

Office of the Provincial Treasurer	
AUG 24 1981	
TO	
FROM	
SUBJECT	
DATE	24-Aug-81
TELEPHONE	

TREASURY

Box #45 F6#638

FROM Deputy Provincial Treasurer
434 Terrace Building

OUR FILE REFERENCE B-5010-1/5035-6

TO Hon. Lou Hyndman
Provincial Treasurer
323 Legislature Building

YOUR FILE REFERENCE

DATE 24-Aug-81

TELEPHONE (7-4106

SUBJECT Supplementary Estimates of Expenditure 1981-82

In response to Jim Dinning's request of 30-Jul-81 for an assessment of the feasibility of a 1981-82 supplementary estimate, it is our view that 1981-82 is not an appropriate time to implement a supplementary estimates review process.

J.D. got
list of top 10, in
amts., extracted
by Sec. 31/8

LDT

A survey of departments indicates that up to 75 Special Warrants for the remainder of the year may be forthcoming. While this large number will likely be reduced as surplus is found in each programme and as actual needs are identified, it is apparent that a mini budget preparation, analysis, review and Priorities Committee decision process of some type would have to be instituted to deal with this volume of requests. There is always the danger that departments would take advantage of this new formal decision point and bring forward additional requests. Given the main budget review in December, any supplementary review would have to occur in a very short time frame.

In addition, ideally the "main" Estimates of Expenditure should contain a reserve within the financial plan specifically for unanticipated supplementary requirements during the year (i.e. a reserve to meet statutory requirements, unanticipated operating deficits and to fund new policies or programmes). This would ensure the integrity of the annual financial plan including the supplementary estimate. Our 1981-82 financial plan does not spell out a supplementary requirement.

As a final comment on this aspect, Treasury is currently updating the 1981-82 financial plan which will show a decrease in revenues as a result of the revised forecast for natural gas revenues. Given this decline, it would not appear to be appropriate to draw attention to increased expenditures by having a supplementary estimate.

In general, however, we could support the creation of a supplementary estimates process in future years. Some of the pros and cons for doing this in fiscal years after 1981-82 are as follows:

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pros.
warrants.

Pros:

1. The process would help ensure that many government expenditure decisions are made in a more coordinated way within the context of the annual financial plan.
2. The Legislature would also view this addition positively.
3. The Provincial Treasurer would have an opportunity to communicate new financial and budgetary measures as required or reaffirm the status of the annual financial plan. *+ other mins. highlight.*
4. The number of Special Warrants would be reduced for routine matters, and warrants for new programmes could in some years be eliminated.
5. Priorities Committee would have the option of deferring some items from the main estimates to the supplementary estimates decision process. There are currently numerous "walk-on" items at Priorities Committee budget review meetings which could more appropriately be handled as part of the supplementary estimates.
6. Departments would likely support the use of a supplementary estimate.

Cons:

1. Priorities Committee and Treasury would have to go through a decision process similar to, but less complicated than, the main estimates budget review. However, if the process did become time consuming, the budget cycle may eventually have to be lengthened.
2. As many departments often end up not requiring the full amount of Special Warrant funding they obtain (due to delays in implementation or the need does not materialize), a supplementary estimate process may actually contribute to lapses of this nature because it will force funding decisions to be made prematurely in many cases.
3. Alternately, creating a formal "second chance" budget process which is publicly known, could give added pressure to increase expenditures.

In the final analysis, our feeling is that the advantages outweigh the disadvantages, for 1982-83 and beyond.

*"once only
for 1981 due
to Agreement"
Not permanent*

A. F. Collins
A. F. Collins

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PR 1986.0245
EX#

File#

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DEPARTMENT/AGENCY	1980-81 Comparable Estimates	1981-82 Departmental (A-X) Budget Request	1981-82 B-Budget Request	1981-82 Total Departmental Request	% Increase Over 1980-81 Comparable Estimates	\$ Increase Over 1980-81 Comparable Estimates	Ranking of Major \$ Increases
Support to the Legislative Assembly...	6,796	7,679	-	7,679	13.0	883	
Office of the Auditor General	5,878	6,772	-	6,772	15.2	894	
Office of the Ombudsman	524	543	-	543	3.6	19	
Office of the Chief Electoral Officer.	381	421	-	421	10.5	40	
Legislative Assembly Estimates	13,579	15,415	-	15,415	13.5	1,836	
<u>Advanced Education and Manpower</u>	424,647	535,716	-	535,716	26.2	111,069	4
Agriculture	84,179	110,486	7,734	118,220	40.4	34,041	6
Attorney General	62,934	72,548	1,475	74,023	17.6	11,089	
Consumer and Corporate Affairs	11,197	12,977	-	12,977	15.9	1,780	
Culture	31,319	32,623	1,529	34,152	9.0	2,833	
75th Anniversary Commission	23,581	717	-	717	(97.0)	(22,864)	
Economic Development	10,936	13,164	4,259	17,423	59.3	6,487	
<u>Education</u>	709,041	819,787	21,650	841,437	18.7	132,396	3
Energy and Natural Resources	97,861	120,310	4,450	124,760	27.5	26,899	7
Environment	31,791	37,812	315	38,127	19.9	6,336	
Environment Council of Alberta	1,167	1,093	-	1,093	(6.3)	(74)	
Alberta Environmental Centre	6,020	6,020	-	6,020	-	-	
Executive Council							
Administration	2,350	2,493	-	2,493	6.1	143	
Occupational Health and Safety	7,594	8,840	296	9,136	20.3	1,542	
Workers' Compensation	10,648	11,708	-	11,708	10.0	1,060	
Native Affairs	1,856	2,682	275	2,957	59.3	1,101	
Personnel Administration	6,219	7,545	238	7,783	25.1	1,564	
Research Council	11,561	18,306	-	18,306	58.3	6,745	
Energy Resources Conservation Board.	11,320	14,525	-	14,525	28.3	3,205	
Women's Bureau	129	142	-	142	10.1	13	
Alberta Educational Communications Corporation	9,434	12,096	1,069	13,165	39.5	3,731	
Alberta Disaster Services	1,674	1,808	-	1,808	8.0	134	
Public Service Employee Relations Board	286	296	-	296	3.5	10	
Federal and Intergovernmental Affairs.	3,075	3,700	-	3,700	20.3	625	
Government Services	84,921	97,364	-	97,364	14.7	12,443	
<u>Hospitals and Medical Care</u>	906,754	1,162,940	2,395	1,165,335	28.5	258,581	1
<u>Housing and Public Works</u>	147,723	196,541	10,860	207,401	40.4	59,678	5
Alberta Housing Corporation	49,391	59,179	-	59,179	19.8	9,788	
Alberta Home Mortgage Corporation...	14,754	26,900	-	26,900	82.3	12,146	
Labour	16,695	18,032	244	18,276	9.5	1,581	
Municipal Affairs	165,063	180,299	1,400	181,699	10.1	16,636	10
Recreation and Parks	30,588	36,567	6,743	43,310	41.6	12,722	
<u>Social Services and Community Health</u> ..	635,231	731,341	55,458	786,799	23.9	151,568	2
Alberta Alcoholism and Drug Abuse Commission	12,661	13,721	901	14,622	15.5	1,961	
Solicitor General	121,410	143,245	337	143,582	18.3	22,172	8
Alberta Racing Commission	2,043	2,458	-	2,458	20.3	415	
Tourism and Small Business	15,188	16,391	491	16,882	11.2	1,694	
Transportation	126,214	143,062	3,087	146,149	15.8	19,935	9
Treasury	179,471	91,370	-	91,370	(49.1)	(88,101)	
Pensions	248	266	-	266	7.3	18	
Utilities and Telephones	158,914	6,367	2,934	9,301	(94.1)	(149,613)	
Salary Contingency Fund 1980-81	46,000	36,000	-	36,000	N/A	(10,000)	
Salary Contingency Fund 1981-82 Preliminary	-	67,000	-	67,000	N/A	67,000	
Departmental Estimates	4,274,088	4,876,437	128,140	5,004,577	17.1	730,489	
Total Government Estimates	4,287,667	4,891,852	128,140	5,019,992	17.1	732,325	

DEPARTMENT DETAILS - 1981-82 A + B - X CAPITAL REQUESTS

Table 4

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(1) DEPARTMENT/AGENCY	(2) 1980-81 Comparable Estimates	(3) 1981-82 Departmental (A-X) Budget Request	(4) 1981-82 B-Budget Request	(5) 1981-82 Total Departmental Request	(6) % Increase Over 1980-81 Comparable Estimates	(7) \$ Increase Over 1980-81 Comparable Estimates	(8) Ranking of Major \$ Increases
Support to the Legislative Assembly	19	22	-	22	15.8	3	
Office of the Auditor General.....	57	16	-	16	(71.9)	(41)	
Office of the Ombudsman	4	2	-	2	(50.0)	(2)	
Office of the Chief Electoral Officer ..	2	1	-	1	(50.0)	(1)	
Legislative Assembly Estimates	82	41	-	41	(50.0)	(41)	
Advanced Education and Manpower	88,373	126,064	37,868	163,932	85.5	75,559	4
Agriculture	14,655	11,134	-	11,134	(24.0)	(3,521)	
Attorney General	704	934	1,264	2,198	212.2	1,494	
Consumer and Corporate Affairs	200	160	-	160	(20.0)	(40)	
Culture	4,177	2,189	327	2,516	(39.8)	(1,661)	
75th Anniversary Commission	67	40	-	40	(40.3)	(27)	
Economic Development.....	2,529	7,768	-	7,768	207.2	5,239	
Education.....	26,965	39,675	37	39,712	47.3	12,747	8
Energy and Natural Resources	7,328	12,688	494	13,182	79.9	5,854	10
Environment	79,294	249,862	14,306	264,168	233.2	184,874	1
Environment Council of Alberta	-	-	-	-	-	-	
Alberta Environmental Centre	2,819	2,819	-	2,819	-	-	
Executive Council							
Administration	9	9	-	9	-	-	
Occupational Health and Safety	173	249	6	255	47.4	82	
Workers' Compensation	-	-	-	-	-	-	
Native Affairs	10	11	-	11	10.0	1	
Personnel Administration	23	52	10	62	169.6	39	
Research Council	-	-	-	-	-	-	
Energy Resources Conservation Board..	-	-	-	-	-	-	
Women's Bureau	-	-	-	-	-	-	
Alberta Educational Communications Corporation	870	1,501	2,083	3,584	312.0	2,714	
Alberta Disaster Services	17	84	-	84	394.1	67	
Public Service Employee Relations Board	1	3	-	3	200.0	2	
Federal and Intergovernmental Affairs ..	54	117	-	117	116.7	63	
Government Services	2,715	3,270	-	3,270	20.4	555	
Hospitals and Medical Care	145,192	200,391	9	200,400	38.0	55,208	5
Housing and Public Works	209,084	175,109	164,004	339,113	62.2	130,029	3
Alberta Housing Corporation	3,722	6,600	-	6,600	77.3	2,878	
Alberta Home Mortgage Corporation	-	-	-	-	-	-	
Labour	115	225	-	225	95.7	110	
Municipal Affairs	299	368	-	368	23.1	69	
Recreation and Parks	28,367	28,929	26,697	55,626	96.1	27,259	6
Social Services and Community Health ...	4,036	11,732	3,752	15,484	283.6	11,448	9
Alberta Alcoholism and Drug Abuse Commission	136	110	34	144	6.0	8	
Solicitor General	1,217	1,105	25	1,130	(7.1)	(87)	
Alberta Racing Commission	-	-	-	-	-	-	
Tourism and Small Business	21	112	5	117	457.1	96	
Transportation	436,166	504,751	96,750	601,501	37.9	165,335	2
Treasury	184	119	-	119	(35.3)	(65)	
Pensions	-	-	-	-	-	-	
Utilities and Telephones	23,669	40,906	-	40,906	72.8	17,237	7
Salary Contingency Fund 1980-81	-	-	-	-	-	-	
Salary Contingency Fund 1981-82 Preliminary	-	-	-	-	-	-	
Departmental Estimates	1,083,191	1,429,086	347,671	1,776,757	64.0	693,566	
Total Government Estimates	1,083,273	1,429,127	347,671	1,776,798	64.0	693,525	

1981-82 DEPARTMENT PERMANENT POSITION REQUESTS

Table 5

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Department / Agency	1980-81 Comparable Estimates	1981-82 A-Budget Request	1981-82 B-Budget Request	1981-82 X-Budget Request	Total 1981-82 Request	Position Increase over 1980-81	% Increase over 1980-81
Social Services and Community Health	7,574	8,547	311	-	8,858	1,284	17.0
Energy and Natural Resources	1,962	2,307	39	-	2,346	384	19.6
Advanced Education and Manpower	2,764	3,003	-	-	3,003	239	8.6
Attorney General	2,216	2,336	48	-	2,384	168	7.6
Hospitals and Medical Care	905	952	93	-	1,045	140	15.5
Environment	789	910	1	-	911	122	15.5
Revolving Funds	1,166	1,279	-	-	1,279	113	9.7
Solicitor General	2,387	2,484	8	-	2,492	105	4.4
Recreation and Parks	573	660	6	-	666	93	16.2
Transportation	2,272	2,330	33	-	2,363	91	4.0
Housing and Public Works	427	502	3	-	505	78	18.3
Government Services	2,640	2,718	-	(3)	2,715	75	2.8*
Education	717	759	32	-	791	74	10.3
Municipal Affairs	723	770	14	-	784	61	8.4
Agriculture	1,380	1,404	35	-	1,439	59	4.3
Labour	595	625	6	-	631	36	6.1
Economic Development	168	204	9	(10)	203	35	20.8
Alberta Alcoholism and Drug Abuse Commission	364	373	24	-	397	33	9.1
Treasury	715	746	-	-	746	31	4.3
Consumer and Corporate Affairs	400	411	15	-	426	26	6.5
Culture	334	351	3	-	354	20	6.0
Occupational Health and Safety	212	223	6	-	229	17	8.0
Utilities and Telephones	139	155	-	-	155	16	11.5
Personnel Administration	186	195	5	-	200	14	7.5
Tourism and Small Business	157	164	5	-	169	12	7.6
Federal and Intergovernmental Affairs	61	65	-	-	65	4	6.6
Office of the Auditor General	185	189	-	-	189	4	2.2*
Alberta Disaster Services	53	55	-	-	55	2	3.8
Support to the Legislative Assembly	39	40	-	-	40	1	2.6*
Office of the Ombudsman	18	18	-	-	18	-	-
Environment Council of Alberta	24	24	-	-	24	-	-
Alberta Environmental Centre	194	194	-	-	194	-	-
Executive Council - Administration	38	38	-	-	38	-	-
Native Affairs	18	18	-	-	18	-	-
Women's Bureau	2	2	-	-	2	-	-
Public Service Employee Relations Board	6	6	-	-	6	-	-
Pensions	8	8	-	-	8	-	-
Office of the Chief Electoral Officer	10	8	-	-	8	(2)	(20.0)
TOTAL GOVERNMENT	32,421	35,073*	696	(13)	35,756	3,335	10.3

* Includes 379 positions approved during the current year. For explanation, see page 16.