

FALL FISCAL UPDATE 2020-2021



September 30, 2020

Fall Fiscal Update

The Forecast for 2020-2021 indicates a deficit of \$178.1 million.

Highlights:

Total revenue is forecast to decrease by \$36.8 million, primarily due to:

- Transportation, Infrastructure and Energy revenue decreased by \$28.9 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.
- Funding from the Federal Government related to COVID-19 has increased by \$6.8M, relating to funding arrangements negotiated after the budget was established.
- Finance revenue decrease of \$18.3 million is primarily related to tax revenues.
- Health and Wellness revenue decreased by \$6.3 million, resulting from delays in projects eligible for federal funding and is fully off-set by a reduction in expenditures for the same projects under the Capital Budget.
- Government Business Enterprises showed an increase of \$6.9 million due to better than anticipated local sales and interprovincial activity from the Atlantic Travel Bubble.

Total expenditure is forecast to decrease by \$31.4 million, including:

- Transportation, Infrastructure and Energy's expenditure decrease of \$23.4 million due to delays to projects funded through the Investing in Canada Infrastructure Plan and the New Build Canada Fund. The decrease in expenditures is tempered by increased expenditures for Energy Efficiency rebates, COVID-related cleaning within facilities, and increases for Highway Maintenance.
- Finance expenditures are down \$2 million due to delays in new hires and the implementation of Office 365.
- Health and Wellness expenditures increased by \$5 million for expenditures related to the provincial response to the COVID-19 pandemic. This included personal protective equipment, contract tracing, self-isolation compliance and provincial border screening.
- There were interest savings of \$5.3 million due to favourable borrowing conditions and generally lower than expected interest rates.
- COVID Contingency funding was allocated to various departments to address COVID-related expenditures as they arise during the year or in the event of a second wave. In total, departments were allocated \$65.0 million identified as COVID-19 response and recovery contingencies.
- In addition to the original COVID-19 response and recovery contingencies, the Department of Education and Lifelong Learning was allocated an additional \$6.0M, bringing their contingency to \$14.0M.
- This fiscal update has reflected all contingency funds as being spent during the year as needed.

BUDGET SUMMARY

	2020-2021 Budget Estimate	2020-2021 Fall Fiscal Update Pressure Points	2020-2021 Budget Forecast
	\$	\$	\$
REVENUE			
Provincial Own Sources.....	1,199,732,500	(15,999,200)	1,183,733,300
Federal Sources.....	1,007,235,200	(27,659,900)	979,575,300
Net Consolidated Surplus of Government Business Enterprises.....	38,993,500	6,871,500	45,865,000
Consolidated Agencies.....	46,930,400	-	46,930,400
Total Revenue.....	2,292,891,600	(36,787,600)	2,256,104,000
PROGRAM AND CONSOLIDATED AGENCY EXPENDITURES			
Program Expenditures.....	2,150,981,700	(26,141,100)	2,124,840,600
Consolidated Agencies.....	44,423,700	-	44,423,700
Total Program and Consolidated Agency Expenditures.....	2,195,405,400	(26,141,100)	2,169,264,300
SURPLUS BEFORE INTEREST AND AMORTIZATION.....	97,486,200	(10,646,500)	86,839,700
INTEREST AND AMORTIZATION			
Interest Charges on Debt.....	128,013,500	(5,305,100)	122,708,400
Amortization of Tangible Capital Assets.....	92,186,900	-	92,186,900
Total Interest and Amortization.....	220,200,400	(5,305,100)	214,895,300
DEFICIT BEFORE SUPPLEMENTARY APPROPRIATION	(122,714,200)	(5,341,400)	(128,055,600)
Supplementary Appropriation - General Government.....	50,000,000	-	50,000,000
CONSOLIDATED DEFICIT	(172,714,200)	(5,341,400)	(178,055,600)

REVENUE SUMMARY BY DEPARTMENT

	2020-2021 Budget Estimate	2020-2021 Fall Fiscal Update Pressure Points	2020-2021 Budget Forecast
	\$	\$	\$
CURRENT REVENUE			
Agriculture and Land.....	9,231,200	-	9,231,200
Economic Growth, Tourism and Culture	34,099,300	6,430,000	40,529,300
Innovation PEI.....	1,818,700	-	1,818,700
Tourism PEI.....	3,250,000	3,190,000	6,440,000
Education and Lifelong Learning	12,268,100	(435,000)	11,833,100
Environment, Water and Climate Change	12,744,500	(183,600)	12,560,900
Executive Council.....	522,400	-	522,400
Finance.....	1,876,329,300	(18,315,700)	1,858,013,600
Fisheries and Communities.....	402,900	-	402,900
Health and Wellness.....	12,618,700	(4,300,100)	8,318,600
Health PEI.....	33,851,000	214,500	34,065,500
Justice and Public Safety.....	48,594,200	(1,390,800)	47,203,400
Social Development and Housing.....	18,471,300	7,300	18,478,600
Transportation, Infrastructure and Energy.....	142,006,400	(28,887,500)	113,118,900
P.E.I. Public Service Commission.....	759,700	11,800	771,500
TOTAL CURRENT REVENUE.....	2,206,967,700	(43,659,100)	2,163,308,600
Net Consolidated Surplus of Government Business Entities.....	38,993,500	6,871,500	45,865,000
Consolidated Agencies.....	46,930,400	-	46,930,400
TOTAL OPERATING REVENUE.....	2,292,891,600	(36,787,600)	2,256,104,000

EXPENDITURE SUMMARY BY DEPARTMENT

	2020-2021 Budget Estimate	2020-2021 Fall Fiscal Update Pressure Points	2020-2021 Budget Forecast
	\$	\$	\$
CURRENT			
Agriculture and Land.....	39,465,500	(250,000)	39,215,500
Economic Growth, Tourism and Culture	49,445,900	200,000	49,645,900
Innovation PEI.....	51,691,400	(3,741,600)	47,949,800
Tourism PEI.....	26,387,300	2,000,000	28,387,300
Education and Lifelong Learning	409,335,400	6,174,000	415,509,400
Island Regulatory and Appeals Commission.....	1,400,300	-	1,400,300
Environment, Water and Climate Change.....	34,425,300	(234,600)	34,190,700
Executive Council.....	9,508,900	500,000	10,008,900
Finance.....	62,612,900	(2,016,000)	60,596,900
Employee Benefits	63,759,000	-	63,759,000
General Government	53,187,600	(12,980,000)	40,207,600
Fisheries and Communities.....	44,397,300	(150,000)	44,247,300
Employment Development Agency.....	7,885,500	-	7,885,500
Health and Wellness.....	46,477,500	4,964,200	51,441,700
Health PEI.....	761,071,200	1,429,100	762,500,300
Justice and Public Safety.....	64,961,400	(540,400)	64,421,000
Social Development and Housing	168,372,800	-	168,372,800
Transportation, Infrastructure and Energy.....	238,191,700	(21,415,300)	216,776,400
Auditor General.....	2,431,300	(53,700)	2,377,600
Legislative Assembly.....	7,667,800	-	7,667,800
P.E.I. Public Service Commission.....	8,305,700	(26,800)	8,278,900
PROGRAM EXPENDITURE.....	2,150,981,700	(26,141,100)	2,124,840,600
Consolidated Agencies.....	44,423,700	-	44,423,700
Interest Charges on Debt.....	128,013,500	(5,305,100)	122,708,400
Amortization of Tangible Capital Assets.....	92,186,900	-	92,186,900
TOTAL EXPENDITURE	2,415,605,800	(31,446,200)	2,384,159,600

NET CONSOLIDATED SURPLUS OF GOVERNMENT BUSINESS ENTERPRISES

	2020-2021 Budget Estimate	2020-2021 Fall Fiscal Update Pressure Points	2020-2021 Budget Forecast
	\$	\$	\$
Government Business Enterprises			
Charlottetown Area Development Corporation.....	452,500	-	452,500
Island Investment Development Inc.....	18,643,600	15,000	18,658,600
Island Waste Management Corporation.....	(693,000)	(50,800)	(743,800)
Prince Edward Island Cannabis Management Corporation.....	(137,100)	-	(137,100)
Prince Edward Island Energy Corporation.....	7,699,200	-	7,699,200
Prince Edward Island Liquor Control Commission.....	12,328,300	1,607,300	13,935,600
Prince Edward Island Lotteries Commission.....	700,000	5,300,000	6,000,000
Total Government Business Enterprises.....	38,993,500	6,871,500	45,865,000
NET CONSOLIDATED SURPLUS OF GOVERNMENT BUSINESS ENTERPRISES	38,993,500	6,871,500	45,865,000

NET CONSOLIDATED SURPLUS OF CONSOLIDATED AGENCIES

	2020-2021 Budget Estimate	2020-2021 Fall Fiscal Update Pressure Points	2020-2021 Budget Forecast
	\$	\$	\$
Consolidated Agencies			
Finance PEI.....	(254,700)	-	(254,700)
PEI Agricultural Insurance Corporation.....	-	-	-
PEI Grain Elevators Corporation.....	311,200	-	311,200
PEI Marine Science Organization.....	(257,500)	-	(257,500)
PEI Self-Insurance and Risk Management Fund.....	2,000,000	-	2,000,000
Summerside Regional Development Corporation	707,700	-	707,700
NET CONSOLIDATED SURPLUS OF CONSOLIDATED AGENCIES.....	2,506,700	-	2,506,700

