



2003-04
Government and
Lottery Fund
Estimates



2003-04 Government and Lottery Fund Estimates

Presented by the Honourable Patricia L. Nelson
Minister of Finance
in the Legislative Assembly of Alberta
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PREFACE

Budget 2003 consists of: (i) *Budget 2003 - Fiscal Plan*, (ii) *Budget 2003 - Business Plans*, (iii) the *2003-04 Offices of the Legislative Assembly Estimates* and (iv) this document, the *2003-04 Government and Lottery Fund Estimates*.

The typical **Department Program Structure** is depicted on page 6, showing programs, sub-programs and elements identifying principal services, programs and cost centres.

The typical **Ministry Entity Structure** is shown on page 7, showing its department and any regulated funds, provincial agencies, commercial enterprises and Crown-controlled corporations.

The Schedule of Amounts to be Voted is excerpted from the *Appropriation Act, 2003*. The Legislative Assembly will be asked to appropriate funding from the General Revenue Fund and from the Lottery Fund and to provide spending authority to departments.

Amounts to be Voted by Category consist of the following separate votes:

- operating expense and equipment / inventory purchases,
- capital investment,
- non-budgetary disbursements and
- Lottery Fund payments.

Operating Expense and Equipment / Inventory Purchases. Operating expense consists of salaries, supplies and services, grants, amortization of equipment and capital assets, consumption of inventories and debt servicing costs. Equipment / inventory purchases consist of consumable inventories and movable capital assets, which are routinely moved or which may be installed as a service level improvement to existing facilities, as follows:

- (i) regardless of value: assets such as mobile accommodation; mobile elevators; mobile equipment; tools; movable safety, recreation and rehabilitation equipment; attractive assets; appliances; display cases; furnishings; furniture; office equipment; shelving; and storage containers.
- (ii) consumable inventories (only for the departments of Health and Wellness, Infrastructure, Sustainable Resource Development and Transportation).
- (iii) projects and equipment costing less than \$5,000,000 over one or more years, such as scientific, medical, laboratory, information technology, communication and security systems and facilities.
- (iv) vehicles.

Capital Investment consists of immovable capital assets, equipment required for their construction, equipment installed upon construction or replacement, renovations to immovable capital assets which extend their life and major scientific and information technology acquisitions as follows:

- (i) regardless of value: land; buildings; highways; roads; bridges; transportation and storage facilities; permanent accommodation; communications towers and other fixed devices; dams; water, sewage and disposal facilities; irrigation facilities; oil, gas, and electricity transmission facilities; lighting and traffic facilities; elevators; ecological reserves, parks and sports facilities; heating, ventilation and air conditioning systems; laboratories; and construction projects.
- (ii) regardless of value: capital equipment used in the construction of immovable capital assets, such as cranes, earth-moving equipment, tractors and conveyors.
- (iii) projects and equipment costing more than \$5,000,000 over one or more years, such as major scientific, medical, laboratory, information technology, communications and security systems and facilities.

Non-budgetary disbursements consist of the exchange of cash for another form of asset.

Lottery Fund payments consist of transfers of lottery proceeds to departments for selected projects.

Voted Estimates for each department show the amount of each vote, program, sub-program and element. Amounts are shown for operating expense and equipment / inventory purchases, as well as capital investment. Lottery-funded initiatives are also identified.

The Voted Estimates contain **net budgeting provisions** for goods and services which are subject to variable demand and for which a recovery or credit can be derived from internal or external sources. The Voted Estimates show the gross expense, recovery or credit, and the net expense. If, during the fiscal year, expenses and credits or recoveries are both expected to exceed the amount budgeted, Treasury Board may increase the Voted Estimate, pursuant to section 24(2) of the *Financial Administration Act*. If the budgeted credits or recoveries are not realized, the gross expense is managed so that it does not exceed the gross estimate less the shortfall in credits or recoveries.

Comparable amounts for the 2002-03 Forecast, the 2002-03 Budget and the 2001-02 Actuals have been restated using the government organization and budgeting methodology in effect on April 1, 2003. These changes are described on page 5. The Comparable 2002-03 Forecast includes changes shown in Quarterly Budget Reports and authorized by Supplementary Estimates if applicable. The Comparable 2002-03 Budget is based on the budget tabled on March 19, 2002. The Comparable 2001-02 Actuals are based on the government's annual report published on June 25, 2002.

Other budget information for each ministry and entity consists of:

- the ministry's consolidated statements of operations by program and by entity,
- the ministry's change in capital assets and intra-ministry transactions,
- each entity's statement of operations, accumulated net revenue and change in capital assets
- the ministry's full-time equivalent employment.

The change in capital assets includes **new capital investment**. For departments, this includes amounts voted as capital investment, as well as equipment / inventory purchases voted as part of the operating expense and equipment / inventory purchase vote.

Three lists of entities are provided on page 377, showing government entities by ministry, name and type.

GOVERNMENT ORGANIZATION CHANGES

The **Ministry of Agriculture, Food and Rural Development** implemented two organizational changes. The Alberta Opportunity Company was merged into the Agriculture Financial Services Corporation on April 1, 2002. The Alberta Dairy Control Board was dissolved and Alberta Milk was created outside the Government of Alberta on August 1, 2002.

The **Ministry of Children's Services** reorganized the previous 17 Child and Family Services Authorities into nine Authorities, effective April 1, 2003.

The **Ministry of Community Development** implemented two organizational changes. The Persons with Developmental Disabilities Foundation was merged into the Persons with Developmental Disabilities Provincial Board on March 20, 2002. The Persons with Developmental Disabilities Michener Centre Facility Board was merged into the Persons with Developmental Disabilities Central Community Board on July 23, 2002.

The **Ministry of Finance** will rename the Alberta Municipal Financing Corporation as the Alberta Capital Finance Authority, when legislation is proclaimed.

The **Ministry of Government Services** became responsible for the supply function, effective April 1, 2002, which was formerly the responsibility of the Ministry of Infrastructure. The **Ministry** also became responsible for the records maintenance function, effective April 1, 2003, which was formerly the responsibility of the Ministry of Innovation and Science.

The **Ministry of Health and Wellness** reorganized the previous 17 Regional Health Authorities into nine Authorities, effective April 1, 2003.

The **Ministry of Seniors** became responsible for the shelters for homeless adults, effective April 1, 2003, which was formerly the responsibility of the Ministry of Human Resources and Employment. The **Ministry** also became responsible for the Office of the Public Guardian, effective April 1, 2003, which was formerly the responsibility of the Ministry of Human Resources and Employment.

BUDGET COMPARABILITY CHANGES

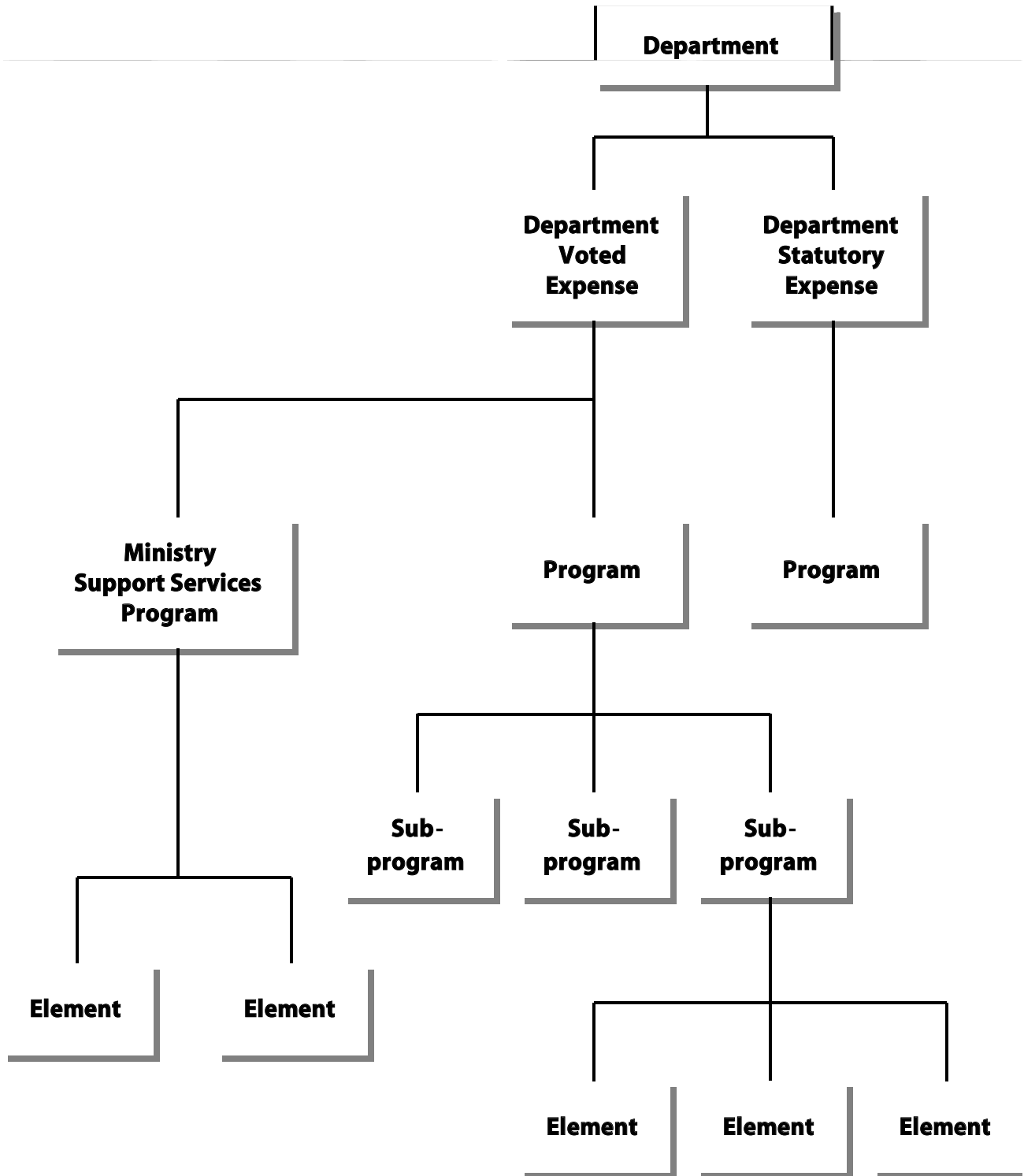
Insurance Proceeds - Ministries receiving insurance proceeds report these as 'other revenue' under refunds of expense.

Inventory Purchases - The Ministries of Health and Wellness, and Sustainable Resource Development now report consumable inventories on an expense basis, instead of an expenditure basis.

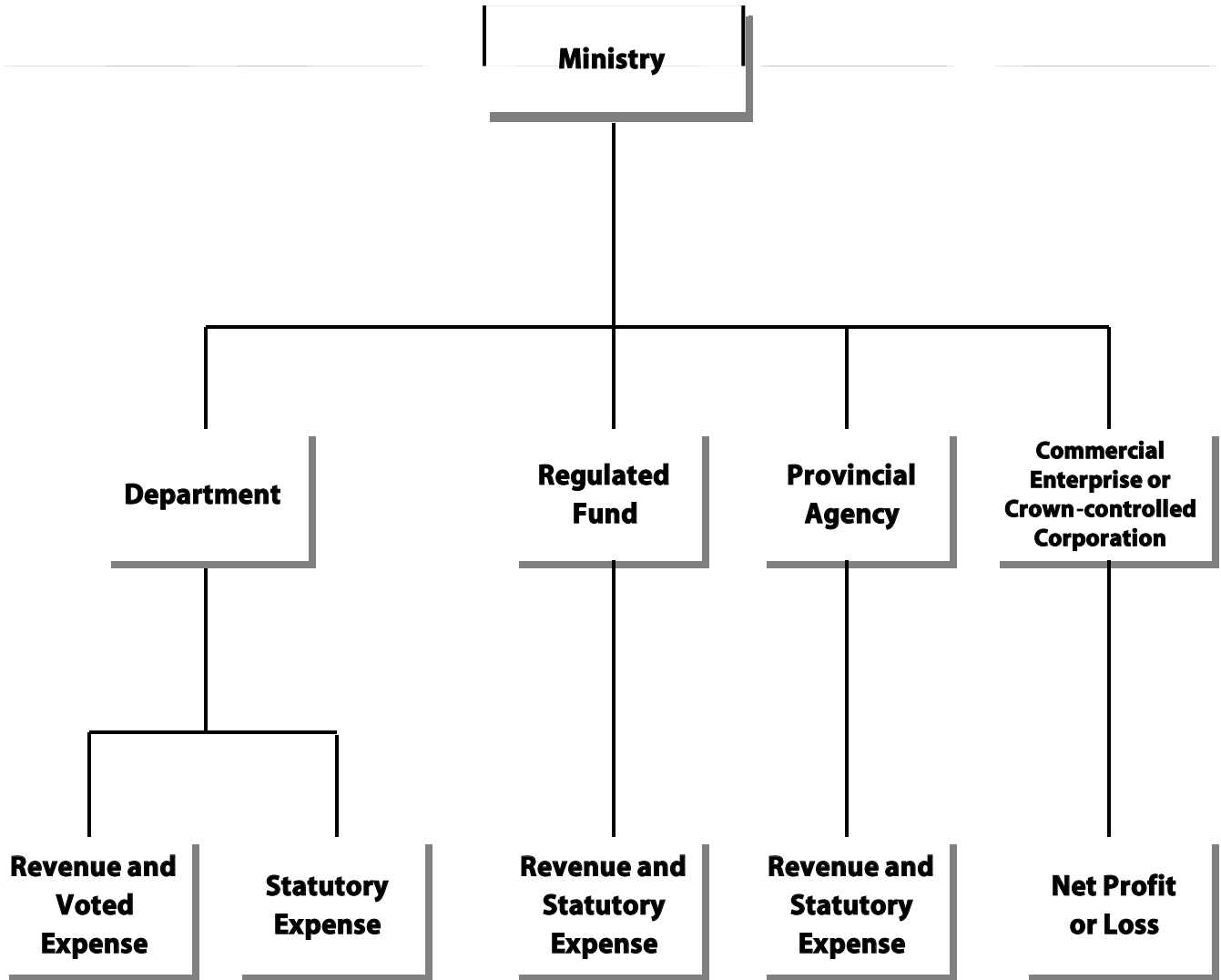
Net Basis for the Ministry of Gaming - The Ministry now reports its funding of liquor and lottery operations on a net basis so that the revenues and expenses of the Ministry, the Department, the Lottery Fund and the Alberta Gaming and Liquor Commission are reduced appropriately. The net revenue of the Ministry is unchanged.

Spending of Lottery Fund Payments - Some lottery-funded initiatives did not proceed as originally planned. The planned funding is shown as an expense of the Lottery Fund and as revenues of appropriate departments. The expenses of those departments reflect any lapsed funding for lottery-funded initiatives.

DEPARTMENT PROGRAM STRUCTURE



MINISTRY ENTITY STRUCTURE



SCHEDULE OF AMOUNTS TO BE VOTED

for the Fiscal Year ending March 31, 2004

MINISTRY / VOTE	Estimates
	\$
GOVERNMENT	
ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT	
Operating Expense	21,603,000
AGRICULTURE, FOOD AND RURAL DEVELOPMENT	
Operating Expense and Equipment / Inventory Purchases	427,051,000
CHILDREN'S SERVICES	
Operating Expense and Equipment / Inventory Purchases	701,824,000
COMMUNITY DEVELOPMENT	
Operating Expense and Equipment / Inventory Purchases	633,497,000
Capital Investment	1,262,000
ECONOMIC DEVELOPMENT	
Operating Expense	54,934,000
ENERGY	
Operating Expense and Equipment / Inventory Purchases	115,256,000
ENVIRONMENT	
Operating Expense and Equipment / Inventory Purchases	115,646,000
EXECUTIVE COUNCIL	
Operating Expense	18,035,000
FINANCE	
Operating Expense and Equipment / Inventory Purchases	83,677,000
Non-Budgetary Disbursements	82,529,000
GAMING	
Operating Expense	150,319,000
Lottery Fund Payments	1,099,229,000
GOVERNMENT SERVICES	
Operating Expense and Equipment / Inventory Purchases	231,158,000
HEALTH AND WELLNESS	
Operating Expense and Equipment / Inventory Purchases	7,343,791,000
HUMAN RESOURCES AND EMPLOYMENT	
Operating Expense and Equipment / Inventory Purchases	1,072,188,000
INFRASTRUCTURE	
Operating Expense and Equipment / Inventory Purchases	1,209,415,000
Capital Investment	42,416,000

SCHEDULE OF AMOUNTS TO BE VOTED - *Continued*
for the Fiscal Year ending March 31, 2004

MINISTRY / VOTE	Estimates
	\$
INNOVATION AND SCIENCE	
Operating Expense and Equipment / Inventory Purchases	167,833,000
Capital Investment	58,700,000
Non-Budgetary Disbursements	21,430,000
INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS	
Operating Expense	6,468,000
JUSTICE	
Operating Expense and Equipment / Inventory Purchases	236,991,000
LEARNING	
Operating Expense and Equipment / Inventory Purchases	3,574,859,000
Non-Budgetary Disbursements	141,300,000
MUNICIPAL AFFAIRS	
Operating Expense and Equipment / Inventory Purchases	133,703,000
REVENUE	
Operating Expense and Equipment / Inventory Purchases	45,373,000
SENIORS	
Operating Expense and Equipment / Inventory Purchases	334,566,000
SOLICITOR GENERAL	
Operating Expense and Equipment / Inventory Purchases	267,357,000
SUSTAINABLE RESOURCE DEVELOPMENT	
Operating Expense and Equipment / Inventory Purchases	191,698,000
Capital Investment	3,200,000
TRANSPORTATION	
Operating Expense and Equipment / Inventory Purchases	924,118,000
Capital Investment	372,080,000
Amount of Operating Expense or Operating Expense and Equipment / Inventory Purchases to be voted under section 1(2) of the <i>Appropriation Act, 2003</i>	18,061,360,000
Amount of Capital Investment to be voted under section 2 of the <i>Appropriation Act, 2003</i>	477,658,000
Amount of Non-Budgetary Disbursements to be voted under section 3 of the <i>Appropriation Act, 2003</i>	245,259,000
Amount of Lottery Fund Payments to be voted under section 4 of the <i>Appropriation Act, 2003</i>	1,099,229,000



GOVERNMENT AND LOTTERY FUND ESTIMATES

AMOUNTS TO BE VOTED BY CATEGORY
(thousands of dollars)

	2003-04 Estimates			Gross Comparable		
	Gross	Dedicated Revenue	Net	2002-03 Forecast	2002-03 Budget	2001-02 Actual
OPERATING EXPENSE and EQUIPMENT / INVENTORY PURCHASES to be voted	18,061,360	(1,396,645)	16,664,715	17,270,784	16,285,445	17,982,825
CAPITAL INVESTMENT to be voted	477,658	(1,180)	476,478	393,805	341,667	522,861
NON-BUDGETARY DISBURSEMENTS to be voted	245,259	-	245,259	322,764	324,454	232,764
LOTTERY FUND PAYMENTS to be voted	1,099,229	-	1,099,229	1,118,206	1,113,206	1,049,421

VOTED OPERATING EXPENSE and EQUIPMENT / INVENTORY PURCHASES

(thousands of dollars)

MINISTRY	2003-04 Estimates			Gross Comparable		
	Gross	Credit or Recovery	Net	2002-03 Forecast	2002-03 Budget	2001-02 Actual
Aboriginal Affairs and Northern Development	21,603	(45)	21,558	53,732	20,182	20,923
Agriculture, Food and Rural Development	427,051	(4,322)	422,729	751,001	305,290	737,320
Children's Services	701,824	(37,850)	663,974	666,998	672,109	640,804
Community Development	633,497	(6,455)	627,042	567,213	568,306	546,986
Economic Development	54,934	-	54,934	55,377	51,377	50,857
Energy	115,256	-	115,256	105,823	101,993	100,478
Environment	115,646	(570)	115,076	104,898	102,898	121,644
Executive Council	18,035	-	18,035	17,044	17,044	16,709
Finance	83,677	-	83,677	89,974	90,140	97,180
Gaming	150,319	-	150,319	123,646	98,146	116,910
Government Services	231,158	(144,327)	86,831	230,449	227,285	202,992
Health and Wellness	7,343,791	(967,817)	6,375,974	6,811,471	6,790,813	6,313,111
Human Resources and Employment	1,072,188	(129,315)	942,873	1,064,767	1,042,222	1,004,106
Infrastructure	1,209,415	(6,300)	1,203,115	840,499	827,499	2,389,396
Innovation and Science	167,833	(11,857)	155,976	158,187	160,414	146,395
International and Intergovernmental Relations	6,468	-	6,468	6,084	6,084	5,926
Justice	236,991	(17,362)	219,629	217,504	213,921	204,078
Learning	3,574,859	(36,603)	3,538,256	3,463,205	3,399,292	3,221,279
Municipal Affairs	133,703	(1,780)	131,923	162,138	133,081	170,843
Revenue	45,373	(16,542)	28,831	39,489	40,244	33,092
Seniors	334,566	-	334,566	313,393	294,798	358,416
Solicitor General	267,357	-	267,357	256,467	256,467	243,502
Sustainable Resource Development	191,698	(15,100)	176,598	431,438	183,163	284,030
Transportation	924,118	(400)	923,718	739,987	682,677	955,848
Total Voted Operating Expense and Equipment / Inventory Purchases	18,061,360	(1,396,645)	16,664,715	17,270,784	16,285,445	17,982,825

VOTED OPERATING EXPENSE - PROGRAM

(thousands of dollars)

MINISTRY	2003-04 Estimates			Gross Comparable		
	Gross	Credit or Recovery	Net	2002-03 Forecast	2002-03 Budget	2001-02 Actual
Aboriginal Affairs and Northern Development	21,603	(45)	21,558	53,732	20,182	20,923
Agriculture, Food and Rural Development	425,785	(4,322)	421,463	748,877	304,024	734,508
Children's Services	701,524	(37,850)	663,674	665,968	672,109	639,637
Community Development	633,447	(6,455)	626,992	567,163	568,256	546,617
Economic Development	54,934	-	54,934	55,377	51,377	50,857
Energy	113,941	-	113,941	104,508	100,678	92,382
Environment	114,961	(570)	114,391	104,540	102,540	119,723
Executive Council	18,035	-	18,035	17,044	17,044	16,709
Finance	22,094	-	22,094	19,237	19,354	16,364
Gaming	150,319	-	150,319	123,646	98,146	116,910
Government Services	226,883	(144,327)	82,556	225,367	219,165	202,988
Health and Wellness	7,306,991	(967,817)	6,339,174	6,809,746	6,789,088	6,291,187
Human Resources and Employment	1,068,690	(129,315)	939,375	1,060,713	1,039,624	999,020
Infrastructure	1,205,565	(6,300)	1,199,265	837,499	824,499	2,384,651
Innovation and Science	164,333	(11,857)	152,476	152,288	154,515	141,480
International and Intergovernmental Relations	6,468	-	6,468	6,084	6,084	5,926
Justice	235,241	(17,362)	217,879	215,263	211,680	202,074
Learning	3,568,337	(35,678)	3,532,659	3,454,920	3,395,020	3,218,208
Municipal Affairs	132,156	(1,780)	130,376	160,960	132,082	168,706
Revenue	41,848	(16,542)	25,306	35,824	36,870	32,004
Seniors	334,506	-	334,506	313,333	294,738	358,013
Solicitor General	267,207	-	267,207	256,317	256,317	243,484
Sustainable Resource Development	188,063	(15,100)	172,963	430,153	181,878	280,786
Transportation	889,118	(400)	888,718	708,132	650,822	926,340
Total Voted Operating Expense						
- Program	17,892,049	(1,395,720)	16,496,329	17,126,691	16,146,092	17,809,497

VOTED OPERATING EXPENSE - DEBT SERVICING COSTS

(thousands of dollars)

MINISTRY	2003-04 Estimates	Comparable		
		2002-03 Forecast	2002-03 Budget	2001-02 Actual
Finance	61,503	70,706	70,706	80,463
Total Voted Operating Expense				
- Debt Servicing Costs	61,503	70,706	70,706	80,463

VOTED EQUIPMENT / INVENTORY PURCHASES

(thousands of dollars)

MINISTRY	2003-04 Estimates			Gross Comparable		
	Gross	Credit or Recovery	Net	2002-03 Forecast	2002-03 Budget	2001-02 Actual
Aboriginal Affairs and Northern Development	-	-	-	-	-	-
Agriculture, Food and Rural Development	1,266	-	1,266	2,124	1,266	2,812
Children's Services	300	-	300	1,030	-	1,167
Community Development	50	-	50	50	50	369
Economic Development	-	-	-	-	-	-
Energy	1,315	-	1,315	1,315	1,315	8,096
Environment	685	-	685	358	358	1,921
Executive Council	-	-	-	-	-	-
Finance	80	-	80	31	80	353
Gaming	-	-	-	-	-	-
Government Services	4,275	-	4,275	5,082	8,120	4
Health and Wellness	36,800	-	36,800	1,725	1,725	21,924
Human Resources and Employment	3,498	-	3,498	4,054	2,598	5,086
Infrastructure	3,850	-	3,850	3,000	3,000	4,745
Innovation and Science	3,500	-	3,500	5,899	5,899	4,915
International and Intergovernmental Relations	-	-	-	-	-	-
Justice	1,750	-	1,750	2,241	2,241	2,004
Learning	6,522	(925)	5,597	8,285	4,272	3,071
Municipal Affairs	1,547	-	1,547	1,178	999	2,137
Revenue	3,525	-	3,525	3,665	3,374	1,088
Seniors	60	-	60	60	60	403
Solicitor General	150	-	150	150	150	18
Sustainable Resource Development	3,635	-	3,635	1,285	1,285	3,244
Transportation	35,000	-	35,000	31,855	31,855	29,508
Total Voted Equipment / Inventory Purchases	107,808	(925)	106,883	73,387	68,647	92,865

VOTED CAPITAL INVESTMENT

(thousands of dollars)

MINISTRY	2003-04 Estimates			Gross Comparable		
	Gross	Credit or Recovery	Net	2002-03 Forecast	2002-03 Budget	2001-02 Actual
Community Development	1,262	-	1,262	1,400	1,262	2,937
Infrastructure	42,416	(1,000)	41,416	23,610	10,010	27,308
Innovation and Science	58,700	-	58,700	85,300	117,800	38,994
Sustainable Resource Development	3,200	-	3,200	1,750	1,750	1,385
Transportation	372,080	(180)	371,900	281,745	210,845	452,237
Total Voted Capital Investment	477,658	(1,180)	476,478	393,805	341,667	522,861

VOTED NON-BUDGETARY DISBURSEMENTS

(thousands of dollars)

MINISTRY	2003-04 Estimates	Gross Comparable		2001-02 Actual
		2002-03 Forecast	2002-03 Budget	
Executive Council	-	-	-	975
Finance	82,529	167,264	167,754	95,382
Innovation and Science	21,430	-	-	-
Learning	141,300	155,500	156,700	136,407
Total Voted Non-Budgetary Disbursements	245,259	322,764	324,454	232,764

VOTED LOTTERY FUND PAYMENTS

(thousands of dollars)

MINISTRY	2003-04 Estimates	Gross Comparable		2001-02 Actual
		2002-03 Forecast	2002-03 Budget	
Gaming	1,099,229	1,118,206	1,113,206	1,049,421
Total Voted Lottery Fund Payments	1,099,229	1,118,206	1,113,206	1,049,421

STATUTORY NON-BUDGETARY DISBURSEMENTS

(thousands of dollars)

Disbursements not voted by the Legislative Assembly pursuant to
section 24(1)(c) of the *Financial Administration Act*

	2003-04 Estimates	Gross Comparable		2001-02 Actual
		2002-03 Forecast	2002-03 Budget	
Loans and Advances				
Government Entities*	200,000	305,000	165,000	123,838
Other	116,000	112,100	118,000	119,500
Debt Retirement				
Redemption of Alberta Capital Bonds and Alberta Savings Certificates	2,000	3,869	2,000	3,372
Redemption of Debentures and Term Notes	1,698,000	1,556,131	1,558,000	1,733,548
Total Statutory Non-Budgetary Disbursements	2,016,000	1,977,100	1,843,000	1,980,258

* Includes term debt funding of the Agriculture Financial Services Corporation and the Alberta Social Housing Corporation from the General Revenue Fund.

