

Prince Edward Island Budget Highlights 1999-2000

Opportunity and Optimism:

Investing in our Health Care, Education, Jobs
and Communities for the New Millennium



The Honourable Patricia J. Mella
Provincial Treasurer
Second Floor South, Shaw Building
95 Rochford Street
PO Box 2000, Charlottetown, PEI C1A 7N8
Tel: 368-4050 Fax: 368-6575
<http://www.gov.pe.ca>

Presented by
The Honourable Patricia J. Mella
Provincial Treasurer
April 6, 1999

Prince Edward Island

Budget Highlights 1999-2000

Opportunity and Optimism:

Investing in Our Health Care, Education, Jobs
and Communities for the New Millennium

Index

Index	1
Overview	2
Fiscal Responsibility	3
Special Purpose Funds	3
Tax Relief	4
Fairness Package	4
Health and Social Services	5
Education	6
Job Creation/Community Development	7
Summary Statistics	8

Prince Edward Island

Budget Highlights 1999-2000

Preparing Islanders for a Better Future

Overview

Priority Areas

- Health Care
- Education
- Job Creation
- Community Development



This budget is a plan to build on achievements and help prepare Islanders for a better future. Through this blueprint for next year, we will continue to build a stronger province and a more secure future for individual Islanders and a responsible balance of expenditures and revenues.

Patricia J. Mella

Patricia J. Mella
Provincial Treasurer



Fiscal Responsibility

- Strong economic indicators
- Surplus budget for 1998-1999
- Surplus budget for 1999-2000

		1999-2000 Budget Estimates (\$ millions)	1998-1999 Forecast (\$ millions)
Revenues		828.2	852.8
Expenditures	Current	789.7	791.7
	Capital	34.3	34.7
	Special Funds	—	23.5
Total Expenditures		824.0	849.9
Budgetary Surplus		4.2	2.9

Special Purpose Funds

These are funds set aside for future expenditure priorities as allocated.

Health Care (\$ millions)		
- Stabilization Fund	10.0	
- Health Research Fund	<u>2.0</u>	
		\$12.0
Development Fund		6.5
Waterway Protection Support Fund		2.0
Community Development Fund		2.0
Teacher Training and Technology Fund		<u>1.0</u>
		<u>\$23.5</u>

Tax Relief

Lower Taxes

- Reduction of provincial income tax rate from 59.5 to 58.5 percent
- Tax savings combined with federal proposals
 - Single person earning \$20,000 will save \$89 per year
 - Family earning \$45,000 will save \$190 per year

Example of full-year tax savings to the average Island taxpayer resulting from federal and provincial tax measures:

Provincial tax rate decrease	\$ 34
Federal tax decreases	155
Induced provincial tax decreases	<u>71</u>
Total tax reduction	\$260

Fairness Package

Tax Fairness to Provide Greater Flexibility

To provide relief by cancelling or waiving of penalties and interest in circumstances beyond a taxpayer's control due to a serious illness, accident or an emotional event in the immediate family. An information circular setting out the criteria will be provided once legislation is enacted.

Health and Social Services

Achievements

- Additional 35.3 front-line positions
- Construction of a provincial cancer treatment centre
- Recruitment of a radiation oncologist and medical physicist
- Introduction of mammography screening clinics
- 12 physician vacancies filled
- Implementation of patient registry system
- Easier access to seniors' drug program
- Maintaining community-based hospitals
- Improved accountability

New Initiatives

- Health Care Stabilization Fund – \$10.0 million over three years
- Health Research Fund – \$2.0 million
- Additional 21.1 front-line positions
- Additional 11 support positions
- Continuation of plans for the replacement of the Prince County Hospital
- Additional funding of \$625,000 for nursing homes and community care
- Additional \$1.0 million for health facilities
- New provincial addictions treatment centre – \$3.2 million
- Reinvestment of \$1.4 million in PEI Child Care Benefit Program and Family Health Benefit Program

Education

Achievements

- \$3.3 million Work-force Program to renew the elementary and secondary school system
- Elimination of deficits of approximately \$290,000 for the Eastern and Western School boards
- Additional funding for UPEI and Holland College to address specific requests
- Continuation of school construction program which is ahead of schedule

New Initiatives

Additional funding provided as follows:

• Technology in Schools	\$500,000	(98/99)
• Literacy Initiative	50,000	
• Special Education/Needs	150,000	
• School Bus Refurbishing	60,000	
• Amber Lights for Buses	155,000	
• Recreation 2000	50,000	
• Youth Program	100,000	
• Reading Recovery Program	175,000	
• Learning Centres	100,000	

Job Creation/Community Development

Additional funding provided as follows:

• Small Business Funding	\$ 500,000
• Community and Labour Development	258,500
• Tourism Marketing Authority	300,000
• Technology PEI	2,656,000
• Highway Maintenance Operations	1,399,000
• Access PEI	144,000
• Aquaculture Programs	300,000
• Provincial Parks Upgrading	100,000
• Management Training Initiative	100,000
• Public Works Operations	282,400
• Shellfish Leasing Program	100,000
• Fathers of Confederation Trust	133,000
• Implementation of 911 Program	125,000
• PEI Fishermen's Association Inc.	135,000
• Non-profit Government Organizations	250,000
• Agricultural Income Disaster Assistance Program	1,400,000

Summary Statistics

Fiscal Performance		
Business Plan Versus Actual and Projected		
	Business Plan Surplus and <Deficit> (\$ millions)	Actual and Projected Surplus and <Deficit> (\$ millions)
1997-98	<17.1>	<6.9>
1998-99	0.5	2.9
1999-00	8.5	4.2
	<8.1>	0.2

	1997	1998
Employment	60.5	60.9
Unemployment Rate (%)	14.9	13.9
<i>Unemployment Rate -Canada</i>	9.2	8.3
CPI - Annual Change PEI (%)	1.3	-0.5
<i>CPI - Annual Change (%) Canada</i>	1.6	1.0
Retail Trade (\$ millions)	996.2	1,040.7
Farm Cash Receipts (\$ millions)	274.8	308.3
Potato Receipts (\$ millions)	128.0	168.8
Lobster Landings (\$ millions)	73.2	80.6
Manufacturing Shipments (\$ millions)	877.0	921.9
Tourist Expenditures (\$ millions)	245.9	274.4
GDP at Market Prices (\$ millions)	2,943.0	3,016.0*

* Estimated Value