

Department of Finance

# SECOND QUARTER FORECAST

2017 - 2018

Roach  
22-11-17  
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Hon. Allen Roach  
Minister of Finance  
November 2017

## 2017-2018 Fiscal Update

### Second Quarter Forecast

The Second Quarter Forecast for 2017-2018 indicates a Surplus of \$1,142,500, which is an improvement from the Budgeted Surplus of \$601,000.

#### Highlights:

Total revenue is forecast to increase by \$23 million.

Finance revenue is up by \$13.6 million primarily from higher corporate and sales taxes.

Education will receive additional Federal funding for Early Learning and Child Care of \$3.5 million, as well as international tuition fees, which will be offset by expenditures for new teaching positions and expenditures for early learning and child care.

Justice will receive extra revenues under the *Securities Act* and insurance premium taxes.

Workforce and Advanced Learning is reflecting higher revenue of \$1.4 million, primarily from the Labour Market Development Agreement and a new Workforce Development Agreement, which will increase expenditures by a similar amount.

Revenue from Island Investment Development Inc. is up by \$4 million.

The additional revenue is offset by other increases in expenditures including:

Family and Human Services of \$2.7 million for expenditures related to social assistance and the Disability Support Program, as well as new initiatives for child protection.

Health PEI is forecasting an increase to Budget expenditures of \$16.8 million, including: \$9.4 million for in-province physicians, \$2.8 million for out-of-province medical costs, \$2.8 million for the Queen Elizabeth Hospital, \$0.9 million for long-term care and laboratory of \$0.9 million.

**BUDGET SUMMARY**

	2017-2018 Budget Estimate \$	2017-2018 2nd Quarter Pressure Points \$	2017-2018 Revised Budget \$
<b>REVENUE</b>			
Provincial Own Sources.....	1,028,490,400	18,635,500	1,047,125,900
Federal Sources.....	705,540,600	-	705,540,600
Net Consolidated Surplus of Crown Corporations.....	70,518,900	4,343,900	74,862,800
Revenue for Capital Assets.....	7,725,000	-	7,725,000
<b>Total Revenue.....</b>	<b>1,812,274,900</b>	<b>22,979,400</b>	<b>1,835,254,300</b>
<b>PROGRAM EXPENDITURES</b>			
Program Expenditures.....	1,613,761,900	22,437,900	1,636,199,800
<b>SURPLUS BEFORE INTEREST AND AMORTIZATION.....</b>	<b>198,513,000</b>	<b>541,500</b>	<b>199,054,500</b>
<b>INTEREST AND AMORTIZATION</b>			
Interest Charges on Debt.....	126,025,500	-	126,025,500
Amortization of Tangible Capital Assets.....	71,886,500	-	71,886,500
<b>Total Interest and Amortization.....</b>	<b>197,912,000</b>	<b>-</b>	<b>197,912,000</b>
<b>CONSOLIDATED SURPLUS.....</b>	<b>601,000</b>	<b>541,500</b>	<b>1,142,500</b>

**REVENUE SUMMARY BY DEPARTMENT**

	2017-2018 Budget Estimate \$	2017-2018 2nd Quarter Pressure Points \$	2017-2018 Revised Budget \$
<b>CURRENT REVENUE</b>			
Agriculture and Fisheries.....	6,114,500	87,000	6,201,500
Communities, Land and Environment.....	4,281,900	330,000	4,611,900
Economic Development and Tourism.....	134,200		134,200
Education, Early Learning and Culture.....	6,516,100	4,247,000	10,763,100
Executive Council.....	408,700	-	408,700
Family and Human Services.....	12,643,200	72,700	12,715,900
Finance.....	1,569,799,600	13,643,300	1,583,442,900
Health and Wellness.....	1,530,300	35,100	1,565,400
Justice and Public Safety.....	41,420,300	1,200,000	42,620,300
Rural and Regional Development.....	200,000	-	200,000
Transportation, Infrastructure and Energy.....	52,040,800	(2,335,100)	49,705,700
Workforce and Advanced Learning.....	38,286,400	1,355,500	39,641,900
P.E.I. Public Service Commission.....	655,000	-	655,000
<b>TOTAL CURRENT REVENUE.....</b>	<b>1,734,031,000</b>	<b>18,635,500</b>	<b>1,752,666,500</b>
Net Consolidated Surplus of Crown Corporations.....	70,518,900	4,343,900	74,862,800
<b>TOTAL OPERATING REVENUE.....</b>	<b>1,804,549,900</b>	<b>22,979,400</b>	<b>1,827,529,300</b>
<b>REVENUE FOR CAPITAL ASSETS</b>			
Education, Early Learning and Culture.....	-		-
Health PEI.....	3,000,000		3,000,000
Transportation, Infrastructure and Energy.....	4,725,000		4,725,000
<b>TOTAL REVENUE FOR CAPITAL ASSETS.....</b>	<b>7,725,000</b>	<b>-</b>	<b>7,725,000</b>
<b>TOTAL REVENUE.....</b>	<b>1,812,274,900</b>	<b>22,979,400</b>	<b>1,835,254,300</b>

**EXPENDITURE SUMMARY BY DEPARTMENT**

	2017-2018 Budget Estimate \$	2017-2018 2nd Quarter Pressure Points \$	2017-2018 Revised Budget \$
<b>CURRENT</b>			
Agriculture and Fisheries.....	30,709,000	(63,000)	30,646,000
Communities, Land and Environment.....	21,081,000	330,000	21,411,000
Economic Development and Tourism.....	1,047,800		1,047,800
Innovation PEI.....	39,561,900		39,561,900
Tourism PEI.....	13,982,500	(388,500)	13,594,000
Education, Early Learning and Culture.....	256,123,700	4,240,000	260,363,700
Island Regulatory and Appeals Commission.....	1,200,300	-	1,200,300
Executive Council.....	7,192,300	151,300	7,343,600
Family and Human Services.....	103,369,700	2,685,900	106,055,600
Finance.....	75,486,800	-	75,486,800
Council of Atlantic Premiers.....	188,400	-	188,400
Employee Benefits.....	62,414,900	-	62,414,900
General Government.....	8,300,000	-	8,300,000
Health and Wellness.....	13,093,000	(129,700)	12,963,300
Health PEI.....	640,152,800	16,757,100	656,909,900
Justice and Public Safety.....	54,725,800	(300,000)	54,425,800
Rural and Regional Development.....	1,904,600	-	1,904,600
Employment Development Agency.....	5,231,500	72,400	5,303,900
Transportation, Infrastructure and Energy.....	133,852,800	(2,335,100)	131,517,700
Interministerial Women's Secretariat.....	438,600	-	438,600
Workforce and Advanced Learning.....	128,231,500	1,355,500	129,587,000
Auditor General.....	2,114,000	-	2,114,000
Legislative Assembly.....	5,874,700	62,000	5,936,700
P.E.I. Public Service Commission.....	7,484,300	-	7,484,300
<b>PROGRAM EXPENDITURE.....</b>	<b>1,613,761,900</b>	<b>22,437,900</b>	<b>1,636,199,800</b>
Interest Charges on Debt.....	126,025,500	-	126,025,500
Amortization of Tangible Capital Assets.....	71,886,500		71,886,500
<b>TOTAL EXPENDITURE.....</b>	<b>1,811,673,900</b>	<b>22,437,900</b>	<b>1,834,111,800</b>

## SUMMARY OF BUDGETED SURPLUS (DEFICIT) OF CROWN CORPORATIONS

	2017-2018 Budget Estimate \$	2017-2018 2nd Quarter Pressure Points \$	2017-2018 Revised Budget \$
<b>Government Business Enterprises</b>			
Charlottetown Area Development Corporation.....	288,700		288,700
Island Investment Development Inc.....	26,279,900	3,968,200	30,248,100
Island Waste Management Corporation.....	211,200	(81,900)	129,300
Prince Edward Island Energy Corporation.....	7,058,800	(384,100)	6,674,700
Prince Edward Island Liquor Control Commission.....	21,005,100	-	21,005,100
Prince Edward Island Lotteries Commission.....	12,700,000	-	12,700,000
<b>Total Government Business Enterprises.....</b>	<b>67,543,700</b>	<b>3,502,200</b>	<b>71,045,900</b>
<b>Other Consolidated Agencies</b>			
Finance PEI.....	1,804,000	841,700	2,645,700
P.E.I. Aquaculture and Fisheries Research Initiative Inc.....	-		-
Prince Edward Island Agricultural Insurance Corporation.....	-	-	-
Prince Edward Island Grain Elevators Corporation.....	-		-
Prince Edward Island Self-Insurance and Risk Management Fund.....	1,371,200		1,371,200
Summerside Regional Development Corporation .....	(200,000)		(200,000)
<b>Total Other Consolidated Agencies.....</b>	<b>2,975,200</b>	<b>841,700</b>	<b>3,816,900</b>
<b>NET CONSOLIDATED SURPLUS OF CROWN CORPORATIONS .....</b>	<b>70,518,900</b>	<b>4,343,900</b>	<b>74,862,800</b>