



Department of Finance

Second Quarter Forecast 2016-2017

Hon. Allen Roach
Minister of Finance
November 2016

2016-2017 Fiscal Update

Second Quarter Forecast

The Second Quarter Forecast indicates that the Deficit is expected to be \$7.9 million, a \$1.7 million improvement from the Budgeted Deficit of \$9.6 million. The improvement is a result of increases in personal and corporate income tax, as well as, Federal Disaster Relief Funding, which were offset by expenditure increases in:

Economic Development and Tourism

Increases in tax rebates of \$3.6 million. These rebates reflect higher taxes paid by businesses in the aerospace and food manufacturing sectors.

Education, Early Learning and Culture

The \$0.6 million over expenditure relates to an increase in English as an Additional Language teachers for the school system.

Family and Human Services

The \$6.9 million over expenditure is a result of increased demand for Disability Support and Social Assistance as well as increased demand for Child and Family Services programs.

Health PEI

The increase in health costs of \$14.5 million are primarily as a result of increased expenditures for in-province medical services and out-of-province health services.

Transportation, Infrastructure and Energy

The \$3.5 million increase in expenditures is a result of increases in infrastructure programs partially offset by an increase in revenue of \$1.9 million. Additional expenditures are also expected to be incurred for winter contracts.

Workforce and Advanced Learning

The \$1.9 million over expenditure in labour market agreements is offset by a corresponding increase in revenue.

BUDGET SUMMARY

	2016-2017 Budget Estimate	2016-2017 2nd Quarter Pressure Points	2016-2017 Revised Budget
	\$	\$	\$
REVENUE			
Provincial Own Sources.....	987,464,300	30,451,400	1,017,915,700
Federal Sources.....	657,939,800	-	657,939,800
Net Consolidated Surplus of Crown Corporations.....	54,188,500	1,505,100	55,693,600
Revenue for Capital Assets.....	10,649,900	-	10,649,900
Total Revenue.....	1,710,242,500	31,956,500	1,742,199,000
PROGRAM EXPENDITURES			
Program Expenditures.....	1,524,522,800	30,246,200	1,554,769,000
SURPLUS BEFORE INTEREST AND AMORTIZATION.....	185,719,700	1,710,300	187,430,000
INTEREST AND AMORTIZATION			
Interest Charges on Debt.....	126,698,100	-	126,698,100
Amortization of Tangible Capital Assets.....	68,600,700	-	68,600,700
Total Interest and Amortization.....	195,298,800	-	195,298,800
CONSOLIDATED DEFICIT.....	(9,579,100)	1,710,300	(7,868,800)

REVENUE SUMMARY BY DEPARTMENT

	2016-2017 Budget Estimate	2016-2017 2nd Quarter Pressure Points	2016-2017 Revised Budget
	\$	\$	\$
CURRENT REVENUE			
Agriculture and Fisheries.....	6,692,700	-	6,692,700
Communities, Land and Environment.....	4,764,500	125,000	4,889,500
Economic Development and Tourism.....	134,200	-	134,200
Education, Early Learning and Culture.....	5,926,000	608,700	6,534,700
Executive Council.....	420,400	-	420,400
Family and Human Services.....	12,534,500	889,300	13,423,800
Finance.....	1,503,134,900	20,167,500	1,523,302,400
Health and Wellness.....	1,313,700	(73,700)	1,240,000
Justice and Public Safety.....	39,353,800	4,920,000	44,273,800
Transportation, Infrastructure and Energy.....	37,684,000	1,888,500	39,572,500
Workforce and Advanced Learning.....	32,797,700	1,924,800	34,722,500
P.E.I. Public Service Commission.....	647,700	1,300	649,000
TOTAL CURRENT REVENUE.....	1,645,404,100	30,451,400	1,675,855,500
Net Consolidated Surplus of Crown Corporations.....	54,188,500	1,505,100	55,693,600
TOTAL OPERATING REVENUE.....	1,699,592,600	31,956,500	1,731,549,100
REVENUE FOR CAPITAL ASSETS			
Education, Early Learning and Culture.....	2,500,000	-	2,500,000
Health PEI.....	3,424,900	-	3,424,900
Transportation, Infrastructure and Energy.....	4,725,000	-	4,725,000
TOTAL REVENUE FOR CAPITAL ASSETS.....	10,649,900	-	10,649,900
TOTAL REVENUE.....	1,710,242,500	31,956,500	1,742,199,000

EXPENDITURE SUMMARY BY DEPARTMENT

	2016-2017 Budget Estimate	2016-2017 2nd Quarter Pressure Points	2016-2017 Revised Budget
	\$	\$	\$
CURRENT			
Agriculture and Fisheries.....	32,965,200	(400,000)	32,565,200
Communities, Land and Environment.....	20,728,600	125,000	20,853,600
Economic Development and Tourism.....	1,137,800	-	1,137,800
Innovation PEI.....	32,203,100	3,584,800	35,787,900
Tourism PEI.....	13,609,100	-	13,609,100
Education, Early Learning and Culture.....	250,979,300	608,700	251,588,000
Island Regulatory and Appeals Commission.....	1,200,300	-	1,200,300
Executive Council.....	7,244,300	-	7,244,300
Family and Human Services.....	96,808,400	6,948,500	103,756,900
Finance.....	73,852,200	(269,500)	73,582,700
Council of Atlantic Premiers.....	188,400	-	188,400
Employee Benefits.....	60,138,400	-	60,138,400
General Government.....	10,300,000	(230,000)	10,070,000
Health and Wellness.....	12,547,600	(300,500)	12,247,100
Health PEI.....	604,664,100	14,500,000	619,164,100
Justice and Public Safety.....	52,541,700	120,000	52,661,700
Transportation, Infrastructure and Energy.....	111,688,600	3,466,000	115,154,600
Interministerial Women's Secretariat.....	438,600	-	438,600
Workforce and Advanced Learning.....	120,690,000	1,924,800	122,614,800
Employment Development Agency.....	5,231,500	-	5,231,500
Auditor General.....	2,028,800	-	2,028,800
Legislative Assembly.....	5,992,100	168,400	6,160,500
P.E.I. Public Service Commission.....	7,344,700	-	7,344,700
PROGRAM EXPENDITURE.....	1,524,522,800	30,246,200	1,554,769,000
Interest Charges on Debt.....	126,698,100	-	126,698,100
Amortization of Tangible Capital Assets.....	68,600,700	-	68,600,700
TOTAL EXPENDITURE.....	1,719,821,600	30,246,200	1,750,067,800

SUMMARY OF BUDGETED SURPLUS (DEFICIT) OF CROWN CORPORATIONS

	2016-2017 Budget Estimate	2016-2017 2nd Quarter Pressure Points	2016-2017 Revised Budget
	\$	\$	\$
Government Business Enterprises			
Charlottetown Area Development Corporation.....	96,300		96,300
Island Investment Development Inc.....	13,390,000	-	13,390,000
Island Waste Management Corporation.....	(64,400)	110,100	45,700
Prince Edward Island Energy Corporation.....	7,988,000	111,500	8,099,500
Prince Edward Island Liquor Control Commission.....	20,785,600	-	20,785,600
Prince Edward Island Lotteries Commission.....	12,211,000	-	12,211,000
Total Government Business Enterprises.....	54,406,500	221,600	54,628,100
Other Consolidated Agencies			
Finance PEI.....	(336,000)	983,500	647,500
P.E.I. Aquaculture and Fisheries Research Initiative Inc.....	-	-	-
Prince Edward Island Agricultural Insurance Corporation.....	100,000	-	100,000
Prince Edward Island Grain Elevators Corporation.....	-	-	-
Prince Edward Island Self-Insurance and Risk Management Fund.....	200,000	300,000	500,000
Summerside Regional Development Corporation	(182,000)	-	(182,000)
Total Other Consolidated Agencies.....	(218,000)	1,283,500	1,065,500
NET CONSOLIDATED SURPLUS OF CROWN CORPORATIONS.....	54,188,500	1,505,100	55,693,600