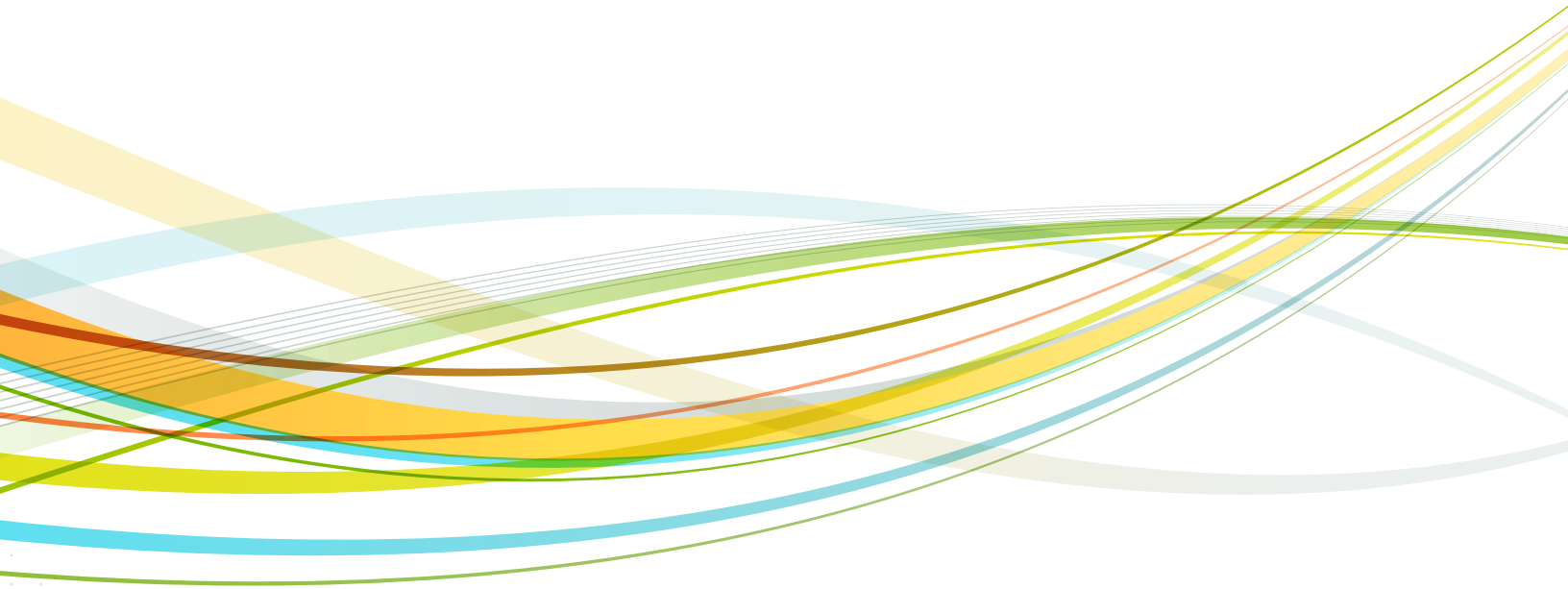




Fiscal Update

2019-2020



Forecast

The Forecast for 2019-2020 indicates a deficit of \$3.7 million.

Highlights:

Total revenue is forecast to decrease by \$38.4 million, primarily due to:

- Transportation, Infrastructure and Energy revenue decrease of \$51.9 million as a result of delays to projects funded through the Investing in Canada Infrastructure Plan and the New Build Canada Fund. This is fully off-set by a reduction in Expenditures under the same Plans.
- Finance is projecting decreased revenues of \$5.2 million. Finance collects the majority of the revenues through agreements with Canada and through the collection of sales, personal and corporate taxes. Income taxes for the year are expected to be lower than budgeted. Prince Edward Island received an unexpected \$2.0 million in funding from the Government of Canada as an initial response to the COVID-19 pandemic.
- Island Investment Development Inc. profit reduction of \$3.6 million due to a decrease in Provincial Nominee Program deposit defaults.
- The PEI Agricultural Insurance Corporation surplus increase of \$10.6 million resulting primarily from a better growing season.
- Health PEI revenue increase of \$5.8 million, due to a Worker's Compensation refund, an increase in Out of Province patient fees, and increased funding for capital projects.

Total expenditure is forecast to decrease by \$32.8 million including:

- Transportation, Infrastructure and Energy's expenditure decrease of \$48.9 million due to delays to projects funded through the Investing in Canada Infrastructure Plan and the New Build Canada Fund, noted earlier. The decrease in expenditures is tempered by increased expenditures for the Post-Tropical Storm Dorian clean up as well as increases for Highway maintenance.
- Finance expenditures are down \$3.8 million due to salary savings from vacancies and a one-time adjustment to materials and supplies.
- Agriculture and Land expenditures are down \$3.5 million primarily due to reductions in the AgriInsurance and AgriStability programs.
- Social Development and Housing increase in expenditures of \$18.8 million related to social programs, housing services and child and family services.
- Environment, Water and Climate Change expenditures increase of \$4.3 million primarily related to Carbon Relief Subsidies for driver's license and registration discounts. Expenditures for Carbon Relief Subsidies are off-set by revenue in the Department of Transportation, Infrastructure and Energy.
- Education and Lifelong Learning expenditures increase of \$4.0 million resulting from increases in Lifelong Learning initiatives and school bus repairs.
- Interest savings of \$2 million due to an upgraded credit rating from DBRS, and generally lower than expected interest rates.
- Government announced an initial \$25.0 million contingency fund to provide assistance to Islanders during the weeks and months of uncertainty surrounding the COVID-19 pandemic. Government was able to spend approximately \$2.0 million of this fund prior to the close of the current fiscal year.

BUDGET SUMMARY

	2019-2020 Budget Estimate	2019-2020 Forecast Pressure Points	2019-2020 Revised Budget
	\$	\$	\$
REVENUE			
Provincial Own Sources.....	1,214,440,400	(9,684,300)	1,204,756,100
Federal Sources.....	859,903,000	(39,361,300)	820,541,700
Net Consolidated Surplus of Government Business Enterprises.....	74,339,300	(2,553,800)	71,785,500
Consolidated Agencies.....	52,302,300	13,234,900	65,537,200
Total Revenue.....	2,200,985,000	(38,364,500)	2,162,620,500
PROGRAM EXPENDITURES			
Program Expenditures.....	1,939,126,800	(30,660,900)	1,908,465,900
Consolidated Agencies.....	46,466,100	-	46,466,100
SURPLUS BEFORE INTEREST AND AMORTIZATION.....	215,392,100	(7,703,600)	207,688,500
INTEREST AND AMORTIZATION			
Interest Charges on Debt.....	128,018,200	(2,011,700)	126,006,500
Amortization of Tangible Capital Assets.....	85,583,100	(176,400)	85,406,700
Total Interest and Amortization.....	213,601,300	(2,188,100)	211,413,200
CONSOLIDATED SURPLUS/ DEFICIT	1,790,800	(5,515,500)	(3,724,700)

REVENUE SUMMARY BY DEPARTMENT

	2019-2020 Budget Estimate	2019-2020 Forecast Pressure Points	2019-2020 Revised Budget
	\$	\$	\$
CURRENT REVENUE			
Agriculture and Land.....	8,715,700	1,041,400	9,757,100
Economic Growth, Tourism and Culture	1,068,800	-	1,068,800
Innovation PEI.....	1,818,700	-	1,818,700
Tourism PEI.....	6,545,500	337,700	6,883,200
Education and Lifelong Learning	48,975,900	(560,700)	48,415,200
Environment, Water and Climate Change	10,972,900	194,400	11,167,300
Executive Council.....	522,400	28,000	550,400
Finance.....	1,755,038,900	(5,213,900)	1,749,825,000
Fisheries and Communities.....	382,900	10,000	392,900
Health and Wellness.....	2,789,100	293,800	3,082,900
Health PEI.....	34,288,700	5,807,800	40,096,500
Justice and Public Safety.....	46,188,500	1,225,000	47,413,500
Social Development and Housing.....	22,102,700	(297,800)	21,804,900
Transportation, Infrastructure and Energy.....	134,173,000	(51,911,300)	82,261,700
P.E.I. Public Service Commission.....	759,700	-	759,700
TOTAL CURRENT REVENUE.....	2,074,343,400	(49,045,600)	2,025,297,800
Net Consolidated Surplus of Government Business Enterprises..	74,339,300	(2,553,800)	71,785,500
Consolidated Agencies.....	52,302,300	13,234,900	65,537,200
TOTAL OPERATING REVENUE.....	2,200,985,000	(38,364,500)	2,162,620,500

EXPENDITURE SUMMARY BY DEPARTMENT

	2019-2020 Budget Estimate	2019-2020 Budget Transfers	2019-2020 Updated Budget Estimate	2019-2020 Forecast Pressure Points	2019-2020 Revised Budget
	\$			\$	\$
CURRENT					
Agriculture and Land.....	36,977,100	505,700	37,482,800	(3,533,600)	33,949,200
Economic Growth, Tourism and Culture	8,418,700	119,600	8,538,300	-	8,538,300
Innovation PEL.....	43,739,400	102,100	43,841,500	-	43,841,500
Tourism PEL.....	21,203,500	184,200	21,387,700	872,700	22,260,400
Education and Lifelong Learning	418,826,600	-	418,826,600	3,998,300	422,824,900
Island Regulatory and Appeals Commission.....	1,400,300	-	1,400,300	-	1,400,300
Environment, Water and Climate Change.....	33,884,600	183,000	34,067,600	4,312,000	38,379,600
Executive Council.....	9,409,000	214,600	9,623,600	(530,800)	9,092,800
Finance.....	54,829,500	917,300	55,746,800	(3,770,800)	51,976,000
Interministerial Women's Secretariat.....	661,200	4,700	665,900	-	665,900
Employee Benefits	60,081,800	-	60,081,800	(2,003,800)	58,078,000
General Government	21,881,700	(5,638,000)	16,243,700	(190,000)	16,053,700
Fisheries and Communities.....	39,243,600	183,100	39,426,700	10,000	39,436,700
Employment Development Agency.....	5,643,500	10,000	5,653,500	(268,700)	5,384,800
Health and Wellness.....	35,491,100	175,300	35,666,400	(205,100)	35,461,300
Health PEL.....	714,693,000	-	714,693,000	(9,100)	714,683,900
Justice and Public Safety.....	59,842,000	710,000	60,552,000	878,600	61,430,600
Social Development and Housing	133,327,400	727,300	134,054,700	18,846,800	152,901,500
Transportation, Infrastructure and Energy.....	220,736,700	1,330,100	222,066,800	(48,874,600)	173,192,200
Auditor General.....	2,264,400	68,400	2,332,800	(175,000)	2,157,800
Legislative Assembly.....	8,629,200	26,000	8,655,200	-	8,655,200
P.E.I. Public Service Commission.....	7,942,500	176,600	8,119,100	(17,800)	8,101,300
PROGRAM EXPENDITURE.....	1,939,126,800	-	1,939,126,800	(30,660,900)	1,908,465,900
Consolidated Agencies.....	46,466,100	-	46,466,100	-	46,466,100
Interest Charges on Debt.....	128,018,200	-	128,018,200	(2,011,700)	126,006,500
Amortization of Tangible Capital Assets.....	85,583,100	-	85,583,100	(176,400)	85,406,700
TOTAL EXPENDITURE.....	2,199,194,200	-	2,199,194,200	(32,849,000)	2,166,345,200

*Collective Agreements were settled throughout the year. As per the Financial Administration Act (FAA) Sec. 37.2, estimates were housed in General Government. This transfer allocated the amount to each department.

**NET CONSOLIDATED SURPLUS OF
GOVERNMENT BUSINESS ENTERPRISES**

	2019-2020 Budget Estimate	2019-2020 Forecast Pressure Points	2019-2020 Revised Budget
	\$	\$	\$
Government Business Enterprises			
Charlottetown Area Development Corporation.....	532,600	314,700	847,300
Island Investment Development Inc.....	29,882,700	(3,642,200)	26,240,500
Island Waste Management Corporation.....	(278,500)	(102,800)	(381,300)
Prince Edward Island Cannabis Management Corporation.....	310,000	-	310,000
Prince Edward Island Energy Corporation.....	7,507,500	876,500	8,384,000
Prince Edward Island Liquor Control Commission.....	21,685,000	-	21,685,000
Prince Edward Island Lotteries Commission.....	14,700,000	-	14,700,000
Total Government Business Enterprises.....	74,339,300	(2,553,800)	71,785,500
NET CONSOLIDATED SURPLUS OF GOVERNMENT BUSINESS ENTERPRISES	74,339,300	(2,553,800)	71,785,500

**NET CONSOLIDATED SURPLUS OF
CONSOLIDATED AGENCIES**

	2019-2020 Budget Estimate	2019-2020 Forecast Pressure Points	2019-2020 Revised Budget
	\$	\$	\$
Consolidated Agencies			
Finance PEI.....	3,605,500	1,689,700	5,295,200
Prince Edward Island Agricultural Insurance Corporation.....	-	10,573,000	10,573,000
Prince Edward Island Grain Elevators Corporation.....	251,700	(103,200)	148,500
Prince Edward Island Marine Science Organization	-	151,200	151,200
Prince Edward Island Self-Insurance and Risk Management Fund.....	1,315,000	885,000	2,200,000
Summerside Regional Development Corporation	664,000	39,200	703,200
Total Other Consolidated Agencies.....	5,836,200	13,234,900	19,071,100
NET CONSOLIDATED SURPLUS / DEFICIT OF CONSOLIDATED AGENCIES.....	5,836,200	13,234,900	19,071,100

