It says, "Sweet Dreams empowers families to enhance their quality of life and improve their social situations." That's a very

good statement, Mr. Speaker, because it sums it up very quick. We're just trying to improve their social situations. We're making sure that they have the access to all the facilities, that they're close to schools.

And I want to talk just for a brief second about the location that they picked because this just wasn't a random location. It's in the 600 block of Queen Street in Saskatoon, which happens to be about four blocks from an elementary school, and it also happens to be just located right across the street from Saskatoon City Hospital. Again a perfect place that if there was a mother, if there was a situation where they needed to take, they don't have to jump in the car. They can literally walk across the street to the City Hospital and be able to get services for their children.

They have that safety and security of what's going on in their community. And that is a beautiful area. They are three blocks from the river, from Spadina Crescent where they can go see the weir. And those mothers and those children are going to experience a different life. This is absolutely a life-changing event for them, Mr. Speaker.

But I want to touch a little bit about Egadz. Again, it's been around since 1990, and again this is a community-based organization. This is one of those community-based organizations that's well respected in the community. I know my colleague from Coronation Park has dealt with Egadz when he was running programs in Regina. And in his words, other than maybe the programs that he set up, "There's nobody better than Egadz." They are as solid as they come in the community and I think everybody in Saskatoon certainly has a respect for them.

Obviously Wally and Colleen have that respect for them, the credit union because they are prepared to make that investment into their organization. I want to give you a little quote from Don from Egadz.

Don Meikle, executive director of Egadz, says that this house is an extension of the programs that give young women a helping hand:

"Their children will not see what they have endured," Meikle explained. "They're going to be able to provide the things their babies deserve. We all want to provide the best for our kids. These moms are no different."

Mr. Speaker, that's the commitment that Egadz has, not just to be able to help out the community with a downtown centre, but taking a step further — making sure that they have security in their home, making sure that they are able to provide the best. Because as a parent, and as all parents know, this is the most important thing, is what we, the legacy that we leave for our kids.

That's why again, speaking of legacy, I am so proud of the Minister of Social Services for stepping up and making sure that we were the first to do this. And we didn't rush this, Mr. Speaker. We made sure we had everything done. And I think it was an absolute perfect alignment when you have the right people with the right organization and the right government support in that.

Now that support isn't a financial support up front, Mr. Speaker. We want to make sure that we have our support all throughout this, and the only time that the government will be paying out on this is after the five-year program when we have a 75 per cent return or success rate with the people going through, Mr. Speaker. That's the key, Mr. Speaker. If they do not attain that, the government has no investment in this whatsoever. And it's very, very important that the people understand that this is the government working with the private sector and a community-based organization, and we're doing it for the right reasons.

The government is not doing this to be able to put off debt, as the opposition members will say. The government is doing this for the 23 moms and their kids. That's the most important thing that we're going to do here, Mr. Speaker, is we're going to make a change in their lives. And with the people involved and the credit union and Egadz involved, I would be very surprised, Mr. Speaker, if they don't come in well above 75 per cent.

Mr. Speaker, I've only got a couple of minutes left, but I just want to go through some very positive quotes here, Mr. Speaker. One is from Murray Mandryk in *The StarPhoenix*:

It does seem rather difficult to criticize the concept of finding ways to provide single . . . [moms] at risk of requiring services from Child and Family Services with affordable housing while helping them complete their education, secure employment and participate in life skills training and parenting classes.

Murray Mandryk from *The StarPhoenix*, May 13th. Another quick quote is, also from Murray Mandryk:

So what's wrong with business quite literally investing in those at risk? If anything, it might actually help bridge the class divide in this province.

Mr. Speaker, I think it needs to be said just one more time about what the impact of having a social bond is. The social impact bond is a partnership. We are involved with this. We want to make sure that the outcomes . . . Because a lot of the times we invest in programs, but we don't find out what the outcome is. What happens when they leave the program?

We want to make sure that we track the individuals because ultimately, Mr. Speaker, we want them to be successful. Because when they're successful, Saskatchewan is successful. And we can look after the most vulnerable people in Saskatchewan, then I would consider this government extremely successful, Mr. Speaker.

But I will go through the motion. The motion is:

That this Assembly commend the government and its partners for implementing Canada's first social impact bond, a funding model that will enhance the lives of our most vulnerable citizens.

Thank you very much, Mr. Speaker.

**The Speaker:** It has been moved by the member for Saskatoon Sutherland:

That this Assembly commend the government and its partners for implementing Canada's first social impact bond, (SIB), a funding model that will enhance the lives of our most vulnerable citizens.

Is the Assembly ready for the question? I recognize the member for Saskatoon Nutana.

**Ms. Sproule:** Thank you very much, Mr. Speaker. And I'm pleased to rise today to enter into the last 75-minute debate of this part of the session and am looking forward to the discussion today.

I want to speak to the motion itself, but before I do, I noted that the member opposite took considerable amount of time speaking about the parties involved in Sweet Dreams. And right off the top, I want to commend all the people that got involved in this very important project. Sweet Dreams is a very important project. These are the most vulnerable women and children in our society. And these kinds of projects are incredibly important to move these people along and have the social investment indeed in their success which is a success for everyone.

I know that Wally and Colleen Mah are philanthropists in the city of Saskatoon. They've supported countless projects. And I've been at a number of events in Saskatoon where they were represented at supporting the arts and sports and social enterprise. And it's really wonderful to see individuals like Wally and Colleen participate in the community in the way that they can as philanthropists.

Also Conexus Credit Union and certainly that's not the only credit union in Saskatoon that supports these kinds of activities. I know I'm aware of Affinity Credit Union also taking care to ensure that community-based organizations get the support they need from the private sector to do the very, very important work that they do. And certainly, Mr. Speaker, Egadz is one of the most important, I think, social enterprises in Saskatoon. It's received all kinds of support over the years from philanthropists, from government, from all levels, because we know that the work that they do is incredibly important. So congratulations to all those partners, and certainly we wish all the best of success to Sweet Dreams because it is a very important enterprise.

Now the motion itself though is talking about a concept. It's a political or a social policy that has received favour in the last few years. And I wanted to take the rest of the time available to me to discuss some of the concerns about social impact bonds, because it's easy to be a cheerleader for it, particularly when you're in a government that's pressed for cash. And we see that this government certainly is pressed for cash.

And typically these types of social enterprises are ones that are supported and funded by governments. But when governments see their public dollars squeezed and not so available, and there's some information here I want to share along that line, then this is kind of a popular alternative for a number of governments today. So rather than subject

our members opposite to my opinion on this, I certainly want to share some of the comments that some of the observers and social writers have been talking about.

I guess the first thing I want to talk about is somewhat of a typo error in the motion itself. Because in a report from *The StarPhoenix* . . . And I have to find this, Mr. Speaker. I understand that this isn't exactly the first . . . It says it's Canada's first social impact bond, but there was an article in *The StarPhoenix* that says that actually it is not the first, that the Government of Canada has actually implemented two already in the area of literacy I believe. And I know I had a tag here but it's not coming to me. Literacy and another area. So it's actually the third in Canada. But that's just one small error in the motion itself.

I want to share with you some comments first of all from *The Edmonton Journal*, and this is from May 5th of 2014. And this is, the Alberta government actually introduced a law last year, Bill 1, which was called the Social Innovation Endowment Account. And this was their version of funding the promotion and development of social impact bonds in Alberta. And the critique here, and the concerns that are raised when governments jump on this kind of bandwagon, is that . . . and I'm just going to quote from this article which says:

The truth is that the private money will only flow to those projects which can guarantee success, and leave any innovative or creative projects out in the cold. If one of these projects was to fail, and the investors lose their money, they would certainly pursue any means necessary to get that money back, including suing the implementing agency for mismanagement and failed implementation. How many non-profit agencies have the resources to fight the likes of RBC or Goldman Sachs in court? Realistically, in Alberta, all it would take is for one high-profile project to fail before money managers flagged them as poor investments.

And the article goes on to say, Mr. Speaker:

In the end, these bonds [will] accomplish none of their promises: There is no risk transfer, because investors will not fund projects that might fail; they accomplish no government savings, because governments remain the only ones willing to fund the truly creative and innovative programs; and they ultimately cost the government more money in the long run because government will still need to pay out a rate of return to investors. What they will accomplish is a change in the delivery of public and human services — to a desire to meet the needs of wealthy investors, rather than a desire to serve the needs of the public, the community, or the province.

So that's some of the concerns that have been identified about social impact bonds.

I'm going to move on now to . . . This is an article from a website called MuniLand, and it's a quote from an article from May 5th, 2014, and it's a blog. The title of the blog is "Social impact bonds are well-intended, but they bloat bureaucracies." And the author is a woman named Cate Long.

And what Cate Long did is outlined . . . This is something that's very popular in the United States right now, and there's some information from the American department of legislative services. And here's the quote:

In January of 2013, the Department of Legislative Services advised against SIBs for the following reasons:

SIBs cause an increase in budgetary pressure compared to direct program financing due to the necessity of funding contingent liabilities and the added expense of features unique to SIBs.

[Inaudible interjection] . . . Mr. Speaker, the Minister of Social Services is hollering over at me right now, what do I think. What I think is that a government should do a careful analysis of the risks and a detraction from these types of enterprises rather than just jumping on a bandwagon because the government has no money to do these types of programs.

I'll continue on with the quote: "SIBs do not produce cost savings when outcomes are achieved, even under highly optimistic assumptions." And the minister should be concerned about that, Mr. Speaker.

She should also be concerned about this: "SIBs could effectively exclude new providers . . ." She doesn't even want to listen to the concerns about these, Mr. Speaker, and I find that rather disappointing.

"SIBs could effectively exclude new providers and program types that do not have a well-established record of success with investors seeking to minimize risk." She obviously isn't concerned about the problems with SIBs. She's still heckling from across the floor, Mr. Speaker.

Fourthly, "SIBs potentially distort evidence used in policy decisions."

And so these are very important concerns from the legal services, the legislative services of the United States of America. And the quote goes on to say, or the article goes on to say, this is from the legislative services, they understand that SIBs could leverage public dollars, but the concern is that alternative models already exist. And the conclusion of this article says:

In conclusion, SIBs are well-intended, but they unnecessarily bloat bureaucracies. Moreover, they have the potential of leading to Crony Capitalism, and as the Maryland Department of Legislative Services concluded, they do not save money.

So I would think the taxpayers of Saskatchewan, and certainly this government, should be concerned about those kinds of comments, and maybe just take a little time. Obviously they're jumping into this as sort of a justification of maybe some trips to London to find out what goes on there. We know that the minister could have simply gone to Edmonton, Alberta or even to the Government of Canada if she wanted to find out more about these things.

There's also an article, it's called Nonprofit Quarterly, and this is an article from their website. And I want to quote that as well in the time remaining to me:

The concrete experience that advocates in the U.S. have drawn on to justify their SIB enthusiasm is from the UK, which saw a number of SIBs get underway with the active involvement and promotion of the Tory/Liberal government of David Cameron.

This past week, SIB enthusiasts encountered some reason for nervousness. The Guardian published an article titled "Social Impact Bonds: Is the Dream Over?," following up on the news that the UK government's first SIB, the recidivism project of the prison in Peterborough, would be replaced by an "alternate arrangement."

So before the SIB has even got off the ground in London, maybe the minister should have found out that they're actually already replacing it with a different policy arrangement.

Certainly, Mr. Speaker, I have much more that I'd like to say, but as always there's only 10 minutes available to us for this conversation. I look forward to hearing what other members have to say in the debate, and not just cheerleading for this particular project. This is important social policy that needs to be well debated. Thank you very much.

**The Speaker:** I recognize the member for Saskatchewan Rivers.

**Ms. Wilson:** Thank you, Mr. Speaker. Thank you. I'm very honoured to be involved in this debate, this funding model that will enhance the lives of our most vulnerable citizens. And our government is honoured to lead the charge of a new direction, Sweet Dreams, right here in Saskatchewan for the good of our children. This opportunity, provided by Wally and Colleen Mah, will lay the groundwork for lasting and significant change.

The children and families in Saskatchewan will have better outcomes and quality of life with this particular project. Our hope is that the change is achievable. Families every day experience challenges and often are against great odds, Mr. Speaker. Our government recognizes these challenges and, in conducting Sweet Dreams' project, our wish for Saskatchewan families is a future filled with greater promise, a future life with stability, learning, and fulfillment.

Mr. Speaker, having a safe and secure place to live will help families reach their full potential. This particular project, a new formula, allows government and private investors to work together to find ways to make a better quality of life a reality and a possibility. Youth and children here in Saskatchewan are at a high priority in our government, and all children should get a good start in life.

Mr. Speaker, this is a cutting-edge formula, a cutting-edge funding model, the first time in Canada. This model acquires money to achieve that approval, and single mothers and their children will achieve support to secure employment. The goal is to have mothers and children to achieve a desired social income. Services will be measured by independent assessors, and our government will work with the community and the

parents and the children.

The social impact for the children will help with foster family involvement, and Sweet Dreams will ensure safety while giving support that the family needs. There will be a better quality of life through the mothers and children, through safe housing, and employment.

Mr. Speaker, as our government develops a benchmark with more efficiencies than the current system in place, the quality of life for these children and families will improve. Mr. Speaker, a real priority is helping those vulnerable and challenged, and I'm encouraged with the direction our government is taking in addressing the families in need. Developing the Sweet Dreams project and other services for families is something that is sorely needed in this province for a number of years, and we are committed to programs that will develop results and success in keeping families together and working in a new direction.

Mr. Speaker, as we know, Sweet Dreams in Saskatoon is a safe haven for at-risk mothers, giving them support for them and their children together. Aligning with the objectives of the Saskatchewan child and family agenda, it assists some of our most vulnerable members of society and gives them a better chance at life while keeping the family together. We also know that this wonderful program was made possible by co-operating with private investors to produce a positive benefit for our society and a lasting impact for years to come.

Mr. Speaker, Sweet Dreams is based on a multi-ministry, long-term strategy where Social Services, Health, Education, and Egadz will work together to support single mothers and their children from entering the foster care system, thus hopefully they will reach their full potential. Child and family services will have active involvement with the children to ensure their safety through an open child protection file and regular visits to the home.

I was listening to the member from Saskatoon Nutana's comments regarding financing, but there is a lot more to this than just financing at stake. It's the lives of children and our future in Saskatchewan. This new funding model has helped to open a new supported living home for at-risk single mothers right here in Saskatoon, Saskatchewan. The first social impact bond in Canada has partnered the Saskatchewan government, private investors, and the Saskatoon downtown youth centre, Egadz, to open the Sweet Dreams house.

The government's required outcome is to provide single mothers with children under the age of eight with housing and support while they work to complete education or acquire employment skills. They are able to stay in the Sweet Dreams house anywhere from six months to two years, and for this to be a successful investment the government requires that the children in the home stay out of foster care for six months after they leave the house.

This social impact bond is a very innovative funding model that leverages private capital to deliver social and client outcomes. It will provide mothers and children with a safe,

secure place to live. It will provide a continuum of care to keep families together. Sweet Dreams living project will enable mothers to achieve an education and employment and increase connections of mothers with the job market and contribute back to society.

The impact on the children is what we're talking about, Mr. Speaker. The value provides stability for our future, and we are hoping to leave a legacy of stability and productivity for the families involved.

The Sweet Dreams project is expected to result in a savings to government of 1.5 million over five years. Now these savings are based on the cost of children in the care of the ministry. The member from Saskatoon Nutana was talking about the anticipated cost savings, so I was just wanting to give you these figures. Now this figure does not take any other potential cost savings related to health, criminal justice, and any other future social assistance into account beyond the five years of this program.

Now I would like to put on record from *The StarPhoenix* of May 13, 2014: "Terry Scaddan, chair of the EGADZ board of directors, described the model as a 'win-win situation.'"

Mr. Speaker, I also have a quote by a single mother, Chantal McLaren, from *The StarPhoenix*, May 13, 2014. She said:

Sweet Dreams will give other young mothers the same opportunity.

"They'll be able to keep their children and excel in life, have a way better future."

Again, Mr. Speaker, the social impact bond is an innovative funding arrangement between government, private investors, and a service delivery organization. In these arrangements, government sets out a specific social outcome it wants achieved and promises to pay the private investors a pre-arranged sum, if and only if the service delivery organization accomplishes the desired social outcome.

This new formula to fund . . . Sweet Dreams is a home for women in crisis, and it combines government and private investor cash. It's meant to be a safe landing for families with no place to go. The Sweet Dreams project is a home for women and their children at risk of being separated. The goal is to give them parenting and life skill classes and keep them out of the foster care system, Mr. Speaker.

The money behind Sweet Dreams is very groundbreaking, an agreement between the province and private investors that is based on results. It's a very new supportive living facility, but again it will provide at-risk single mothers with a safe place to call home. Through the social impact bond, Egadz will get \$1 million from private investors that include the Conexus Credit Union and Wally and Colleen Mah. At-risk single mothers have a new supported living home in Saskatoon, again due to its first-of-its-kind funding model in Canada. So therefore I do support this very important strategy.

**The Speaker:** The time has expired. Next member. I recognize the member for Saskatoon Centre.

**Mr. Forbes:** Thank you very much, Mr. Speaker. It's a pleasure to enter into this debate on this topic. It's an important topic that we have before us, and it's one that's being debated around Canada, around North America, and Europe for sure.

And I find it ironic that in our dying moments of this session, the final moments, that we've not had the opportunity other than today to really talk about this. This wasn't in the Throne Speech. It wasn't in the budget. It wasn't raised in estimates. So we've really not had the opportunity to really fully discuss this, and here we are at the end.

And I do want to say as well right off the bat that I agree with my colleague from Saskatoon Nutana who said that we fully support the idea of Sweet Dreams. It's a wonderful idea. It's a great, great program. Egadz, and I'm very familiar with Egadz in Saskatoon. Of course they are actually in my riding, and I know the folks involved with Egadz quite well. Great work, great work they do for vulnerable families, parents, young teens, and children And they do deserve so much support from us as a province in terms of thinking upstream and thinking about, how do we prevent the kind of tragic circumstances where children become vulnerable and we have to intervene.

Clearly with the Children's Advocate special report yesterday, we saw the kind of circumstances we're seeing too often in this province, too often because this government has not made it a priority in the number of years that it's been in government to actually fully fund, to fully fund the kind of work that needs to be done. So why isn't this happening? Why isn't this happening? And so here we are today debating the merits of this kind of project.

Now it would be interesting if it would have been highlighted earlier on, and we could have had that full debate and that full discussion about what the processes are going to be. What are the processes of applying? What are the processes around the benchmarks? That type of thing. But instead we see this in the last week of session.

And in fact we didn't get notice of this, Mr. Deputy Speaker. I don't know if you know this, but we didn't get notice until Friday night at 7:30 that something was going to happen Monday morning at 8 o'clock. Can you believe that, Mr. Deputy Speaker, that we would get notice Friday night, not before 5 o'clock, not during regular working hours, but actually at 7:30 in the evening that there was an embargoed session Monday morning on this? And I think this seems like a kind of a rushed job. Why is it that we are doing this at such a late, late time? And we've never had the opportunity to fully discuss this. It wasn't profiled in a way that would allow for good public debate on this. And I think that we have a lot of questions.

We only have to look next door to our neighbours in Alberta about what's happened there around this. And of course we look at the news stories, and this one's dated actually January 30th, 2013 — well over a year ago, well over a year ago — when Premier Alison . . . And I'll quote this into the record so people have this.

Premier Alison Redford's suggestion Monday that Alberta will introduce "social infrastructure bonds" has ignited a heated debated among politicians, investment experts

and social service workers.

Supporters of social bonds say they are an innovative and progressive way to fund money-saving social programs that wouldn't otherwise exist, while detractors call them a "slippery slope" toward privatization of public [social] services.

And we know the article goes on to talk about "Canada's federal Human Resources Minister Diane Finley announced in November [of 2012] the Harper government will start issuing social impact bonds this year." And in fact I understand that they have actually entered into two contracts.

So this is something that's happening across Canada, and maybe we should have had time to properly, properly take a look at what was happening. In fact it actually did stir quite a bit of opinion in Alberta. And I'm just going to quote from an article from Ricardo Acuña, who is executive director of the Parkland Institute, a non-partisan public policy research institute in the Faculty of Arts at the University of Alberta. So it's a well-respected institute. It's placed within an academic setting.

And so he has some real, real concerns about this, and I don't necessarily go through the whole article, but clearly he talks about how this has a lot of questions and we should really be talking about this. So we're missing an opportunity that we should've had during session to have the full conversation because we know, we know there are many, many important jobs that we should be doing out there, and if the government is not making those things a priority and fully funding them, then we have an issue with that.

So I'd like to just quote from *The Edmonton Journal*, and this is actually from March 4th, 2014, and I quote:

The Alberta government's Bill 1, introduced Monday in the provincial legislature, carves out \$1 billion from the Alberta Heritage Trust Fund to create something called the Social Innovation Endowment Account. This account is designed, among other things, to fund the promotion and development of social impact bonds in Alberta.

If you've never heard of social impact bonds, you are likely not alone. Although Alison Redford has been talking about them since the 2011 PC leadership race, nobody has been paying much attention [to them] until now.

And of course here we are in Saskatchewan, and it's coming to our attention. At least in Alberta they had the wherewithal to introduce a bill so we could have proper debate and there would be some profile of this. Because we don't want to mix two important issues here together: one, Sweet Dreams, which I think we can all support; and the other about social impact bonds, which we need to know much more about, we need to know much more about.

And we need to know what is it exactly the government's willing to invest. Is this a pilot project that had no funding from the budget, or some? We hear maybe it did, but it wasn't profiled in the budget. And we have some real concerns because as we see and we heard

yesterday and a week ago the Children's Advocate calling for a poverty reduction strategy, and government saying, no, everything's good; we've got a good plan happening. But then we see these things here where we have some real questions.

I have some questions about what kind of impact this has on philanthropy in the province. What does this mean for foundations, whether they be hospital foundations or the Saskatoon foundation that depends on the goodwill of people who are in a fortunate position that they can make donations? Now I know this is an investment but still, money is limited, and whether you invest it or you donate it is the question. And those people do very, very good . . . Those foundations do very, very important work.

I have questions about situations like Station 20 West, where this government callously shut down the funding that we had provided for them and they had to go out and had to raise between 4 and \$5 million. Maybe that would have been an opportunity for this kind of bond. But the question then becomes, that's a little riskier because you're investing in a grocery store and a community centre. So then it becomes, what are the processes here? Are these things going to be used for things where there's not as much risk, or should they be used for things that are outside the normal bounds of what government usually funds?

This kind of thing, Sweet Dreams, would be I think something that government should typically fund, particularly when we see them funding to the extent of some \$51 million — \$51 million — for their Linkin system. That was at first, four years ago, was scheduled to cost \$15 million, \$15 million. At Christmas it was 37 million. Now it's 51 million.

So they seem to have money for some of their pet projects, and we could talk about lean as well. And today we talked about bump-up pay for executives who participate, and here we have a situation where we have money for that. But apparently the government does not have money for Sweet Dreams, does not have money for Sweet Dreams, which I would argue they should have.

So we have a lot of questions. We have a lot of questions about this. And we think the government should be thinking innovatively. We should all be thinking in an innovative way, but we should make sure we have our priorities straight, what are priorities. And our priorities are looking after vulnerable children, and they should be a number one priority, not after our Irish computer systems like Linkin. I think we really need to make sure that Social Services has their priorities straight.

So, Mr. Speaker, we have a lot of questions about this. Thank you.

**The Deputy Speaker:** I recognize the member from Moose Jaw Wakamow.

**Mr. Lawrence:** Well thank you very much, Mr. Deputy Speaker. I'm happy and honoured to enter into this debate. And I've been listening carefully to what the members opposite have had to say, and it's interesting.

But I'm going to start with a couple of quotes. They seem to be using quotes, so I'll use a

couple too. And this one comes from an author, Steve Jobs, and you guys may have heard of him. I see some of you guys have used some of his equipment over there. And this is what Steve Jobs had to say:

We know that governments can't afford to do everything these days, but fortunately there's a revolution in how we tackle social needs. Citizens and businesses are creating a 'solution economy' that blends market forces and altruism to get good things done.

So you know, we hear from them across the way that it's not that Sweet Dreams is a bad idea, not that Egadz is a bad NGO [non-governmental organization] to work with or CBO [community-based organization] to work with; it's just the way that we've chosen to work them.

And the reason we chose to work with them, as one of our other members stated, was because they came to us. They had an innovative idea. How can we do this? How can we work together? How can we take this idea and move it forward?

Their argument against this is that government should just write the cheque, pay for it. Not a priority. Government should fund. Money is limited. Well here's what it comes down to: if that's really what they feel, I'm not sure . . . The first member that stood up, well she did a bunch of quotes, but she didn't really say anything other than we need to take a look at it. And they're really good at that. They're really good at that. They step back and they take a look. And that's all they do. They look and they go, oh that's bad.

So we go, what's your plan? We go to their website and go, what's your plan? We take a look. Where's the orange book that used to be on their plan? Where's the *Regina Manifesto* that used to be on their website? That's not there.

We talk about a new innovative way to fund a social program. I've personally worked with foster kids. I've had them live in my house. So if there's some way that we can keep them in their homes with their moms, working with a group outside of what we do as government, that's not a bad thing. You agree with that, that that's not a bad thing. You just think we need to write the cheque up front.

So we actually want to do something that's based on results. We set goals. If we don't attain those goals . . . Okay, if 75 per cent isn't attainable, if 90 per cent . . . If we change the life of one of those children, is it good enough? Is 10 good enough? Is 15 good enough? Is 25 good enough?

The thing that it comes down to is, what's your plan? We have a plan. We're going forward with it. We ask what your plan is and it's like, well silence, the sound of silence. What's your plan? Well we don't have a plan. Your plan is just bad.

So I'm going to quote a single mom that will be acting as a mentor in the new home because this is people that have been affected by these lifestyles and we're trying to help out. So this is from CJME:

Chantal McLaren said she had to work twice as hard because she is a single mom. The 23-year-old will be moving into the Sweet Dreams home to be a mentor for other women living there. “I’ve been at the bottom and I’ve worked my way up and they can too.”

So again that’s not a bad thing. Again it comes down to, the government needs to write the cheque first. Really? That’s your argument against this is the government needs to write the cheque first? That just doesn’t make any sense.

Another quote by Ms. McLaren. She said Sweet Dreams will give other mothers the same opportunity. And the quote is, “They’ll be able to keep their children and excel in life, have a way better future.” That’s not a good thing; that’s a great thing. That’s what the new Saskatchewan is all about. It’s having a way better future. It’s having a plan.

What’s your plan? Silence. Silence. That’s the sound of silence. Wow. I think that’s a Simon and Garfunkel song — isn’t it? — sound of silence. That’s got to be your new theme song when you have your next convention.

They talk about jumping on a bandwagon. Well we’re not necessarily jumping on a bandwagon. We’re not taking and throwing \$1 billion at a project. We’re moving forward on one small project because if we can affect the lives of 11 to 13 moms and 22, 23 kids, that is amazing.

But it’s the funding model that’s wrong. That’s your argument. The funding model’s the wrong way to do it.

So we as government want to ensure the best possible use of tax dollars and provide a new degree of financial stability to community-based organizations. I’ve worked with a few community-based organizations in the past, and the funding model of year to year sometimes becomes onerous. So they actually have a funding model for five years. Do you think that gives them the ability to create a stable environment for these moms, these moms and these kids?

You guys want us to stop moving forward. Just stop. Take a look at it. Let’s debate it for three, six months, a year and then maybe move forward. Well you know, three months, six months, a year down the road will make a huge difference in the lives of these moms and these kids. That’s what’s important. You’re missing the point. The point is about those moms and those kids, not about how we fund that, the fact that somebody wants to step up and take a shot at investing in moms and kids.

And I’ve seen enough studies out there. If we can get help to these folks upfront — and you know this — if we can get help to them upfront right away, the long-term cost that it’s going to save the taxpayers . . . not the government. The government doesn’t save money. The taxpayers of Saskatchewan are the ones that provide us with money to spend on the infrastructure and the things that we need to spend money on, including the people here in Saskatchewan, our most vulnerable citizens.

And you want them to wait. You want them to wait. Point your finger at me, shake your

head, do what you've got to do. I've been there. I've been there. I've been a foster parent. I've worked with these moms. I've worked with these kids. I know what they do. So the fact that you want to wait some more . . .

That's your mantra — hurry up and wait. There's a reason there's nine of you guys over there and 48 over here. Because you're really good at stepping back, taking a look at a situation going, that's a bad situation, and doing absolutely nothing about it.

We take action. So we take action, and you don't like the way we take action because we expect results. What's wrong with expecting results? If it keeps one kid out of foster care, it's worth it.

So I will be supporting this motion 100 per cent and those guys, well we'll hear the sound of silence. Thank you, Mr. Speaker.

**The Deputy Speaker:** — I recognize the member from Regina Lakeview.

**Mr. Nilson:** — Mr. Speaker, this debate this morning is about the fundamental question of how one uses the public money to provide services to important issues. And there's no question that the Sweet Dreams project is an important issue; it's an important way of providing these services.

The question revolves not around that particular project, which we all support, Conexus Credit Union, many of us. It's our money that's going there. We support Lamaze and the work that they do. We support Egadz. But, Mr. Speaker, the question is about how government uses the money that they have, what choices do they make around how that money is spent.

And, Mr. Speaker, this particular project around a social impact bond is effectively another way of borrowing money. And, Mr. Speaker, the reason that Goldman Sachs, which is one of the largest lenders in the world, if I can put it that way, the largest deal makers, has been so involved in all of the social impact bonds that exist so far — they're not involved in our little one in Saskatchewan but they've involved in the ones in England; they're involved in the ones in New York; they're involved in ones that are in a number of other states in the United States — it's because they see it as a way to make money on lending money.

And, Mr. Speaker, one of the factors involved in all of these particular social impact bonds is some kind of a guarantee or some kind of a payment from government for use of money. And I think the common factor, both with social impact bonds and the P3s, the public-private partnerships, is that there's a guarantee of payment to the lenders in the project, or the investors. And so, Mr. Speaker, really the question becomes, how much are we paying? What kind of guarantees are there?

Now what we do know is that when you end up with a social impact bond, they're really no different than a P3. And so you have to look at, how do you figure out how much risk transfer there is? What is that risk transfer? What are the service cost reductions that are going to be the back end of this that will justify the kind of payment that's made? And

Mr. Speaker, what we have here is another way of borrowing money.

And so, Mr. Speaker, earlier this week I asked the Minister of Finance what his policy was on dealing with these social impact bonds. And they scrambled a bit, but basically the answer was, well we don't know yet because we haven't really seen them. And I think that's one of the fundamental questions about social impact bonds is, how much are they going to cost to use? What kind of examples are there? When we look at the information from around the world, there haven't been social impact bonds that have actually gone through the full cycle of their lending to tell you whether they're actually going to work.

Now earlier, like I think last week — and I'm specifically

speaking here to the Minister of Finance — last week the British government ended up changing some of the parameters around the Peterborough project in a way that has scared a lot of financiers around how this particular issue and how the lending goes. And so all of a sudden you have a broad discussion right across North America, England, other places, Australia, where these kind of bonds are being used. Well if that flagship lending process around the Peterborough project is being changed in some fundamental ways, what does this mean for other projects that we're trying to design across the world?

And so, Mr. Speaker, what we have is an innovative idea that is in the same ilk as a P3. P3s, at least we have a longer history at knowing what they're there. Now actually if you look at legislation which this party introduced in the House just last fall, and in fact the government voted against it, we had a bill brought forward that's *An Act respecting the Transparency and Accountability of Public-Private Partnerships*.

Now, Mr. Speaker, we could just add the words “and social impact bonds” and you can actually use every part of this bill to get at the issue that's really the issue here: how much is this costing the public to borrow money? Why wouldn't we set out how much it costs to borrow the money directly, how much it costs to use it through a public-private partnership, how much it costs to use a social impact bond to assess the back end of it? Because all of those things go right to the heart of this bill which we introduced and which was defeated by the government.

You look at the purpose of the bill. The purpose of this Act is to ensure that an independent evaluation and public reporting of value for taxpayers in public-private partnership projects — then we add, and social impact bonds — and to introduce transparency and accountability to the public-private partnership method and the social impact bond method of building capital projects.

So, Mr. Speaker, one of the questions that I had for the Minister of Finance the other day, which he didn't have an answer for — he says, oh this is innovative; we're just trying to figure out how to do it — is that people in the Department of Finance haven't figured out yet how this is going to work. What I know when I asked some questions in some other areas, and some my colleagues asked some questions, is that there are some people hired to work on developing some of these kinds of projects. But once again they're working in

an area where they don't have all of the examples. And when we review the literature worldwide, there isn't a single social impact bond which has actually gone through a full cycle to actually see how people are being paid out.

And so, Mr. Speaker, why are we debating this particular issue? Because it relates to the fundamental question of governance. It relates to the responsibility of the Minister of Finance to be accountable to the people of Saskatchewan of how money is being spent. But practically, when I asked him the question of how, what he's going to do to deal with this particular issue, he said he doesn't have the information. He doesn't know. He doesn't know what the Ministry of Finance is going to do.

Now, Mr. Speaker, that raises another question, which is when the auditor steps in to take a look at how this money is being borrowed, they are going to have to give a report to the people of Saskatchewan about how this whole system works. And, Mr. Speaker, the auditors are always very careful when governments borrow money, and especially when they borrow money in ways where they don't know how much it's going to cost them to borrow that money.

And that becomes the fundamental question when we talk about social impact bonds. Nobody knows here how much it's going to cost to do this particular project. So we don't have a comparison with just a straight donation by different groups working and building a project and then government putting money in as a part of that. We don't have a comparison of how much that's going to cost versus this new innovative thing.

And, Mr. Speaker, I think that the literature also points out that the United Kingdom got really interested in this kind of a bond about four years ago when they came, the new government came into place, and basically they said, we have to live on an austerity diet. We don't have enough money to do a lot of things. Let's figure out some other ways to borrow creatively where we can't really tell how much it's going to cost us in the long run. And, Mr. Speaker, every one of these projects that you look at around the world have that aspect to it, that nobody can say at the front end how much it's going to cost government. They know how much Goldman Sachs is going to make on a base because they have a backstop. They also know that there's going to be a whole number of issues that are not resolved, and they're not resolved in Saskatchewan either.

**The Speaker:** I recognize the member for Saskatoon Centre.

**Mr. Forbes:** Thank you very much, Mr. Speaker. You know, the Minister of Finance shouts out about track record on innovation, and I was listening to the member from Moose Jaw Wakamow talking about results-based funding, that type of thing. And I just have a question about, here we have a computer system, the Linkin computer system costing \$51 million. It started out with 15, now 37 at Christmas, now \$51 million. The question I have is, only 2 per cent, \$1 million from that computer program could be real, a real priority for this government. Does the member from Moose Jaw Wakamow think that it would be better spent spending on foster children than on a computer system, that \$51 million?

**The Speaker:** I recognize the member for Moose Jaw Wakamow.

**Mr. Lawrence:** I'm pretty sure that the members opposite have read some of these reports by the Children's Advocate, and one of the things that was recommended by him was that we do better tracking of our kids. So this is one of the things that this program can do. However the real question is why you're afraid to have a plan, why you're afraid to have results-based outcomes. You know, they talk about that they don't know what it's going to cost. Well it's a bond. It's a five-year investment, a five-year agreement with \$1 million investment. Success is determined by an independent assessor — independent, so that's outside of government — and payment is the initial investment plus the 5 per cent annual rate of return. So I'm sure . . .

**The Speaker:** Next question. I recognize the member for Regina Walsh Acres.

**Mr. Steinley:** Thank you, Mr. Speaker. This social impact bond is about using innovative ideas to improve the lives of at-risk children and mothers. The Sweet Dreams program is saving children from having to be separated from their mothers and living in foster care. And our government's committed to effective initiatives that reduce the number of children in care and end the cycle of poverty for more children in the future, unlike the NDP who let the number of children in welfare cases grow by 53 per cent from 2000 to 2007.

To the member from Saskatoon Centre who was a former Social Services minister that saw this rise under his reign: how can he not support a program that will improve the lives of children in child welfare?

**The Speaker:** I recognize the member for Saskatoon Centre.

**Mr. Forbes:** Thank you very much. Just for the record, I was never the minister of Social Services. I was Labour, Environment, and proud ministers of that. So fact checking there. But that's okay, that's okay. And also for the record, for the record, and I think I know two of us have said that we support the Sweet Dreams initiative, Egadz does great work and we think this is an important thing.

Our question really is about priorities for this government. Why wasn't this mentioned in the Throne Speech, the budget speech, estimates, where we could have a much fuller discussion about this? We think it's important to have innovative thinking but the problem is, here we are, in the last moments, the last moments of the session, and this is the time we're talking about it. So, Mr. Speaker, I think the government needs to make a real priority out of vulnerable children and that should be something that they plan for.

**The Speaker:** I recognize the Opposition House Leader.

**Mr. McCall:** Thank you very much, Mr. Speaker. In terms of picking up where my colleague from Saskatoon Centre left off, if this was such a vital initiative on the part of this government — and, you know, there's some pros and cons to social impact bonds — but if this was such a vital initiative on the part of this government, where was it in the

Throne Speech? Where was it in the budget? And where was it in terms of the Minister of Social Services' estimates?

And I guess my question to the member from Saskatoon Sutherland, or the Premier who's like shouting out encouragement from his seat, my question to the member from Saskatoon Sutherland: if this was such a great idea, how come it didn't show up on the landscape until after the Minister for Social Services needed to justify a trip to Europe?

**The Speaker:** I recognize the member for Saskatoon Sutherland.

**Mr. Merriman:** Mr. Speaker, I don't understand why the NDP are so concerned with the process. What we're concerned with over on this side of the House is the 23 women and their kids that are going to be helped by this program. They always want to know, what was the process? What happened? When did you know this?

Social Services has been working with the stakeholders. This again is driven by the stakeholders, Colleen and Wally Mah. This is on their timelines. We are a partner with them. We aren't dictating things like the NDP used to do and just throw cash out. We're actually putting money out on a five-year program to be able to get results, Mr. Speaker. That's what they don't understand is, we are doing . . . We're result-based on this, Mr. Speaker.

And the NDP are so stuck in their own ways. They just want to keep doing things the same old way. They don't want to try anything different. They completely fear change, Mr. Speaker. Thank you very much.

**The Speaker:** I recognize the member for Carrot River Valley.

**Mr. Bradshaw:** Mr. Speaker, our government isn't afraid of setting targets and implementing policy and programs to help achieve these goals. That's why one of our government's goals is to build a better quality of life for Saskatchewan people, especially our more vulnerable.

The recent introduction of the social impact bond is just one example of how our government strives to help out these troubled demographics and end the cycle, but yet we continue to hear negative rhetoric from the members opposite. To the member from Regina Lakeview, who has been around for a long time: your caucus continues to disregard and criticize our actions and make our province a better place, but has yet to produce any solutions of your own. What is your policy or plan to help these disadvantaged groups in our province?

**The Speaker:** I recognize the member for Regina Lakeview.

**Mr. Nilson:** Mr. Speaker, the issue here today is about choices by government, by that Premier and by that Finance minister around how they provide services to the public of Saskatchewan. And, Mr. Speaker, when they seem to run out of money, then they come up with these schemes that actually cost more money for the public.

And when I hear a member opposite saying process is not important, checking out how you borrow money to do things is not important, that gets me very concerned. So my answer is, we really want all of these services provided for people in this province, but we want to do it in a way that we can account to the taxpayers of Saskatchewan.

**The Speaker:** I recognize the member for Saskatoon Nutana.

**Ms. Sproule:** Thank you very much, Mr. Speaker. I think we heard the speakers opposite say that there was no federal or provincial money going into this, but according to The StarPhoenix, there will be a reimbursement by interest by the provincial government if this project is successful. So there is public funds involved. And certainly there's a lack of public funds from this government for supporting single mothers.

We know that SIBs imply a cost of borrowing to the public sector which is well above the cost it would incur if it's borrowed directly. In this respect, SIBs are no different from P3s. This is nothing but privatization, Mr. Speaker.

The question I have for the member from Moose Jaw Wakamow is this: first of all, will they be booked, these SIBs be booked as future contingent liabilities on the books? And how will they affect debt and credit ratings? And where is the government going to put aside money they save when the services become funded by outsiders?

**The Speaker:** I recognize the member for Moose Jaw Wakamow.

**Mr. Lawrence:** I thank the members opposite for the question. And you know, I'm not an accountant. I'm an old SaskTel guy, so I would have to ask the Finance minister how, in five years time if they meet the target, how that's accounted in the budget five years from now.

But I also heard the members complain that 7:30 on a Friday evening they found out. Well since I've been an MLA [Member of the Legislative Assembly], I've got contacted way later than 7:30 in the evening. So I don't have a nine-to-five job anymore. I've got pretty much a 24-7 job. So if I've got to work on a weekend, I work on a weekend, and I don't complain about it. I doasmuchasIcanfrom9to5,tryandspendasmuchtime with my family, but I don't complain about when the government contacts me and says we've got some work to do.

**The Speaker:** I recognize the member for Regina Coronation Park.

**Mr. Docherty:** Thank you, Mr. Speaker. I'm a little bit lost for words here, trying to figure out how the members opposite could possibly be against this. I for one have probably been involved in creating an awful lot of resources and facilities and programs around this province for vulnerable youth, their parents, their families, their communities, and I have absolutely zero problem with this initiative. I have no idea, since this is my life's work, I have no idea how you could possibly be against this.

But regardless, I mean . . . Here, I'll make up a word: disirregardlessly, which is an adverb for the purposes of this, as we're making things up. Sweet Dreams, I'm

wondering here, so you're against P3s. So you've got no plan. You've got no policy. You've got no platform.

**The Speaker:** Time.