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## Fact Sheet No. 9 DEALING WITH DOLLARS

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### HOW DO PROVINCIAL FINANCES WORK?

Each year, the Legislative Assembly of Manitoba decides on the funding it will need for the next fiscal year. Decisions are made by following certain steps.

Here are some important factors in financial operations of the Province of Manitoba:

#### 1. THE FINANCIAL TIME FRAME

The Government operates on a **fiscal year** which starts on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the following year. This means that consideration of proposed spending estimates usually runs over parts of two calendar years.

Near the end of the fiscal year, the Assembly generally issues temporary funds or "interim supply" towards the new fiscal year. Supplementary supply for the current fiscal year may also be allowed.

#### 2. BUDGET SPEECH

Along with the **Throne Speech**, the Budget Speech is an occasion when the gallery is packed to seating capacity. The Budget Speech is presented at some point after the conclusion of the Throne Speech Debate.

The Budget Speech aims to:

- Identify probable income and spending of the Province, and
- Indicate whether tax levels will increase or decrease.

There is a limit of six consecutive sitting days for Budget Speech Debate. Debate takes precedence over all other business at this time, with the exception of Routine Proceedings. MLAs have a speaking time limit of 20 minutes each though Leaders of Recognized Parties are exempt from this limit.

#### 3. ESTIMATES

Following this debate, detailed spending **estimates** are presented for the House to consider. They are also available to all MLAs when tabled by the Minister of Finance. Once presented, these estimates are automatically referred to the Committee of Supply.

#### 4. EXAMINATION OF ITEMS

**The Committee of Supply**, a committee of the Whole House, meets in three separate sections to **scrutinize and approve** the estimates of the various government departments.

The Committee of Supply enables the Assembly to **examine departmental programs and policies** in depth. With the assistance of their Deputy Ministers and other senior officials Ministers explain the spending estimates for their department(s) in detail and respond to questions.

Respecting the Rules of the House, the **Government and House Leaders from Recognized Parties determine the order** in which estimates are considered. The Government House Leader

then tables a written statement of the agreed upon sequence. If the House Leaders are not able to determine a sequence, the Speaker has the authority to develop an estimates sequence.

Once tabled, the sequence may be changed by a new motion or by unanimous consent of the House.

In a majority government, defeat of a resolution or reduction of a supply amount is rare.

The Committee of Supply does have the ability to defeat a supply resolution, or entertain a proposal to reduce its amount. The committee may not, however, increase the amount or add new items. Only a Minister of the Crown can initiate a proposal to increase an estimate.

**Adopted resolutions** are reported back to the House. After considering all supply resolutions, the Committee of Supply passes a '**debatable concurrence**' motion, with all committee sections sitting together. There is no time limit on the length of this debate.

After reporting to the House, a further '**non-debatable concurrence**' motion is passed before the whole House. Notice is not required for the motion.

Committee of Supply speeches are limited to five **minutes, and** relevance is monitored.

## **5. TIME LIMITS**

Not more than 100 **hours** are allowed for the consideration of all supply resolutions, as well as relevant appropriation bills in the committee of the Whole. Business left unfinished within the time limit is disposed of without further debate unless unanimous consent, by the House, opts to waive the time limit.

## **6. APPROPRIATIONS BILLS**

Following the adoption of all supply resolutions and the two concurrence motions, a motion regarding the capital supply Bill and a motion regarding the main supply Bill, are moved and adopted in the House.

Adoption of these motions marks the first step towards the **introduction of an Appropriations (or Supply) Bill**.

It is not uncommon for an Appropriations Bill with unanimous consent of the House to move through all stages (from introduction to Royal Assent) in one House

### **SOME TERMS:**

**Business of Supply:**

Spending authorization.

**Main Supply:**

The Government's operating costs for the coming fiscal year.

**Supplementary Supply:**

Safety net against unforeseen expenditures not provided in main supply.

**Interim Supply:**

Temporary funding available while main supply is still being considered by the Assembly. Usually a percentage of the amount anticipated in the Main Supply.