

# FISCAL UPDATE

Second Quarter Forecast  
2018-2019



*Department of Finance*

# Fiscal Update

## SECOND QUARTER FORECAST 2018-2019



The Second Quarter Forecast for 2018-2019 indicates a surplus of \$4,354,800 which is an improvement from the Budgeted Surplus of \$1,474,700.

### Highlights

Total revenue is forecast to increase by \$30.3 million.

Finance revenue is up \$33.6 million primarily from higher corporate and personal income and revenue taxes.

Workforce and Advanced Learning is reflecting higher revenue of \$1.6 million, primarily from the Labour Market Development Agreement and Workforce Development Agreement. Expenditures increased by a similar amount.

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

- Agriculture and Fisheries is reflecting increased expenditures of \$0.7 million as a result of increased premium rates under the AgrilInsurance program and increases to the acres of potatoes planted.
- Family & Human Services of \$3.1 million for expenditures related to new poverty reduction initiatives, social assistance as well as child protection services.
- Health PEI is forecasting an increase to Budget expenditures of \$12.9 million, primarily as a result of increases for: in-province medical services, acute hospital costs, pharmacy costs including new drugs, out-of-province medical costs, and long-term care.
- As a result of a challenging growing and harvest season, there is potential for losses of up to \$13 million in the Agriculture Insurance Corporation.

## BUDGET SUMMARY

	<b>2018-2019 Budget Estimate</b>	<b>2018-2019 2nd Quarter Pressure Points</b>	<b>2018-2019 Revised Budget</b>
	\$	\$	\$
<b>REVENUE</b>			
Provincial Own Sources.....	1,101,417,100	30,703,300	1,132,120,400
Federal Sources.....	770,129,700	-	770,129,700
Net Consolidated Surplus of Government Business Enterprises.....	69,283,200	(442,200)	68,841,000
Consolidated Agencies.....	44,577,700	-	44,577,700
<b>Total Revenue.....</b>	<b>1,985,407,700</b>	<b>30,261,100</b>	<b>2,015,668,800</b>
<b>PROGRAM EXPENDITURES.....</b>			
Program Expenditures.....	1,739,893,300	14,349,600	1,754,242,900
Consolidated Agencies.....	40,871,400	13,000,000	53,871,400
<b>SURPLUS BEFORE INTEREST AND AMORTIZATION.....</b>	<b>204,643,000</b>	<b>2,911,500</b>	<b>207,554,500</b>
<b>INTEREST AND AMORTIZATION.....</b>			
Interest Charges on Debt.....	127,250,100	(1,000,000)	126,250,100
Amortization of Tangible Capital Assets.....	75,918,200	1,031,400	76,949,600
<b>Total Interest and Amortization.....</b>	<b>203,168,300</b>	<b>31,400</b>	<b>203,199,700</b>
<b>CONSOLIDATED SURPLUS.....</b>	<b>1,474,700</b>	<b>2,880,100</b>	<b>4,354,800</b>

## REVENUE SUMMARY BY DEPARTMENT

	2018-2019 Budget Estimate	2018-2019 2nd Quarter Pressure Points	2018-2019 Revised Budget
	\$	\$	\$
<b>CURRENT REVENUE</b>			
Agriculture and Fisheries.....	6,448,700	(48,000)	6,400,700
Communities, Land and Environment.....	10,456,900	540,000	10,996,900
Economic Development and Tourism.....	134,200	-	134,200
Innovation PEI.....	1,818,700	-	1,818,700
Tourism PEI.....	6,345,500	-	6,345,500
Education, Early Learning and Culture.....	10,953,100	925,000	11,878,100
Executive Council.....	522,400	-	522,400
Family and Human Services.....	18,979,300	606,600	19,585,900
Finance.....	1,632,415,500	33,595,800	1,666,011,300
Health and Wellness.....	1,469,700	(24,200)	1,445,500
Health PEI.....	42,392,500	(3,088,600)	39,303,900
Justice and Public Safety.....	43,889,500	390,000	44,279,500
Rural and Regional Development.....	165,000	118,700	283,700
Employment Development Agency.....	-	87,800	87,800
Transportation, Infrastructure and Energy.....	55,290,400	(3,985,500)	51,304,900
Workforce and Advanced Learning.....	39,558,200	1,575,100	41,133,300
P.E.I. Public Service Commission.....	707,200	10,600	717,800
<b>TOTAL CURRENT REVENUE.....</b>	<b>1,871,546,800</b>	<b>30,703,300</b>	<b>1,902,250,100</b>
Net Consolidated Surplus of Government Business Entities....	69,283,200	(442,200)	68,841,000
Consolidated Agencies.....	44,577,700	-	44,577,700
<b>TOTAL OPERATING REVENUE.....</b>	<b>1,985,407,700</b>	<b>30,261,100</b>	<b>2,015,668,800</b>

## EXPENDITURE SUMMARY BY DEPARTMENT

	2018-2019 Budget Estimate	2018-2019 2nd Quarter Pressure Points	2018-2019 Revised Budget
	\$	\$	\$
<b>CURRENT</b>			
Agriculture and Fisheries.....	32,513,200	702,000	33,215,200
Communities, Land and Environment.....	35,034,000	490,000	35,524,000
Economic Development and Tourism.....	1,047,800	55,700	1,103,500
Innovation PEI.....	46,377,100	-	46,377,100
Tourism PEI.....	20,408,500	-	20,408,500
Education, Early Learning and Culture.....	273,482,200	-	273,482,200
Island Regulatory and Appeals Commission.....	1,400,300	-	1,400,300
Executive Council.....	7,478,800	435,400	7,914,200
Family and Human Services.....	121,425,800	3,070,300	124,496,100
Finance.....	52,414,300	188,900	52,603,200
Employee Benefits.....	60,963,800	-	60,963,800
General Government.....	14,793,700	-	14,793,700
Health and Wellness.....	14,441,400	(82,800)	14,358,600
Health PEI.....	696,005,900	12,921,800	708,927,700
Justice and Public Safety.....	56,634,300	(375,000)	56,259,300
Rural and Regional Development.....	3,948,300	500,000	4,448,300
Employment Development Agency.....	5,481,500	87,800	5,569,300
Transportation, Infrastructure and Energy.....	144,574,600	(5,240,000)	139,334,600
Interministerial Women's Secretariat.....	514,000	-	514,000
Workforce and Advanced Learning.....	135,022,900	1,575,100	136,598,000
Auditor General.....	2,135,700	(3,000)	2,132,700
Legislative Assembly.....	6,269,200	-	6,269,200
PEI Public Service Commission.....	7,526,000	23,400	7,549,400
<b>PROGRAM EXPENDITURE.....</b>	<b>1,739,893,300</b>	<b>14,349,600</b>	<b>1,754,242,900</b>
Consolidated Agencies .....	40,871,400	13,000,000	53,871,400
Interest Charges on Debt.....	127,250,100	(1,000,000)	126,250,100
Amortization of Tangible Capital Assets.....	75,918,200	1,031,400	76,949,600
<b>TOTAL EXPENDITURE.....</b>	<b>1,983,933,000</b>	<b>27,381,000</b>	<b>2,011,314,000</b>

## NET CONSOLIDATED SURPLUS OF GOVERNMENT BUSINESS ENTERPRISES

	<b>2018-2019 Budget Estimate</b>	<b>2018-2019 2nd Quarter Pressure Points</b>	<b>2018-2019 Revised Budget</b>
	\$	\$	\$
<b>Government Business Enterprises</b>			
Charlottetown Area Development Corporation.....	288,700	-	288,700
Island Investment Development Inc.....	28,813,400	(1,081,400)	27,732,000
Island Waste Management Corporation.....	(189,500)	(17,700)	(207,200)
Prince Edward Island Cannabis Management Corporation.....	-	-	-
Prince Edward Island Energy Corporation.....	6,481,000	656,900	7,137,900
Prince Edward Island Liquor Control Commission.....	21,189,600	-	21,189,600
Prince Edward Island Lotteries Commission.....	12,700,000	-	12,700,000
<b>Total Government Business Enterprises.....</b>	<b>69,283,200</b>	<b>(442,200)</b>	<b>68,841,000</b>
<b>NET CONSOLIDATED SURPLUS OF GOVERNMENT BUSINESS ENTERPRISES .....</b>	<b>69,283,200</b>	<b>(442,200)</b>	<b>68,841,000</b>

## NET CONSOLIDATED SURPLUS OF CONSOLIDATED AGENCIES

	2018-2019 Budget Estimate	2018-2019 2nd Quarter Pressure Points	2018-2019 Revised Budget
	\$	\$	\$
<b>Consolidated Agencies</b>			
Finance PEI.....	2,455,800	-	2,455,800
Prince Edward Island Agricultural Insurance Corporation.....	-	(13,000,000)	(13,000,000)
Prince Edward Island Grain Elevators Corporation.....	-	-	-
Prince Edward Island Self-Insurance and Risk Management Fund.....	1,355,000	-	1,355,000
Summerside Regional Development Corporation .....	(104,500)	-	(104,500)
<b>Total Other Consolidated Agencies.....</b>	<b>3,706,300</b>	<b>(13,000,000)</b>	<b>(9,293,700)</b>
<b>NET CONSOLIDATED SURPLUS / (DEFICIT) OF CONSOLIDATED AGENCIES.....</b>	<b>3,706,300</b>	<b>(13,000,000)</b>	<b>(9,293,700)</b>

