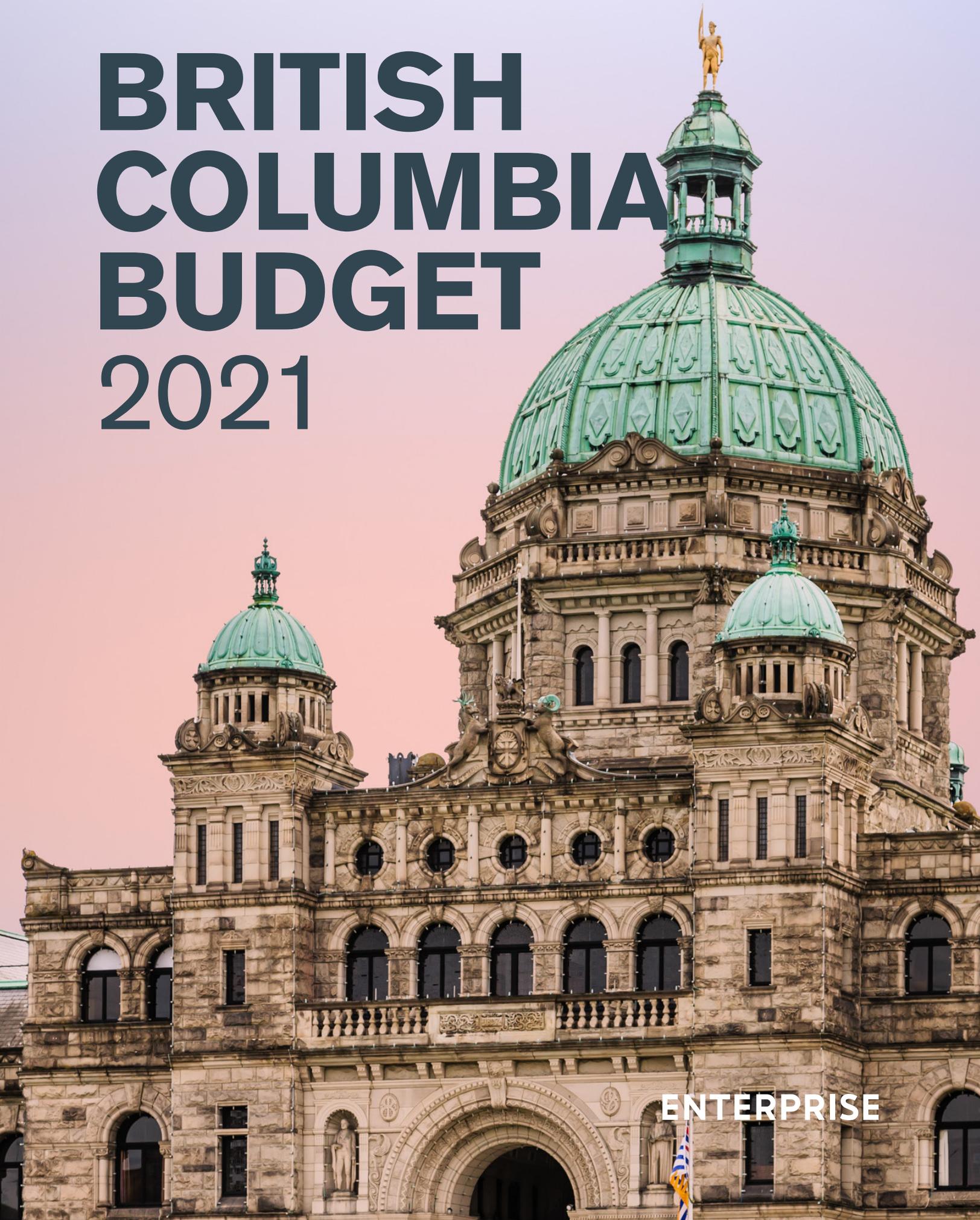


BRITISH COLUMBIA BUDGET 2021



ENTERPRISE

Overview:

- **\$26.4B** in capital investment
- **\$9.7B** deficit
- **\$6.7B** in COVID-19 supports
- **\$3.1B** in healthcare funding
- **\$2B** for a low-interest loan program for builders of affordable housing
- **\$506M** for CleanBC

British Columbia is the final western Canadian province to release their 2021-22 budget. Budget 2021 focuses on *Building Today for a Better Tomorrow* with a strong investment in hiring thousands of new long-term care workers after the pandemic exposed inadequate staffing and poor infection control.

The \$3.1 billion investment in healthcare and wait times is an effort to combat British Columbia's devastating opioid crisis and improve the much-criticized mental health and addictions services currently offered across the province.

B.C.'s economic recovery includes \$1 billion in investments to support economic recovery, including funds to increase the amount of healthcare workers in B.C., job training, and improving youth employment opportunities.

Budget 2021 also provides an outline for the province's return to a balanced budget within seven to nine years and commits the government to provide a more detailed plan with specific timelines in Budget 2022.

Health:

In Budget 2021, the Government of British Columbia is investing a record almost \$23.9 billion into the health system – an increase of roughly \$1.7 billion from the forecasted expenditure in 2020-21.

Given the pandemic remains the province's top priority, today's budget included \$900 million for the ongoing health response necessary to combat COVID-19. The Horgan government expects this to cover the costs of the vaccination

efforts, testing, contact tracing, and screening at health facilities throughout the province.

As in other provinces, the pandemic has exposed major gaps within the health system that must be addressed. The necessary public health measures put in place to protect British Columbians have resulted in significant surgical and diagnostic backlogs. Budget 2021 invests a further \$495 million towards the province's efforts to eliminate these wait lists. The pandemic has also pushed the health labour force to the brink. To address chronic staffing issues, Budget 2021 includes \$68 million over three years to increase the number of home care staff throughout the province as well as \$585 million over three years for the Health Career Access Program that will recruit, train and employ up to 3,000 health care workers.

In addition to investing in areas that require urgent attention, Budget 2021 also provides a vision of the health system post-pandemic. Over the next three years, B.C. will spend \$253 million to expand team-based and urgent primary care throughout the province, and \$7.8 billion will be invested in capital projects to strengthen the physical footprint of the health system. To address the recommendations included in the recent report on Indigenous racism within the health system titled *In Plain Sight*, the B.C. government is investing \$45 million over three years to fund First Nations cultural safety and humility training as well as Indigenous liaisons in health facilities throughout the province.

No B.C. budget could be complete without outlining additional steps the province will take to combat the devastating opioid crisis in the province. Budget 2021 allocates a record \$500 million over the next three years towards British Columbia's mental health and addictions strategy, *A Pathway to Hope*. This includes: \$97 million towards children, youth and young adult supports; increasing the number of Foundry Centres from 11 to 23 by 2023-24; and \$75 million for targeted First Nation mental health initiatives including the expansion of eating disorder care and suicide prevention services as well as making an early psychosis intervention program accessible

across the province. This record funding also includes \$152 million specifically earmarked for opioid treatment. Services bolstered due to the pandemic will become permanent, including a number of supervised consumption sites, the Assertive Community Treatment Teams, and the Lifeguard App. Budget 2021 also announced 195 new treatment and recovery beds and additional resources for outpatient peer and community-based support services throughout the province.

Infrastructure, Investment and Crown Corps:

Capital spending is \$3.5 billion higher than last year's budget as the government aims to improve infrastructure and create jobs in response to COVID-19.

The province remains committed to funding the construction of the Broadway Subway that will provide six more stations along the SkyTrain line and extend it by 5.7km. Delta residents remain in limbo for a decision on the George Massey Crossing replacement project as Budget 2021 only commits the government to receiving more plans.

BC Transit, TransLink and BC Ferries will also receive \$1.08 billion in funding from the provincial and federal governments as a pandemic recovery initiative.

In addition, B.C. municipalities will receive \$540 million in funding from the provincial and federal governments to address the increasing homelessness crisis in many BC communities and to help them respond to COVID-19.

B.C.'s crown corporations were also affected by the pandemic, with public health measures restricting in-person dining at bars and restaurants, limiting in-person gambling opportunities, and changing people's driving habits.

- The Insurance Corporation of British Columbia (ICBC) is forecasting positive net incomes for 2021-22 and beyond.

- The British Columbia Lottery Corporation (BCLC)'s operations were disrupted due to the pandemic, with the closure of all gambling facilities for the entire 2020-21 fiscal year in compliance with provincial health orders. The fiscal plan forecasts BCLC's net income will recover to pre-pandemic levels, starting at \$383 million in 2020-21 and growing to \$1.4 billion in 2023-24.
- The British Columbia Liquor Distribution Branch (LDB) is projecting a net income of \$1.099 billion in 2021-22 and growing to \$1.146 billion in 2023-24.

Economy and Jobs:

B.C.'s economic recovery plan focuses on supports for job creators, which the government claims is the most spend per capita out of any province in Canada.

The B.C. unemployment rate averaged 8.9 per cent in 2020 and 7.5 per cent year-to-date to February 2021, up from 4.9 per cent in the first two months of 2020. Meanwhile, in year-to-date to February 2021, B.C.'s labour force grew by 1.7 per cent, reflecting an increase in the labour force participation rate from 64.9 per cent to 65.4 per cent.

Budget 2021 funds ongoing supports to help B.C. businesses through the pandemic and into recovery, including \$150 million allocated to the StrongerBC Increased Employment Incentive tax credit, \$35 million to help B.C. farmers keep temporary foreign workers, \$10 million to expand GrowBC and FeedBC to strengthen the domestic market, and \$195 million to the Small-and-Medium-sized Business Recovery Grant program.

Budget 2021 also includes \$7.5 million to support B.C.'s growing agri-tech industry and \$7 million to expand B.C.'s food hub network and support farm innovation.

Investments in post-secondary education and training opportunities are a critical part of B.C.'s recovery strategy, which helps train or re-train

people to secure well-paying jobs and strengthen B.C.'s labour force. Budget 2021 provides \$649 million over three years to support the post-secondary education sector. This includes \$45 million for youth employment initiatives, such as building training capacity and learning opportunities, with the goal of creating 5,000 jobs for B.C.'s youth.

Education and Public Safety:

The province will invest \$1.2 billion over the fiscal plan to support the growing number of students accessing B.C.'s K-12 education system and to support wage increases for teachers and support staff under the Sustainable Services Negotiating Mandate. Funding will also support the growing number of special needs students, English/French language learners, and Indigenous learners in both public and independent schools.

An additional \$73 million from the fiscal plan will go towards public safety services. This includes funding to support policing and security, initiatives under the Gang Suppression Action Plan, the BC Coroners Service, the Office of the Fire Commissioner, road safety programs, and sector wage enhancements under the Sustainable Services Negotiating Mandate. Funding will help escalating staffing needs for frontline RCMP officers in rural communities to address increased investigative complexity and coordinated responses for emergencies such as floods, wildfires, and the ongoing health emergencies of both COVID-19 and the opioid crisis.

The budget attempts to tackle the homelessness crisis that has only been made worse by COVID-19. Over \$375 million will be allocated to homelessness response and affordable housing initiatives. Budget 2021 continues to fund the Homes for B.C. plan to deliver 114,000 affordable homes over 10 years to improve market supply and provide more housing options for growing families, seniors, women and children fleeing violence, students, and Indigenous peoples.

Energy, Environment and Reconciliation:

The government is committing to significant investments to support climate action. Notably, they allocate an additional \$506 million over the course of the fiscal plan to support CleanBC, with \$174 million allocated in 2023-24. This investment includes \$269 million in new operating and capital funding for clean transportation and energy efficient buildings and communities as well as other clean tech and climate change initiatives.

The province has allocated \$10 million over three years to develop policies centered around reducing carbon intensity of fuel and developing the hydrogen economy. This is included in the wider \$123 million in operating funding to support cleaner transportation through financial incentives, green infrastructure, tech advancements, and the overall electrification of government fleets.

Budget 2021 also highlights the previously-announced extension of the mining flow-through share tax credit which is now aligned with the federal timelines.

Social Services, Culture, Tourism and Reconciliation:

Budget 2021 reaffirms the B.C. government's commitment to low-cost childcare with over 35,000 families being supported by the program over the last four years and plans to expand the Seamless Day pilot program. The government will also increase supports for day-to-day inclusive activities and additional health and safety grants to childcare providers to ensure centres remain safe through increased cleaning supplies, personal protective equipment, or space improvement by supplying \$20 million.

The government previously invested a total of \$57.5 million to support the music industry and arts and culture sectors through programs like AmplifyBC.

Budget 2021 builds on these investments by doubling the budget for the Arts Infrastructure Program, which will now provide \$6 million in capital improvement grants to support arts and culture organization recovery.

Tourism continues to be a key economic driver in B.C.'s recovery plan with an additional \$20 million for community destination development grants that will support local communities as they prepare for tourists through new infrastructure like trails and airport improvements.

The budget also contains several investments that work to advance reconciliation, including \$60 million annually to engagement with Indigenous peoples on legislation, policy, and programs and initiatives to continue the implementation of the Declaration on the Rights of Indigenous Peoples Act.



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