



Prince Edward Island

BUDGET HIGHLIGHTS 2020-2021

	2020-21 Budget	2019-20 Forecast	2019-20 Budget
	(\$ Millions)		
Revenue			
Provincial	1,199.7	1,203.3	1,213.4
Federal	1,007.2	822.0	860.9
Crown Surplus	39.0	71.8	74.3
Consolidated Agencies	46.9	56.4	52.3
Total Revenue	2,292.9	2,153.5	2,201.0
Expenditures			
Program	2,201.0	1,908.5	1,939.1
Consolidated Agencies	44.4	37.3	46.5
Interest	128.0	126.0	128.0
Amortization	92.2	85.4	85.6
Total Expenditure	2,465.6	2,157.2	2,199.2
Surplus (Deficit)	(172.7)	(3.7)	1.8

Communities and Environment

- Active Transportation Fund - \$5M
- Solar Incentive Rebate Program - \$2M
- Social Sector Community Partners Fund - \$1M
- Climate Challenge Fund - \$1M
- Telework Adaption Fund - \$500K
- Pollinator Expansion - \$300K
- Funding to PEI Watershed Alliance - \$250K

Education

- Hiring of 24 Teachers and 15 Educational Assistants - \$2M
- Launch of School Lunch Program - \$1.8M
- Increase to Salary Grid for Early Years Centers Staff, Autism Assistants and Special Needs Assistants - \$700K
- Increase to Island Advantage Bursary - \$700K
- Designate six Additional Early Years Centers - \$600K

Health

- Investment in New Physicians - \$3.2M
- Addition of New Cancer Drugs to the PEI Formulary - \$1.4M
- Reduction of Orthopedic Surgical Wait Times - \$1.3M
- Development and Expansion of Virtual Care - \$813K
- Mobile Mental Health Crisis Units - \$340K
- Expansion of High-Dose Influenza Immunization Program - \$435K

Supports for Islanders

- AccessAbility Supports Program Funding - \$8M
- Funding Supports to Long-term Care and Community Care Homes - \$7M
- Food Rate Increases for Social Assistance & Assured Income Clients - \$6.4M
- Housing Investments (Mobile Rental Vouchers, Rent Supplements, etc.) - \$6.4M
- Increase in Home-Based Care Funding - \$1.5M
- Dental Coverage for Seniors and Low-Income Islanders - \$1.25M
- Enhancement to Childcare Subsidy - \$740K

2019 Economic Performance

- PEI led the country in economic growth in 2019 at 4.5%
- Fastest growing population, retail sales, manufacturing sectors
- Unemployment rate reached new record lows
- Over 1,500 housing starts
- Record value of lobster landings
- Increase of 9.4% in farm cash receipts

2020 Economic Outlook

- Private sector economists are projecting our real GDP to contract in 2020, with a significant rebound expected in 2021
- Construction sector expected to perform well to meet demands of a growing population
- Extraordinary financial support to individuals and businesses during pandemic by federal and provincial governments will help the recovery
- Timely and successful restart of post-COVID economy is key to minimizing economic impact in 2020 and supporting rebound in 2021

Tax Measures

(effective Jan. 1, 2021)

- Raise the basic personal income tax amount from \$10,000 to \$10,500
- Increase the tax threshold for low-income Islanders to \$19,000
- Reduce small business tax rate from 3% to 2%
- New \$500 non-refundable Children's Wellness tax credit

COVID-19 Response and Recovery

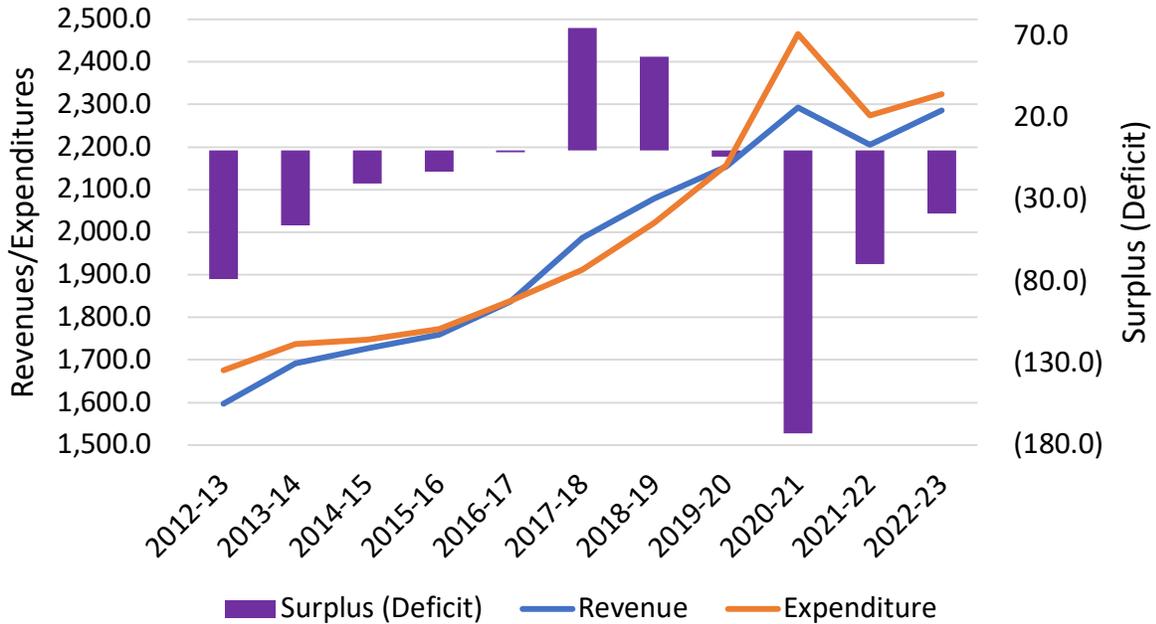
- Responsible governance includes planning for the future
- Contingencies have been allocated in the amount of \$65M to address the ongoing impacts of COVID-19 within areas such as health, education, and provides for economic stimulus

Three-Year Plan

	2019-20 Budget Forecast (\$ Millions)	2020-21 Budget Estimate (\$ Millions)	2021-22 Budget Plan (\$ Millions)	2022-23 Budget Plan (\$ Millions)
Revenue				
Provincial	1,331.5	1,285.7	1,364.9	1,405.9
Federal	822.0	1,007.2	840.0	880.0
Total Revenue	2,153.5	2,292.9	2,204.9	2,285.9
Expenditures				
Health	750.0	807.5	807.3	835.5
Other Departments	1,195.8	1,437.9	1,244.1	1,262.8
Interest	126.0	128.0	129.0	130.0
Amortization	85.4	92.2	94.0	96.0
Total Expenditure	2,157.2	2,465.6	2,274.4	2,324.3
Surplus (Deficit)	(3.7)	(172.7)	(69.5)	(38.4)
Net Debt - End of Year	2,209.9	2,496.2	2,623.0	2,699.2
Net Debt/GDP	30.7%	35.0%	34.0%	33.4%

Fiscal Plan

Temporary increase in expenditures and federal support in 2020-21 begin to phase-out in 2021-22 and plan to achieve a balance in 2023-24, and a plan to return to a balanced budget in an orderly fashion.



Net Debt to GDP

Provides a measure of the financial demands placed on the economy by government spending and tax policies. Past surpluses and a strong economy resulted in a ratio of close to 30%. Spending on COVID-19 response and recovery program in 2020-21 will cause a jump to this ratio.

