

# Ministry of Finance

Estimates Issue Notes  
June 2021



Ministry of  
Finance

## Ministry of Finance – Budget 2021 Estimates Notes

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November 26, 2020

Honourable Selina Robinson  
Minister of Finance  
Parliament Buildings  
Victoria, British Columbia V8V 1X4

Dear Minister Robinson:

Thank you for agreeing to serve British Columbians as Minister of Finance. You are taking on this responsibility at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic.

COVID-19 has turned the lives of British Columbians upside down. None of us expected to face the challenges of the past number of months, yet British Columbians have demonstrated incredible resilience, time and time again. We will get through the pandemic and its aftereffects by building on this resilience and focusing on what matters most to people.

British Columbians voted for a government focused on their priorities: fighting the COVID-19 pandemic, providing better health care for people and families, delivering affordability and security in our communities, and investing in good jobs and livelihoods in a clean-energy future.

I expect you – and the work of your ministry – to focus on the commitments detailed in our platform, *Working for You*, along with the following foundational principles:

- **Putting people first:** Since 2017, our government has focused on making decisions to meet people's needs. That focus drove our work in our first term and will continue to be our priority. British Columbians are counting on the government to keep them safe and to build an economic recovery that works for everyone, not just those at the top. Keeping people at the centre of everything we do means protecting and enhancing the public services people rely on and working to make life more affordable for everyone.
- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. The unanimous passage of the *Declaration on the Rights of Indigenous Peoples Act* was a significant step forward in this journey. True

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Office of the  
Premier

Web Site:  
www.gov.bc.ca

Mailing Address:  
PO Box 9041 Stn Prov Govt  
Victoria BC V8W 9E1

Location:  
Parliament Buildings  
Victoria



reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move toward self-determination. Our government – and every ministry – must remain focused on creating opportunities for Indigenous peoples to be full partners in our economy and providing a clear and sustainable path for everyone to work toward lasting reconciliation.

- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. Our government has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every ministry has a role in this work. While our caucus elected a record number of women, more work remains to address gender equity. Delivering on our commitments to address racial discrimination will require a commitment by all of government to ensure increased IBPOC (Indigenous, Black and People of Colour) representation within the public service, including in government appointments. Our efforts to address systemic discrimination must also inform policy and budget decisions by reviewing all decisions through a Gender-Based Analysis Plus (GBA+) lens.
- **A better future through fighting climate change:** In 2018, our government launched our CleanBC climate action plan. CleanBC puts British Columbia on the path to a cleaner, better future by building a low-carbon economy with new clean-energy jobs and opportunities, protecting our air, land and water and supporting communities to prepare for climate impacts. It is every Minister's responsibility to ensure your ministry's work continues to achieve CleanBC's goals.
- **A strong, sustainable economy that works for everyone:** We will continue our work to support British Columbians through the pandemic and the economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. Our plan will train the workforce of tomorrow, help businesses hire and grow and invest in the infrastructure needed to build our province.

The pandemic has reminded us that we're strongest when we work together. Delivering on our commitments to people will require a coordinated effort with your cabinet and caucus colleagues, supported by the skilled professionals in the public service. You will also support your cabinet colleagues to do their work, particularly where commitments cross ministry lines.

British Columbians expect their elected representatives to work together to advance the broader public good despite their partisan perspectives. That means seeking out, fostering and championing good ideas, regardless of their origin. I expect you to reach out to elected members from all parties as you deliver on your mandate. Further, you will build thoughtful and sustained relationships through public and stakeholder engagement plans that connect with people to incorporate their perspectives early in the policy development process. These plans must include measurable outcomes and ensure active dialogue and ongoing outreach in your ministry's actions and priorities.

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Over the course of our mandate, I expect you will make progress on the following items:

- Invest in the economic recovery of our province from the COVID-19 pandemic, including by continuing to make the investments needed to support people and businesses, and ensuring the successful implementation of StrongerBC.
- As soon as possible, provide immediate relief for people by delivering a one-time Recovery Benefit.
- Introduce an income-tested renter's rebate to support rental households that need it most and are not already receiving other rental support.
- Launch a new Recovery Investment Fund to deliver an additional 1% of GDP each year in capital projects, above and beyond our existing capital commitments, to drive new growth and investment, including funding new schools, hospitals, child care spaces, roads and transit, and more.
- With support from the Parliamentary Secretary for Anti-Racism, lead efforts to support increased IBPOC (Indigenous, Black and People of Colour) representation within government and set targets for IBPOC representation in the public sector.
- Enhance the Treasury Board capital review process to ensure that public projects deliver on the priorities of government, including ensuring that projects are assessed based on their ability to, where possible, provide opportunities to create new child care spaces, use mass timber, include Community Benefit Agreements and assist in meeting our CleanBC targets.
- As our province moves ahead with a strong stimulus and recovery plan, and people and businesses are back on their feet, ensure the implementation of budget policies to keep B.C. fiscally sound over the long run.
- Establish a Crown agencies secretariat.
- Re-establish the government-film sector task force to recommend the size and term of a new visual effects tax credit based on production costs, with support from the Parliamentary Secretary for Arts and Film.
- Help more people make the switch to active transportation by removing the PST on e-bikes to make them more affordable.
- Assume responsibility for property assessment, including oversight of BC Assessment.
- With support from the Attorney General and Minister responsible for Housing, control the rising cost of strata insurance by building on work already done to close loopholes and enhance regulatory powers and acting on the forthcoming final report of the BC Financial Services Authority. If rates have not corrected by the end of 2021, explore a public strata insurance option.

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- Work with the Minister of Municipal Affairs to continue work to provide relief for commercial tenants with triple-net leases who are paying high property taxes.
- With support of the Minister of Public Safety and Solicitor General, work to provide effective governance and oversight of the British Columbia Lottery Corporation.
- Support the Minister of Energy, Mines and Low Carbon Innovation to require realtors to provide energy efficiency information on listed homes to incent energy-saving upgrades and let purchasers know what energy bills they will face.
- Support the work of the Minister of Municipal Affairs to bring down the cost of housing for people by streamlining and modernizing housing construction and approvals.

To assist you in meeting the commitments we have made to British Columbians, you are assigned a Parliamentary Secretary for Gender Equity. You will work closely together and ensure your Parliamentary Secretary receives appropriate support to deliver on the following priorities, outlined in the mandate letter issued to them:

- Ensure our government's commitment to gender equality is reflected in our budgets, policies and programs.
- Act as the government's liaison with feminist and women's organizations, and other organizations concerned with gender equality and the advancement of women.
- With support from the Minister of Labour, lead work to close the gender pay gap by continuing to address systemic discrimination in the workplace and moving closer to equal pay for equal work through new pay transparency legislation.
- With support from the Minister of Public Safety and Solicitor General, lead work to develop an action plan to end gender-based violence, including minimum standards for sexual assault response, more training for police, crown council and justices, and establishing core funding for sexual assault centres.

Our work as a government must continually evolve to meet the changing needs of people in this province. Issues not contemplated in this letter will come forward for government action and I ask you to bring such matters forward for consideration by the Planning and Priorities Committee of cabinet, with the expectation that any proposed initiatives will be subject to the usual cabinet and Treasury Board oversight. Your ministry's priorities must reflect our government's overall strategic plan as determined by cabinet.

All cabinet members are expected to review, understand, and act according to the *Members' Conflict of Interest Act* and conduct themselves with the highest level of integrity. As a minister of the Crown, your conduct will reflect not only on you but on cabinet and our government. You are responsible for providing strong, professional and ethical leadership within cabinet and your ministry. You will establish a collaborative working relationship with your deputy minister and the public servants under their direction who provide the professional, non-partisan advice that is

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fundamental to delivering on our government's priorities. You must ensure your minister's office meets the highest standards for integrity and provides a respectful and rewarding environment for all staff.

My commitment to all British Columbians is to do my level best to make sure people's lives are better, safer and more affordable. I believe the challenges we face can and will be overcome by working together. By way of this letter, I am expressing my faith that people can expect the same commitment from you.

Sincerely,

A handwritten signature in black ink, reading "John J. Horgan", with a long horizontal flourish extending to the right.

John Horgan  
Premier



BRITISH  
COLUMBIA

November 26, 2020

Grace Lore, MLA  
Parliamentary Secretary for Gender Equity  
Parliament Buildings  
Victoria, British Columbia V8V 1X4

Dear Parliamentary Secretary Lore:

Thank you for agreeing to serve British Columbians as Parliamentary Secretary for Gender Equity, supporting the Minister of Finance. You are taking on this responsibility at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic.

COVID-19 has turned the lives of British Columbians upside down. None of us expected to face the challenges of the past number of months, yet British Columbians have demonstrated incredible resilience, time and time again. We will get through the pandemic and its aftereffects by building on this resilience and focusing on what matters most to people.

British Columbians voted for a government focused on their priorities: fighting the COVID-19 pandemic, providing better health care for people and families, delivering affordability and security in our communities, and investing in good jobs and livelihoods in a clean-energy future.

I expect you – and the work of your ministry – to focus on the commitments detailed in our platform, *Working for You*, along with the following foundational principles:

- **Putting people first:** Since 2017, our government has focused on making decisions to meet people's needs. That focus drove our work in our first term and will continue to be our priority. British Columbians are counting on the government to keep them safe and to build an economic recovery that works for everyone, not just those at the top. Keeping people at the centre of everything we do means protecting and enhancing the public services people rely on and working to make life more affordable for everyone.
- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. The unanimous passage of the *Declaration on the Rights of Indigenous Peoples Act* was a significant step forward in this journey. True

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reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move toward self-determination. Our government – and every ministry – must remain focused on creating opportunities for Indigenous peoples to be full partners in our economy and providing a clear and sustainable path for everyone to work toward lasting reconciliation.

- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. Our government has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every ministry has a role in this work. While our caucus elected a record number of women, more work remains to address gender equity. Delivering on our commitments to address racial discrimination will require a commitment by all of government to ensure increased IBPOC (Indigenous, Black and People of Colour) representation within the public service, including in government appointments. Our efforts to address systemic discrimination must also inform policy and budget decisions by reviewing all decisions through a Gender-Based Analysis Plus (GBA+) lens.
- **A better future through fighting climate change:** In 2018, our government launched our CleanBC climate action plan. CleanBC puts British Columbia on the path to a cleaner, better future by building a low-carbon economy with new clean-energy jobs and opportunities, protecting our air, land and water and supporting communities to prepare for climate impacts. It is every Minister's responsibility to ensure your ministry's work continues to achieve CleanBC's goals.
- **A strong, sustainable economy that works for everyone:** We will continue our work to support British Columbians through the pandemic and the economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. Our plan will train the workforce of tomorrow, help businesses hire and grow and invest in the infrastructure needed to build our province.

As Parliamentary Secretary, you will assist your Minister in carrying out their duties. You may be asked to represent the Minister at public events, deliver speeches on behalf of the Minister, or act as a spokesperson for the government's position. You will reach out to stakeholders, businesses, civil society and individuals across B.C. to better understand their perspectives and bring their views to the Minister.

You are also being given special responsibility to support your Minister in specific areas within their mandate. You will work with, and be supported by, B.C.'s professional public service in this role.

Over the course of our mandate, I expect you will make progress on the following items:

- Ensure our government's commitment to gender equality is reflected in our budgets, policies and programs.

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- Act as the government's liaison with feminist and women's organizations, and other organizations concerned with gender equality and the advancement of women.
- With support from the Minister of Labour, lead work to close the gender pay gap by continuing to address systemic discrimination in the workplace and moving closer to equal pay for equal work through new pay transparency legislation.
- With support from the Minister of Public Safety and Solicitor General, lead work to develop an action plan to end gender-based violence, including minimum standards for sexual assault response, more training for police, crown council and justices, and establishing core funding for sexual assault centres.

Your Minister is ultimately responsible and accountable for their ministry and their mandate; thus, all key decisions will be made by them. Your role is to understand your Minister's policy goals, develop a deep understanding of the issues, participate in consultations with key stakeholders, Indigenous peoples and the broader public, in order to give your best advice to the public service as it develops options for a decision by the Minister.

You will collaborate with your Minister, Ministry and the Premier's Office to develop a workplan to guide your efforts, including detail on how the professional public service will support your work through briefings, supporting consultations, and keeping you apprised of policy development.

All members are expected to review, understand and act according to the *Members' Conflict of Interest Act* and conduct themselves with the highest level of integrity. As a Parliamentary Secretary, your conduct will reflect not only on you, but on your Minister and our government.

You are accountable for providing strong, professional and ethical leadership. I expect you to establish a positive, respectful and collaborative working relationship with your Minister, their staff and the public servants who provide the professional, non-partisan advice fundamental to delivering on our government's priorities.

My commitment to all British Columbians is to do my level best to make sure people's lives are better, safer and more affordable. I believe the challenges we face can and will be overcome by working together. By way of this letter, I am expressing my faith that people can expect the same commitment from you.

Sincerely,



John Horgan  
Premier

**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

**ISSUE: Service Plan Changes****ADVICE AND RECOMMENDED RESPONSE:**

- The templates and guidelines for service plans changed slightly from the previous year.
- The changes allowed the ministry to focus on accomplishing high-level priorities and ensured Service Plans are concise and meaningful in the current provincial context.
- Compared to the 2020/21 Service Plan most performance measures have been maintained, one performance measure has been modified, one additional performance measure has been introduced and one has been removed:
  - Modified measure: Balanced Budget has been modified to meet or exceed current year budget targets as set out in Government's fiscal plan
  - New measure introduced: Total number of current staff who have taken GBA+ training
  - Removed measure: Women make up a minimum of 50% of government-appointed members on public sector organization boards
- The removed measure will now be reported by the Crown Agencies Secretariat.

**Contact:** Nicole Wright, ADM & EFO  
**Division:** Corporate Services Division  
**File Name:** Service Plan Changes.docx

**Phone:** 250-516-6812  
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**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

**BACKGROUND:**

- The Service Plan outline has been maintained from 2020/21 Service Plan

**2021/22 Service Plan Outline**

- Goal 1: Sound and transparent management of government's finances
  - Objective 1.1: Effective management of government's fiscal plan
  - Objective 1.2: Accountable, efficient and transparent financial and program management across government
  - Objective 1.3: Responsive, fair and effective revenue, tax and benefit administration
- Goal 2: Strong, sustainable and innovative economy
  - Objective 2.1: A modern, progressive and fair tax system and a robust regulatory environment
  - Objective 2.2: A fair and transparent housing market
  - Objective 2.3: Effective oversight of public sector organizations
  - Objective 2.4: Provide support to all ministries in the delivery of community benefits on public infrastructure projects

**DATA TABLE – PERFORMANCE MEASURES COMPARED**

Measure	2020/21	2021/22	Notes
Balanced Budget	x		This measure has been modified in the 2021/22 Service Plan
Meet or exceed current year budget targets as set out in Government's fiscal plan		x	This measure was introduced in the 2021/22 Service Plan – it replaces "Balanced Budget"
Audit opinion provided by the Office of the Auditor General	x	x	These measures were carried over from the previous Service Plan
Percentage of on-time payments	x	x	
Cost to collect one dollar of tax revenue	x	x	
Accounts receivables as a percentage of total tax revenue	x	x	
Provincial ranking of corporate income tax rates	x	x	

**Contact:** Nicole Wright, ADM & EFO  
**Division:** Corporate Services Division  
**File Name:** Service Plan Changes.docx

**Phone:** 250-516-6812  
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**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

Provincial ranking of personal income tax rates for bottom bracket	x	x	
Provincial ranking of personal income tax rates for second lowest bracket	x	x	
Residential sales-to-new listing ratio	x	x	
Performance management framework for evaluating the effectiveness of the Community Benefits Frameworks under development	x	x	
Total number of current staff who have taken GBA+ training		x	This measure was introduced in the 2021/22 Service Plan
Women make up a minimum of 50% of government-appointed members on public sector organization boards	x		This measure has been removed from the 2021/22 Service Plan

**Contact:** Nicole Wright, ADM & EFO  
**Division:** Corporate Services Division  
**File Name:** Service Plan Changes.docx

**Phone:** 250-516-6812  
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**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

**ISSUE: Changes to the Ministry's 2021/22 budget relative to 2020/21 Service Plan**

**ADVICE AND RECOMMENDED RESPONSE:**

- The Ministry of Finance 2021/22 budget had an overall net increase of \$106.6M compared to the 2021/22 budget in the 2020/21 Service Plan.  
*(see Table 1. CHANGES TO THE 2021/22 BUDGET FROM THE 2020/21 SERVICE PLAN)*
  
- The Ministry Operations Vote increased by \$42.2M due to the following:
  - \$28.4M increase for the repatriation and transition of revenue services to the Province,
  - \$11.2M increase for the administration of priority tax measures and pandemic programs,
  - \$2.8M increase for resourcing to support government in delivering on the Province's Mandate Letter commitments; and in developing programs for the Province's COVID-19 Action and Recovery Plans,
  - \$1.7M in budget transfers to the Ministry due to the November 2020 government reorganization transfers of the Crown Agencies Secretariat from Attorney General and the Assessment Policy group from Municipal Affairs; and
  - \$0.1M increase for the Minister's Office existing funding requirements.
  
- The Government Communications and Public Engagement (GCPE) Vote had no changes.

**Contact:** Nicole Wright  
**Division:** Corporate Services Division  
**File Name:** CSD-04\_Changes to Service Plan from Budget 2020

**Phone:** 778 698-7768  
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**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

- The BC Public Service Agency Vote increased by \$4.9M due to a structural base review (including funding for salaries, benefits, and agency expenditures) and an increase for the Telus Employer Solutions Payroll Contract including contract procurement.
  
- The Housing Priority Initiatives (HPI) Special Account increased by \$59.3M for the following:
  - \$35.2M for hotel purchases to support resolving homeless encampments in Vancouver and Victoria, and
  - \$24.0M to support government's housing affordability goals.
  
- The Insurance and Risk Management Account Special Account had no significant changes.
  
- The Long Term Disability Fund Special Account decreased by (\$1.8 M) due to increased recoveries for adjustments in salary bases for provincial government, partially offset by decreased recoveries for adjustments in salary bases for external entities and increased labour relations support costs.

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**Division:** Corporate Services Division  
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**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

**BACKGROUND:**

TABLE 1. CHANGES TO THE 2021/22 BUDGET FROM THE 2020/21 SERVICE PLAN

(\$ millions)	2021/22 in 2020/21 Service Plan	2021/22 in 2021/22 Service Plan	Changes 2020/21 to 2021/22
<b>Ministry Operations Budget 2020</b>	<b>263.2</b>	<b>263.2</b>	<b>0.0</b>
Transfer of Crown Agencies Secretariat from AG		1.2	1.2
Transfer of Assessment Policy from MA		0.6	0.6
<b>Min Ops Budget 2020 with 2020/21 Restated</b>	<b>263.2</b>	<b>265.0</b>	<b>1.7</b>
Revenue Services		28.4	28.4
Tax Administration		11.2	11.2
Resourcing		2.8	2.8
Minister's Office		0.1	0.1
<b>Budget 2021 Ministry Operations</b>	<b>263.2</b>	<b>307.5</b>	<b>44.2</b>
<b>Insurance and Risk Management Special Account Budget 2020</b>	<b>4.59</b>	<b>4.59</b>	<b>0.00</b>
SSNM		0.04	0.04
<b>Budget 2021 IRMA Special Account</b>	<b>4.59</b>	<b>4.63</b>	<b>0.04</b>
<b>Housing Priority Initiatives Special Account Budget 2020</b>	<b>505.8</b>	<b>505.8</b>	<b>0.0</b>
Housing Affordability		24.0	24.0
Hotel Purchases		35.3	35.3
<b>Budget 2021 HPI Special Account</b>	<b>505.8</b>	<b>565.1</b>	<b>59.3</b>
<b>Provincial Home Acquisition Wind Up Special Account Budget 2020</b>	<b>0.01</b>	<b>0.01</b>	<b>0.0</b>
No changes			0.0
<b>Budget 2021 PHA Special Account</b>	<b>0.01</b>	<b>0.01</b>	<b>0.0</b>
<b>Subtotal Ministry of Finance Main 2021/22 Budget</b>	<b>773.7</b>	<b>877.2</b>	<b>103.5</b>
<b>GCPE Budget 2020</b>	<b>28.3</b>	<b>28.3</b>	<b>0.0</b>
no changes			0.0
<b>Budget 2021 GCPE</b>	<b>28.3</b>	<b>28.3</b>	<b>0.0</b>
<b>PSA Budget 2020</b>	<b>54.6</b>	<b>54.6</b>	<b>0.0</b>
PSA Spending Plan		4.9	4.9
<b>Budget 2021 PSA</b>	<b>54.6</b>	<b>59.5</b>	<b>4.9</b>
<b>Long Term Disability Fund Special Account Budget 2020</b>	<b>26.5</b>	<b>26.5</b>	<b>0.0</b>
LTD Spending Plan		(1.8)	(1.8)
<b>Budget 2021 LTD Fund Special Account</b>	<b>26.5</b>	<b>24.8</b>	<b>(1.8)</b>
<b>Total Budget 2021/22</b>	<b>883.2</b>	<b>989.8</b>	<b>106.6</b>

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**Division:** Corporate Services Division  
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**MINISTRY OF FINANCE  
CORPORATE SERVICES DIVISION  
ISSUE NOTE**

**ISSUE: BUDGET 2021 – CHANGES TO THE MINISTRY’S 2021/22  
BUDGET RELATIVE TO RESTATED 2020/21**

**ADVICE AND RECOMMENDED RESPONSE:**

- The Ministry of Finance 2021/22 budget had an overall net increase of \$150.5M compared to the restated 2020/21 budget.  
*(See Background-Table 1. Restated 2020/21 to 2021/22 Budget Changes & Document #2, pg. 7)*
- The Ministry Operations Vote increased by \$38.3M as a result of the following:
  - \$28.4M increase for the repatriation and transition of revenue services to the Province,
  - \$11.2M increase for the administration of priority tax measures and pandemic programs,
  - \$2.8M increase for resourcing to support government in delivering on the Province’s Mandate Letter commitments; and in developing programs for the Province's COVID-19 Action and Recovery Plans,
  - \$0.1M increase for the Minister’s Office existing funding requirements; and
  - (\$4.2M) decrease in previous service plan changes including:
    - (\$7.4M) decrease for one year funding in fiscal 2020-21 to support internal revenue services historically recovered against MSP premium; partially offset by
    - \$2.4M increase for the Sustainable Services Negotiating Mandate (SSNM).
    - Funding provided to reflect ministry allocation for ratified collective agreements, as of December 31, 2019, under the Sustainable Services Negotiating Mandate (2019-2022),

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**Division:** Corporate Services Division  
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- \$0.6M increase for Student Loan Interest Elimination,
  - \$0.2M increase for Tax Enforcement activities, and
  - \$0.01M increase for the Benefits Chargeback rate.
- The Government Communications and Public Engagement (GCPE) Vote had no significant changes.
  - The BC Public Service Agency Vote increased by \$5.1 million as a result of the following:
    - \$4.9 M increase due to a structural base review (including funding for salaries, benefits, and agency expenditures) and an increase for the Telus Employer Solutions Payroll Contract including contract procurement; and
    - \$0.2M increase in previous service plan changes for the SSNM.
  - Compared to the 2020/21 restated budget, the Housing Priority Initiatives (HPI) Special Account saw a net increase of \$108.8 million in 2021/22 due to:
    - \$35.2M increased funding for hotel purchases to support resolving homeless encampments in Vancouver and Victoria,
    - \$24.0M increase to support government's housing affordability goals; and
    - \$49.5M net increase in previous service plan budget changes to support housing programs including the Community Housing Fund, Indigenous Housing Fund, and the Rapid Response to Homelessness.

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- The Insurance and Risk Management Account Special Account had no significant changes.
  
- The Long Term Disability Fund Special Account decreased by (\$1.8 M) due to increased recoveries for adjustments in salary bases for provincial government, partially offset by decreased recoveries for adjustments in salary bases for external entities and increased labour relations support costs.

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**MINISTRY OF FINANCE  
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ISSUE NOTE**

**BACKGROUND:**

TABLE 1. RESTATED 2020/21 TO 2021/22 BUDGET CHANGES

(\$ millions)	2020/21 (Restated)	2021/22	Changes 2020/21 to 2021/22
<b>Ministry Operations Budget 2020</b>	267.5	263.2	(4.3)
Transfer of Crown Agencies Secretariat from AG	1.1	1.2	0.0
Transfer of Assessment Policy from MA	0.6	0.6	0.0
<b>Min Ops Budget 2020 with 2020/21 Restated</b>	269.2	265.0	(4.2)
Revenue Services		28.4	28.4
Tax Administration		11.2	11.2
Resourcing		2.8	2.8
Minister's Office		0.1	0.1
<b>Budget 2021 Ministry Operations</b>	269.2	307.5	38.3
<b>Housing Priority Initiatives Special Account Budget 2020</b>	456.3	505.8	49.5
Housing Affordability		24.0	24.0
Hotel Purchases		35.3	35.3
<b>Budget 2020 HPI Special Account</b>	456.3	565.1	108.8
<b>Insurance and Risk Management Special Account Budget 2020</b>	4.6	4.6	0.0
SSNM		0.0	0.0
<b>Budget 2021 IRMA Special Account</b>	4.6	4.6	0.1
<b>Provincial Home Acquisition Wind Up Special Account Budget 2020</b>	0.0	0.0	0.0
No changes			0.0
<b>Budget 2021 PHA Special Account</b>	0.0	0.0	0.0
<b>Subtotal Ministry of Finance Main Budget 2021</b>	<b>730.1</b>	<b>877.2</b>	<b>147.1</b>
<b>GCPE Budget 2020</b>	28.3	28.3	0.0
No changes		0.0	0.0
<b>Budget 2021 GCPE</b>	28.3	28.3	0.0
<b>PSA Budget 2020</b>	54.4	54.6	0.2
PSA Spending Plan		4.9	4.9
<b>Budget 2021 PSA</b>	54.4	59.5	5.1
<b>Long Term Disability Fund Special Account Budget 2020</b>	26.5	26.5	0.0
LTD Spending Plan		(1.8)	(1.8)
<b>Budget 2021 LTD Fund Special Account</b>	26.5	24.8	(1.8)
<b>Total Budget 2021</b>	<b>839.3</b>	<b>989.8</b>	<b>150.5</b>

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MINISTRY OF FINANCE  
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ISSUE NOTE

**ISSUE: CHANGE FROM UPDATED Q3 2020/21 FORECAST TO  
BUDGET 2021/22**

**ADVICE AND RECOMMENDED RESPONSE:**

- The Ministry of Finance 2021/22 budget of \$990M is (\$778M) lower than the updated Quarter 3 2019/20 forecast of \$1,768M. (*see Background for details*)
- This is the net result of the forecasted variance from 2020/21 restated budget of \$929M and the variance between the budgets for 2021/22 and restated 2020/21 of \$151M.
- Firstly, at Quarter 3 the Ministry of Finance was forecasting to spend \$1,768M, a variance of \$929M over its 2020/21 restated budget of \$839M due to:
  - \$384M in statutory spending for temporary pandemic pay to essential workers,
  - \$349M in statutory spending for signed agreements under the Sustainable Services Negotiating Mandate (SSNM); and
  - \$196M in funding for the Housing Priority Initiatives (HPI) Special Account for hotel purchases to support the ongoing decampment strategy.
- Secondly, the Ministry of Finance 2021/22 budget had a net overall increase of \$151M compared to its 2020/21 restated budget of \$839M primarily as a result of: (*see Key Facts for details*)
  - \$108.8M increase in the Housing Priority Initiatives (HPI) Special Account,
  - \$38.3M increase in the Ministry Operations Vote,

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- \$5.1M increase in the BC Public Service Agency (PSA) Vote; and partially offset by
- (\$1.8 M) decrease in the Long Term Disability Fund Special Account.

**KEY FACTS:**

- Compared to the 2020/21 restated budget, the Housing Priority Initiatives (HPI) Special Account saw a net increase of \$108.8 million in 2021/22 due to:
  - \$35.2M increased funding for hotel purchases to support resolving homeless encampments in Vancouver and Victoria,
  - \$24.0M increase to support government's housing affordability goals; and
  - \$49.5M net increase in previous service plan budget changes to support housing programs including the Community Housing Fund, Indigenous Housing Fund, and the Rapid Response to Homelessness.
- The Ministry Operations Vote increased by \$38.3M as a result of the following:
  - \$28.4M increase for the repatriation and transition of revenue services to the Province,
  - \$11.2M increase for the administration of priority tax measures and pandemic programs,
  - \$2.8M increase for resourcing to support government in delivering on the Province's Mandate Letter commitments; and in developing programs for the Province's COVID-19 Action and Recovery Plans,

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**MINISTRY OF FINANCE  
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- \$0.1M increase for the Minister's Office existing funding requirements; and
- (\$4.2M) decrease in previous service plan changes including:
  - (\$7.4M) decrease for one year funding in fiscal 2020-21 to support internal revenue services historically recovered against MSP premium; partially offset by
  - \$2.4M increase for the Sustainable Services Negotiating Mandate (SSNM). Funding provided to reflect ministry allocation for ratified collective agreements, as of December 31, 2019, under the Sustainable Services Negotiating Mandate (2019-2022),
  - \$0.6M increase for Student Loan Interest Elimination,
  - \$0.2M increase for Tax Enforcement activities, and
  - \$0.01M increase for the Benefits Chargeback rate.
- The BC Public Service Agency Vote increased by \$5.1 million as a result of the following:
  - \$4.9 M increase due to a structural base review (including funding for salaries, benefits, and agency expenditures) and an increase for the Telus Employer Solutions Payroll Contract including contract procurement; and
  - \$0.2M increase in previous service plan changes for the SSNM.
- The Long Term Disability Fund Special Account decreased by (\$1.8 M) due to increased recoveries for adjustments in salary bases for provincial government, partially offset by decreased recoveries for adjustments in salary bases for external entities and increased labour relations support costs.

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**MINISTRY OF FINANCE  
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ISSUE NOTE**

- The Government Communications and Public Engagement (GCPE) Vote had no significant changes.
- The Insurance and Risk Management Account Special Account had no significant changes.

**BACKGROUND:**

TABLE 1. 2020/21 Q3 FORECAST TO 2021/22 BUDGET COMPARISON

\$ Millions	Finance Main				Other				Total
	Min Ops	HPI	IRMA	PHA	GCPE	PSA	LTD	FAA	
<b>2021 Q3 Forecast</b>	<b>269.207</b>	<b>652.289</b>	<b>4.573</b>	<b>0.010</b>	<b>28.326</b>	<b>54.382</b>	<b>26.548</b>	<b>733.000</b>	<b>1,768.335</b>
<b>Changes from 2021 Restated Budget</b>									
Hotel Purchases		196.000							196.000
Sustainable Services Negotiating Mandate								349.000	349.000
Temporary Pandemic Pay								384.000	384.000
<b>Subtotal Forecast Changes</b>	<b>0.000</b>	<b>196.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>733.000</b>	<b>929.000</b>
<b>2020/21 Restated Budget</b>	<b>269.207</b>	<b>456.289</b>	<b>4.573</b>	<b>0.010</b>	<b>28.326</b>	<b>54.382</b>	<b>26.548</b>	<b>0.000</b>	<b>839.335</b>
<b>2020/21 Reorganizations and Restatements</b>									
Transfer of Crown Agencies Secretariat from AG	0.009								0.009
Transfer of Assessment Policy from MA	0.004								0.004
<b>Budget Changes - from Budget 2020 and earlier</b>									
Tax Enforcement	0.172								0.172
Student Loan Elimination	0.607								0.607
Revenue Services	(7.433)								(7.433)
Sustainable Services Negotiating Mandate (SSNM)	2.390		0.013		0.013	0.249			2.665
Benefits Chargeback Rate	0.014		0.001		(0.001)	(0.002)			0.012
Housing Priority Initiatives Special Account		49.540							49.540
<b>Budget Changes - from Budget 2021</b>									
Revenue Services	28.405								28.405
Tax Administration	11.156								11.156
Resourcing	2.802								2.802
Minister's Office	0.133								0.133
Sustainable Services Negotiating Mandate (SSNM)			0.043						0.043
Housing Affordability		24.010							24.010
Hotel Purchases		35.271							35.271
PSA Spending Plan						4.879			4.879
LTD Spending Plan							(1.785)		(1.785)
<b>Subtotal Budget Changes</b>	<b>38.259</b>	<b>108.821</b>	<b>0.057</b>	<b>0.000</b>	<b>0.012</b>	<b>5.126</b>	<b>(1.785)</b>	<b>0.000</b>	<b>150.490</b>
<b>2021/22 Budget</b>	<b>307.466</b>	<b>565.110</b>	<b>4.630</b>	<b>0.010</b>	<b>28.338</b>	<b>59.508</b>	<b>24.763</b>	<b>0.000</b>	<b>989.825</b>

**Contact:** Nicole Wright**Phone:** 778 698-7768**Division:** Corporate Services Division**Page:** 4 of 4**File Name:** CSD-06\_Reconciliation - Updated Q3 20-21 Forecast to Budget 21-22 UPDATED



## Ministry of Finance 2021/22 Estimates Summary

### Vote 26 Ministry Operations (\$000):

	<b>2021/22 Budget</b>
2020/21 Budget	267,491
Transfer CASO from AG	1,150
Transfer Assessment Policy from MA	579
2020/21 Restated Budget	269,220
Previous Service Plan Budget Changes	(4,250)
New Changes:	
Revenue Services	28,405
Tax Administration	11,156
Resourcing	2,802
Minister's Office	133
<b>2021/22 Budget</b>	<b>307,466</b>
<b>Total Changes from 2020/21 Restated to 2021/22:</b>	<b>38,246</b>

Current service plan changes include:

- Revenue Services – for the repatriation and transition of revenue services to the Province.
- Tax Administration – to support the administration of priority tax measures and pandemic programs.
- Resourcing – to support government in delivering on the Province's Mandate Letter commitments; and in developing programs for the Province's COVID-19 Action and Recovery Plans.
- Minister's Office – for the Minister's Office existing funding requirements.

Previous service plan budget changes include \$2.39M for the Sustainable Services Negotiating Mandate, \$0.607M for Student Loan Interest Elimination, \$0.172M for Tax Enforcement, \$0.014M for the benefits chargeback rate, and (\$7.433 M) for the one year funding in fiscal 2020-21 to support internal revenue services historically recovered against MSP premium.

