

Investing in Health

Investing in Mental Health

- **Student well-being teams** will expand this fall to the Colonel Gray, Souris, Morell, and Bluefield families of schools and écoles François-Buote, La-Belle-Cloche, and St.-Augustin. **More than 1,500 direct support** contacts have been made with students and families from these teams in Westisle and Montague already.
- A **new Mobile Mental Health Response Team** will support Islanders in need of acute care 24/7.
- **New frontline positions** at the Prince County Hospital and the Hillsborough Hospital.
- **\$175,000** commitment to CMHA for Island-wide peer support programs.
- Work will advance on the **new Mental Health Campus** to replace the Hillsborough Hospital, including a **new Forensic Mental Health Unit**.
- Enhanced partnership with Canadian Mental Health Association to provide **new housing supports** to Islanders with mental health challenges.
- Additional funding for mental health supports at **post-secondary institutions**.
- Support for a **new doctorate of psychology program at UPEI** will help educate and retain psychologists in our province.
- **Disability Support Program** will be expanded to include mental health supports.

INCREASE OF \$32 MILLION

An increase of \$32.48 million (4.8%) to sustain and build on the Island's provincial health system.

The Government of Prince Edward Island knows that access to quality healthcare is a top priority for Islanders. That's why this budget includes significant new investments in frontline services – supporting our dedicated health professionals – in communities across our province.

100 New Long-Term Care beds over the next two years will address wait times for Islanders and their families in partnership with our community care providers.



Investing in Education

\$17 Million additional investments in frontline services and supports for families will ensure Island children are on the right path to success through their K-12 education. Early childhood education is one of the biggest indicators of future success – this budget builds on Prince Edward Island’s position as a national leader.

NEW FRONTLINE POSITIONS to support students in the classroom

- **19 new teachers**, above the 27 introduced in 2017.
- **25 new frontline supports**, including EAL and education assistant positions which are in addition to the 41 introduced in December 2017.
- **32 new education assistant** positions to support students with special needs.
- **8 literacy coaches** to improve early literacy.

Enhanced supports through the SCHOOL PSYCHOLOGY ACTION PLAN

- 2 additional school psychologists
- 2 assistive technology facilitators
- 2 intervention support teachers
- Funding for 50 private psych-ed assessments to reduce the wait list

400 CHILDCARE SPACES

Up to **400 new childcare spaces** will reduce wait lists and make it easier for Island families to access care.

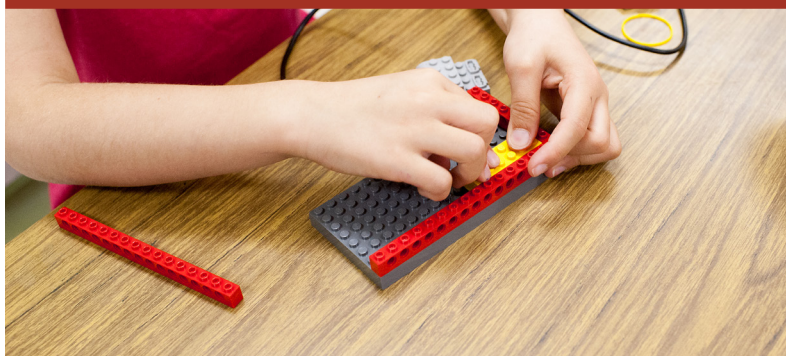
CHILDCARE SUBSIDIES

An additional **\$1.2 million in child care subsidies** will reduce the financial burden for Island families.

Increase in wages grid for early years centres, taking effect July 1, supports our passionate and knowledgeable early childhood educators with a further commitment to review later in the year.

School-age autism grants

will be expanded to help Island families access after-school tutoring and summer programs



INVESTING IN Jobs & Businesses

Prince Edward Island's economy is on a tear and Islanders are benefiting. Thanks to our dedicated business community and entrepreneurial spirit, there are more jobs than ever before and Island products are being recognized around the world for their quality.

JOB Funding for Communities

Nearly **\$1 million in new funding for community partners** to empower Islanders and **connect them to jobs** was invested above and beyond annual commitments in 2017-2018.

Investing in Culture

Prince Edward Island's first-ever long-term culture action plan will see over **\$1.45 Million in new investments to support this thriving industry.**

Connecting Islanders with jobs

Partnerships with industry to help connect Islanders with jobs and **fill high-demand vacancies in various sectors** through programs such as Team Trucking, Team Seafood, Team Construction and Harvest and Prosper.

SMALL BUSINESS

TAX CUT

A **small business tax cut** will save small businesses – the backbone of our Island economy - up to \$2,500 a year.

The rate will decrease by 0.5 per cent this year – the first decrease of a multi-year commitment to strengthen our competitive advantage.

INVESTMENT GRANT

A new **Small Business Investment Grant** will give companies a 15% rebate on business investments up to \$25,000.

This will result in a **savings of up to \$3,750** for Island companies to help them reinvest and grow.

Increased supports to help Islanders find jobs and launch their careers through mentorship, education, training and connections



INVESTING IN Islanders & Families

The Government of Prince Edward Island recognizes that all Islanders should share in the benefits of a strong economy. That's why this budget includes significant supports to help Islanders with the cost of living.

TAX RELIEF FOR ALL ISLANDERS

The Basic Personal Amount will increase by \$1,000 over two years, keeping more money in the pockets of Islanders.

Approximately 2,200 additional Islanders will no longer pay any provincial income tax. This is the first step toward regional tax parity over the next five years.

Support for Islanders Who Need it the Most

- \$1.5 million to support the new **Grandparent and Care Providers** program to help keep Island children with their families and loved ones.
- **10 new frontline social worker positions** will strengthen child protection.
- **Food rate allowances will once again rise** this year with a budget increase of \$420,000. Food rates have increased for the past four years, building on government's commitment to help those Islanders who need it the most.
- Up to **400 new childcare spaces** and **increased funding for families and early years centres** will reduce wait lists and make it easier to access care.

Electricity Tax Relief

Island households will no longer pay provincial sales tax on residential electricity use.

The provincial portion of the HST on the first block of residential electricity will be rebated directly on electricity bills each month. This means an average of \$120 a year in savings per household.

The provincial portion of HST will also **be rebated on firewood, pellets and propane** through a point of sale credit or rebate.

This will build on Prince Edward Island's position as a leader in environmental stewardship and provides a clear pricing signal for cleaner energy.



INVESTING IN Students & Youth

Keeping and attracting young Islanders at home is critical to the success of our province. Their contributions, perspectives, and creativity make Prince Edward Island an innovative, prosperous place to succeed. The Island Advantage will help students access higher education and launch their careers.

NEW Island Advantage Bursary

A new Island Advantage Bursary will see all Island students attending college or university on PEI **receive up to an additional \$3,600 for a four-year program** towards the cost of their tuition. When combined with the George Coles and other provincial bursaries, students will receive \$2,200 a year in free grants towards their tuition. 2,256 students received the George Coles or other provincial bursaries in 2017.

Debt Reduction Grant will increase to \$3,500

The Debt Reduction Grant will increase to \$3,500 a year, meaning students – *no matter where they study if they choose to return to PEI* – can see **up to \$14,000 of their provincial student loan forgiven**. Approximately 1,300 students are eligible for this grant.

These historic investments total

\$3.3 million

Prince Edward Island's largest-ever single investment in non-repayable assistance for post-secondary students

FREE TUITION

for more than 1,000 Islanders

New grants for lower-income students attending one of our province's three public post-secondary schools mean tuition will be completely covered by federal and provincial funding.

Increased investments in graduate mentorship program and other student mentorship and employment opportunities to help Islanders LAUNCH THEIR CAREERS HERE AT HOME.



Investing in Communities

Island pride is evident through communities across our province. The Prince Edward Island Government is committed to working with municipalities and all Islanders to enhance the strong social fabric of our Island communities.

Investing in Island Culture

Prince Edward Island's first-ever long-term Culture Action Plan will see **over \$1.45 million invested to support this thriving industry.**

- **Grants to cultural and creative industry organizations** with a provincial scope for operational and project needs
- **Project funding to organizations and groups** that are contributing to the economic and social development of culture in PEI
- **PEI Cultural Ambassador Program** will provide grants to PEI's touring artists for representing and promoting PEI culture
- Peer assessed **Arts Grants** for professional PEI artists in music, dance, theatre, film, craft, writing and publishing, visual arts, contemporary/interdisciplinary arts
- A **Film & Media Fund** will provide rebates for PEI film-makers who are making a film in PEI
- Funding for small and medium sized **community-based festivals** that celebrate our unique, diverse and rich PEI culture.

RURAL GROWTH

New Rural Growth Initiative will provide **\$2.6 million** to communities & organizations.

This funding will help revitalize community structures and facilities, attract and keep people in rural communities, grow jobs and businesses, and develop strategic priorities at the community level.

- Work is underway to provide **high-speed internet** at or above the CRTC-mandated speed of 50 mbps, commencing in late 2018 with completion by 2020
- Increased **Supports to help newcomers** settle in our Island communities will help grow and strengthen rural Prince Edward Island.

Increased funding for municipalities under the five-year historic agreement signed in 2017 to help Island communities grow and thrive.



Investing in Housing

Investing in Housing

- An **additional \$500,000 budgetary increase in support of shelter allowances** will build on government's commitment to help those Islanders most in need.
- **Additional rent supplements** for low-income Islanders will help ease the cost of housing for those most in need.
- The **construction of 50 new housing units** through federal funding will be completed in 2018.
- The Seniors Independence Program will **provide seniors with financial assistance for tasks such as light housekeeping**, allowing them to stay in their homes longer.

Working with both federal and community partners, our government is committing to a total investment of **\$17 MILLION OVER 2 YEARS** to build and sustain affordable housing supply, provide rent supports and reduce chronic homelessness.

UP TO 1,000 NEW LOW-INCOME HOUSING UNITS

As part of the Housing Action Plan, up to 1,000 households will no longer be in core housing need.

This will be achieved through partnerships with all levels of government and community organizations.

This funding will support Islanders to find affordable and suitable housing, introduce new community housing units, repair and sustain existing community housing units and support the growth of the co-operative housing sector.

The Government of Prince Edward is making significant investments in housing to allow Islanders to stay in their own homes and communities longer.





Responsible Government Spending

Economy:

Real GDP for the Island in 2017 is 2.2 per cent, for a second year of growth exceeding 2 per cent.

Employment:

The number of employed persons on the Island increased 3.1% in 2017, the second fastest growth amongst provinces, while the unemployment rate decreased 0.9 percentage points to 9.8%, the lowest annual average since 1978.

Income:

Total labour income on the Island grew by 4.4% in 2017, the strongest growth in the region, and faster than the national average.

Housing:

Housing starts totaled 911 in 2017, an increase of 63.8%. This was the fastest growth amongst provinces, and far exceeded the national growth rate of 11%, while annual home sales on Prince Edward Island totaled 2,140, an increase of 3.8 per cent from 2016, and a new annual record.

Retail Sales:

Retail sales grew 7.4% in 2017, the fastest growth in the region, and third amongst provinces.

Taxes:

Personal: Raise the Basic Personal Amount by \$1,000 over two years. Largest announced increase in our history.

Corporate: Reduce the Small Business Tax Rate by 0.5 of a percentage point. This is equivalent to an 11.1% reduction in provincial taxes payable by small business.

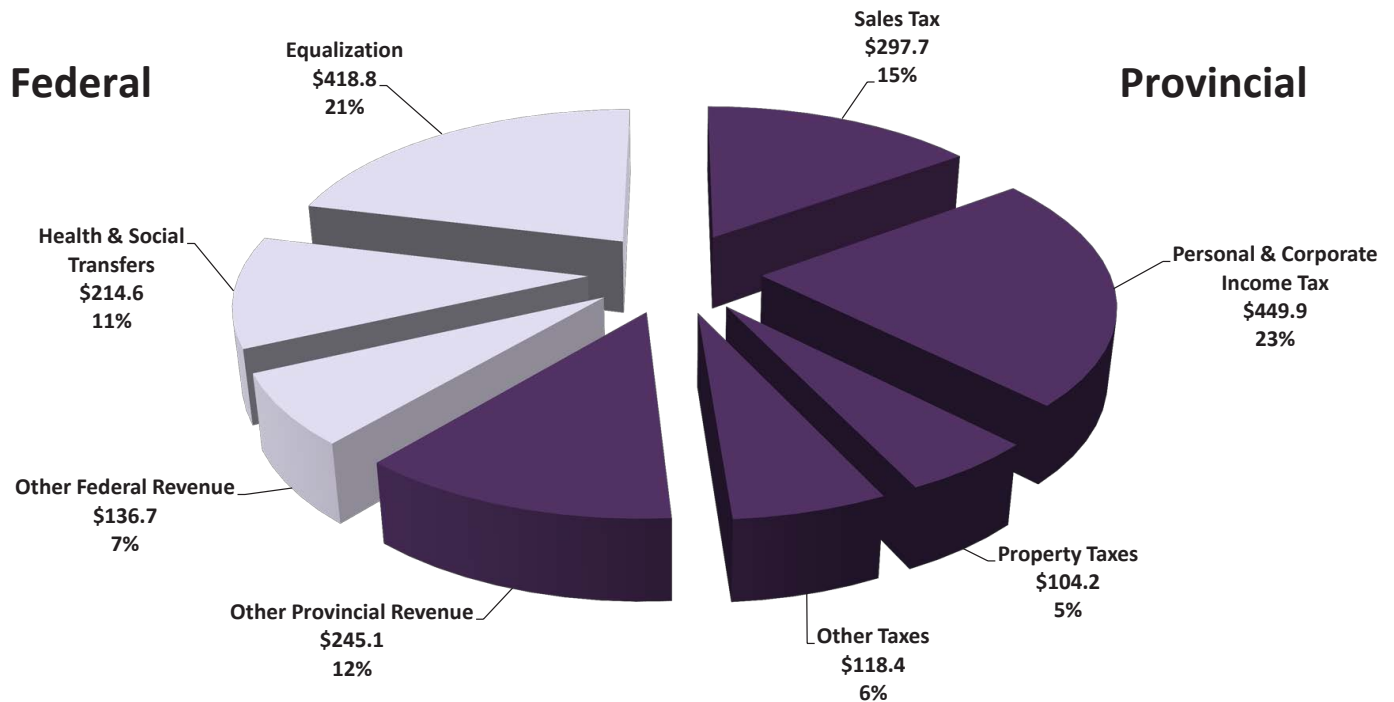
The Government of Prince Edward Island knows how important it is to spend taxpayers' money wisely.

As a result of good governance and fiscal prudence, this year represents the second consecutive balanced budget. Good stewardship and strong growth mean Prince Edward Island's economy is on a tear.

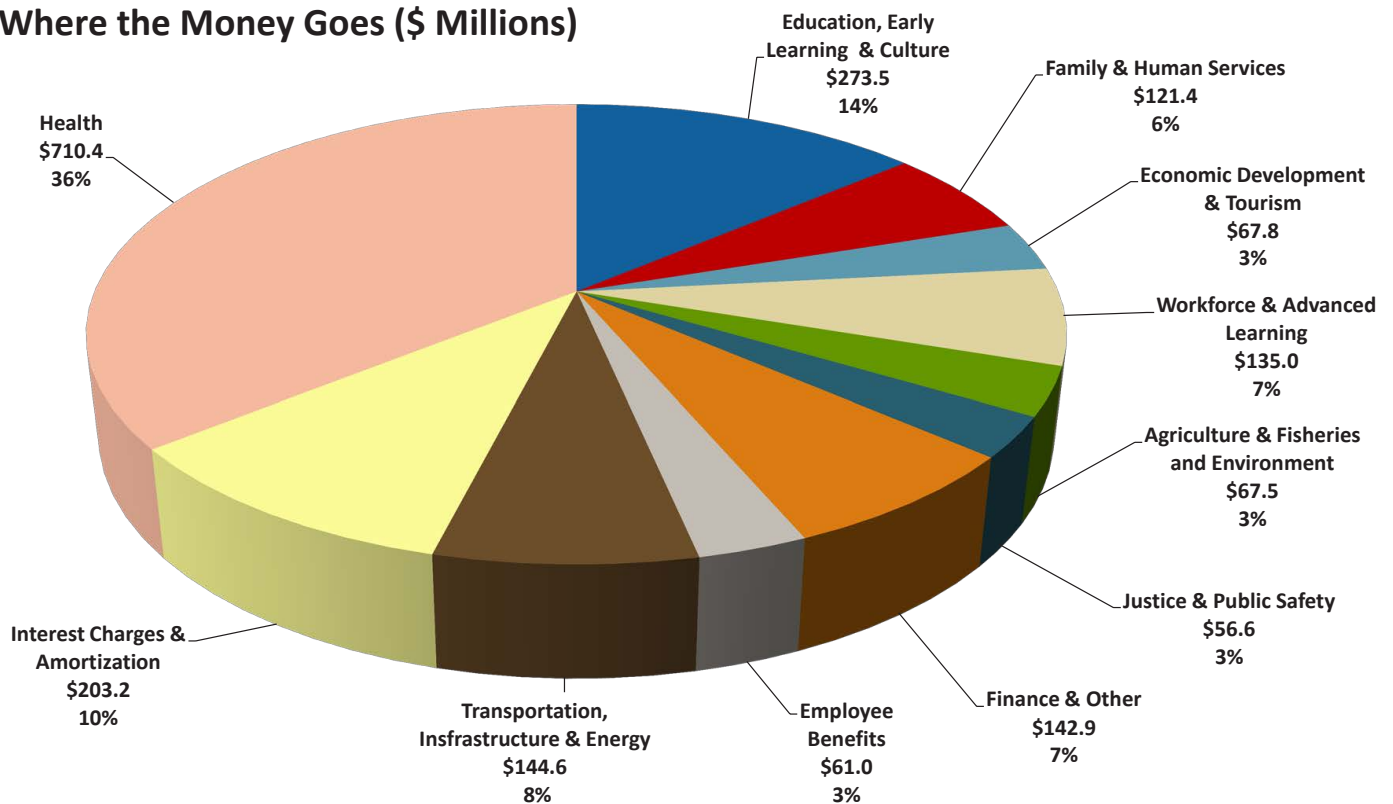
	2018-19 Budget (\$ millions)	2017-18 Forecast (\$ millions)	2017-18 Budget (\$ millions)
Revenues			
Provincial	1,146.0	1,120.8	1,098.9
Federal	770.1	707.9	710.4
Crown Surplus	69.3	70	67.5
Total Revenue	1,985.4	1,898.7	1,876.8
Expenditures			
Program	1,780.7	1,699.0	1,678.3
Interest	127.3	124.4	126
Amortization	75.9	74.1	71.9
Total Expenditure	1,983.9	1,897.5	1,876.2
Surplus	1.5	1.2	0.6

"A balanced budget means government is living within its means – and is able to invest in frontline services that matter the most to Islanders like healthcare, education and families."

Where the Money Comes From (\$ Millions)

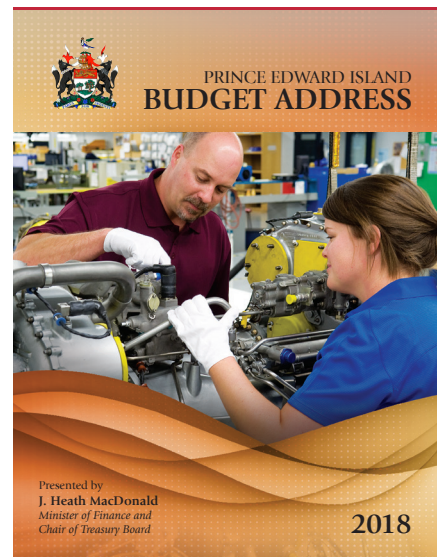


Where the Money Goes (\$ Millions)



THREE YEAR
FISCAL PLAN

	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast	Estimate	Plan	Plan
	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
Revenues				
Provincial	1,190.8	1,215.3	1,250.6	1,288.1
Federal	707.9	770.1	785.5	801.2
Total Revenue	1,898.7	1,985.4	2,036.1	2,089.3
Expenditures				
Program	1,699.0	1,780.7	1,827.5	1,876.8
Interest	124.4	127.3	129.6	132.4
Amortization	74.1	75.9	75.9	75.9
Total Expenditure	1,897.5	1,983.9	2,033.0	2,085.1
Surplus	1.2	1.5	3.1	4.2
Net Debt	2,207.6	2,264.1	2,293.9	2,308.6
Net Debt/GDP (%)	33.1	33	32.3	31.6



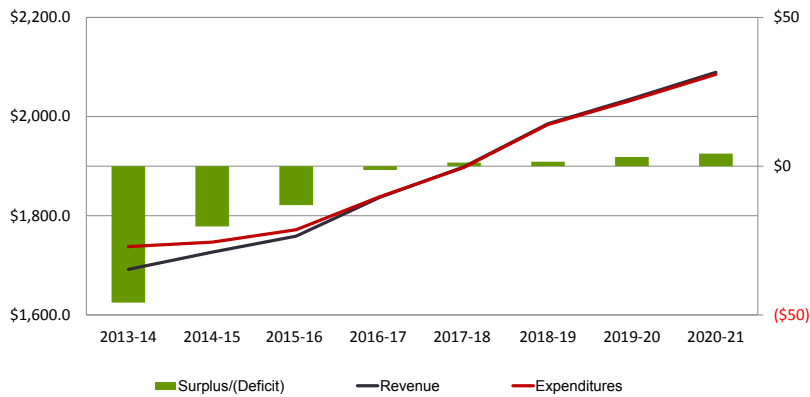
The three-year fiscal forecast shows government will balance the budget every single year.

Net debt to GDP will continue to decrease over the next three years.

**“Prince Edward Island in 2017
outperformed most other provinces
across multiple economic indicators, from
population gains to full-time job creation.”**

Scotiabank Global Economics, Provincial Pulse, February 28, 2018

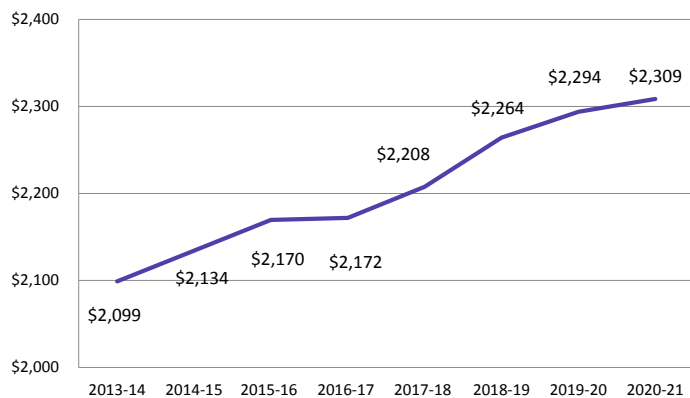
Fiscal Plan (\$ Millions)



Fiscal Plan

The Province's financial position has improved from a deficit of \$46M in 2013-2014 to balanced budgets into the foreseeable future.

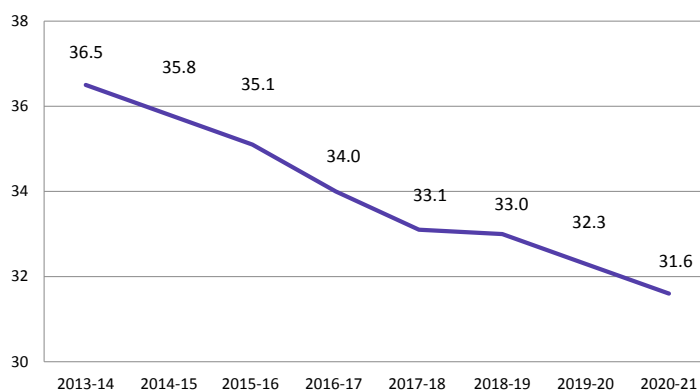
Net Debt (\$ Millions)



Net Debt

The Net Debt is expected to plateau in 2019-2020.

Net Debt to GDP (%)



Net Debt to GDP

The Net Debt to GDP is steadily declining as a result of a vibrant economy and fiscal responsibility.