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**To:** "Direct to Mayor and Council - DL"  
**CC:** "City Manager's Correspondence Group - DL"  
"City Leadership Team - DL"  
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**Subject:** Provincial Budget Overview

Greetings Mayor and Council/City Leadership Team:

This afternoon, the Government of British Columbia delivered Budget 2019. Our Director of Intergovernmental Relations, Marnie McGregor was in Victoria this morning for the provincial budget stakeholder lockup, and has prepared the following summary of the key themes from the 2019 provincial budget, highlighting areas of interest for the City of Vancouver.

A significant focus of *Making Life Better: Budget 2019* is taking action to make life more affordable, improve services for British Columbians, and build a strong, sustainable provincial economy, and advance reconciliation.

We will be issuing a media statement this afternoon in response to the Budget, and look forward to continuing to work closely with the provincial government to meet the needs of our community, while building a sustainable economy.

Sadhu

**Budget 2019 Summary:**

- Building on the 2017 and 2018 provincial budgets, focusing on shared prosperity, making life more affordable for British Columbians.
- Putting British Columbia back on track, investing in people's priorities- poverty reduction, childcare, affordable housing, healthcare and education- while balancing the budget.
- Providing businesses with assurances of a thriving economy.
- Fighting against climate change for future generations.

**Affordable Housing:**

- Budget 2019 invests \$10 million in 2018/19 to the Ministry of Social Development and Poverty Reduction to establish provincially supported rent banks to provide access to loans for vulnerable families in need of immediate assistance to avoid eviction from their homes
- Accelerating the payment of \$38 million in grants to housing providers in 2018/19. This funding will be used to reduce ongoing borrowing costs to improve the range of affordable market rents.
- Budget 2019 provide an additional \$24 million for ongoing investments, and \$76 million (\$15 million in operating funding for the Ministry of Social Development and Poverty Reduction and the Minister of Municipal Affairs and Housing, as well as \$61 million in capital funding for the Ministry of Municipal Affairs and Housing) for a province-wide homeless action plan to:
  - Implement a supportive housing response strategy and build 200 more modular units and creating interim and permanent housing options to house people who are homeless or at the risk of homelessness, bringing the total to 2,200 modular units.
  - Strengthen the BC Employment Assistance program to better support people who are homeless or at risk of homelessness to find stable housing.
  - Conduct a province-wide homeless count in 2020, and establish a provincial homelessness co-ordination unit.

**Poverty Reduction:**

- Effective April 1, 2019, increasing income and disability assistance rates by \$50 per month, for a total increase of \$150 per month, or \$1800 per year since Budget 2017.
- Budget 2019 is transitioning and expanding the current Early Childhood Tax Benefit (ECTB) into a new B.C. Child Opportunity Benefit. Starting in 2020, families with one child will receive up to \$1600 per year, with those with two children will receive up to \$2,600, and those with three children will receive up to \$3,400. A family will receive as much as \$28,900 from when a baby is born, to adulthood, and for a family with two children, support

can surpass \$40,000 for a family. Families with one child earning up to \$97,500 are eligible for the benefit, as are families with two children earning up to \$114,500.

- Starting on January 1, 2020, MSP premiums will be fully eliminated, saving families as much as \$1800 per year.
- Net provincial taxes for a family of four earning \$60,000 will be reduced by 60% with Budget 2019. For a family of four earning \$80,000 net provincial taxes will be reduced by 43% since 2016, and for a family of four earning \$100,000 net provincial taxes will be reduced by 22% since 2016.
- Effective today, interest will no longer accrue on new and existing student loans provided through the British Columbia Student Loan Program, saving undergraduate borrowers \$2300 interest charges.
- Removing barriers to accessing assistance through the B.C. Employment Assistance Program.
- The minimum wage will increase to \$13.85 this year, and is set to reach at least \$15.20 an hour by 2021.
- Support payments for family-based caregivers, including foster parents will be increased by \$179 a month, which is the first increase in a decade.
- Budget 2019 introduces an increase of 15% to account for increases to the cost of living for post-adoption assistance.
- Budget 2019 dedicates \$94 million over the next three years to support children and youth with special needs and children in residential care.
- Budget 2019 introduces \$6 million annually to provide rest and relief for parents who care for children with special needs.
- The Province introduced a Poverty Reduction plan in Fall 2018, and a provincial Poverty Plan will come forward in the spring of 2019 (expected March 2019), and the province will be reporting out on the legislated objectives.

#### **Childcare:**

- Budget 2019 continues on the Budget 2018 initiatives, providing an additional \$27 million over the fiscal plan to support child care programs. Budget 2018 made a historic investment of \$1 billion over three years to make quality child care more available and affordable including introducing the Affordable Child Care Benefit, Introducing the Child Care Fee Reduction Initiative, providing funding to create an additional 22,000 licensed child care spaces.
- Budget 2019 provides an additional \$9 million annually to support the Child Care Fee Reduction Initiative and associated Child Care Operating Fund program.
- A \$1 per hour wage enhancement for early childhood educators in 2019, with a further \$1-per-hour lift in 2020 to bring the total increase to approximately \$4000 per year for those working at licensed facilities that have been approved for the Child Care Fee Reduction Initiative.
- A \$10 million expansion of the bursary program administered by the Early Childhood Educators of B.C., with the support from the Government of Canada under the federal-provincial Early Learning and Child Care Agreement.

#### **Overdose Crisis & Addictions:**

- The provincial government opened a first-in-B.C. pilot project at the St. Paul's Hospital Emergency Department, which provides people who have survived an overdose with take-home doses of Suboxone. This helps to stabilize people with opioid use disorder, ensuring they are connected to safe alternative to toxic street drugs.
- Budget 2018 invested \$1.7 million into Community Innovation Projects driven by organizations in 27 communities, focused on local action to save lives, addressing stigma and connecting more people to treatment and recovery.

#### **Mental Health:**

- \$74 million investment over three years to support new services that address mental health and addictions for children, youth and young adults, and improvements in access to high-quality and integrated mental services increasing prevention and early intervention.

#### **Indigenous Reconciliation:**

- Budget 2019 takes historic action to move forward on the path to reconciliation with
  - Revenue sharing with First Nations: stable, long-term funding of over \$3 billion over 25 years to support true and lasting reconciliation, \$300 million over the next three years
  - Improving the Extended Family Program: family caregivers receive a 75% increase to support payments, responding to recommendations from Indigenous communities and Grand Chief Ed John
- Budget 2019 invests \$9 million to implement the new environmental assessment passed in November 2018. The legislation reflects the government's commitment to reconciliation and implementation of the United Nations Declaration on the Rights of Indigenous Peoples.

#### **Transit/Transportation:**

- Investment of \$20.1 billion in the three-year capital plan, the largest in B.C.'s history.
- Community Benefits Agreement (CBA) for major infrastructure projects including the Broadway Subway, to provide fast, reliable transportation in one of Metro Vancouver's busiest transit corridors, reducing traffic congestion and air pollution.
- Additional \$21 million for BC Transit expanding bus services in 30 communities around the province, and make improvements to help seniors and people with disabilities in both rural and urban communities access transit services.
- Budget 2019 adds \$39 million over three years for the maintenance of B.C.'s network of bridges and roads.
- \$9 million over three years to implement the government's commitments to modernize the taxi industry and enable ride-hailing in British Columbia. This funding will also enhance vehicle compliance and enforcement activities and support the Passenger Transportation Board in its new role as provincial regulator for passenger-directed vehicles.

#### **Green & Resilient Infrastructure/CleanBC:**

- Budget 2019 provides funding for CleanBC Initiatives totaling \$902 million over three years to make sure that the province can meet climate commitments.
- Investing tens of millions of dollars to make zero-emission vehicles (ZEV) like electric cars and hydrogen fuel cell vehicles, affordable to all British Columbians, saving people up to \$6,000 on their purchase, and approximately \$1,500 per year in fuel costs.
- Investing \$6 million to help light-duty vehicle fleets adopt clean energy vehicles.
- A \$20 million investment to build new public fast-charging and hydrogen fueling stations, and an additional \$5 million to expand electric vehicle charging stations at highway rest stops and buildings owned by the Province, and another \$5 million towards incentives for the installation of home and workplace charging stations.
- Budget 2019 contributed \$6 million toward research, training programs for automotive technicians and electricians, and to commercialize the zero-emission vehicle sector.
- Supporting the development and implementation of ZEV-standard, with \$3 million over the next three years.
- Budget 2019 provides \$41 million over three years to make energy-saving improvements more accessible and affordable for British Columbians.
- People can receive \$2,000 to replace their old, propane or natural gas heating systems with an electric air-source heat pump, up to \$1,000 to upgrade and better insulate windows and doors, and up to \$700 toward a highest efficiency natural gas furnace.
- Budget 2019 invests almost \$40 million to support energy efficiency and emission-reduction projects in more than 1,500 owned and leased government buildings across the province. \$3 million will be put toward developing net-zero energy building codes for all new buildings by 2032, new standards to renovate existing buildings, and new energy-efficiency standards.
- Investing \$15 million this year to remote communities to switch to cleaner energy.
- Budget 2019 provides \$6 million for projects that help make communities more walkable and support cycling infrastructure.
- Budget 2019 enhances the climate action tax credit by \$223 million over the next three years, meaning a family of four will get up to \$400 this year, and \$500 by July 1, 2021.
- In Budget 2019, allocating an additional \$111 million over three years to fire management to be used to strengthen B.C.'s efforts to combat and prevent wildfires.
- Budget 2019 also provides an additional \$13 million over the next three years for the Forest Carbon Initiative, delivered in partnership with the Forest Enhancement Society of British Columbia and the Government of Canada, supports the restoration of forests damaged by disease and wildfire.

#### **Economy**

- \$800 million in tax cuts to business over the course of Budget 2019 fiscal plan.
- Cutting the small business corporate income tax rate from 2.5% to 2%, a 20% reduction.
- Cutting the provincial sales tax (PST) on non-residential electricity in half and will eliminate it completely by April 2019, saving B.C. businesses \$150 million annually.
- Joining the federal government to enhance business competitiveness with more than \$800 million reduction in provincial corporate income taxes over the result of enhanced write offs of capital expenditures.

#### **Community & Cultural Infrastructure:**

- Budget 2019 invests an additional \$15 million in the BC Arts Council- on top of Budget 2018's \$5 million- to grow the creative economy.

**Cannabis:**

- Increased federal contributions include B.C.'s share of the federally imposed cannabis duty and higher funding in support of housing initiatives, labour market development, homecare, mental health, public transit and other ministry programs.

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*The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.*