

Ministry of Finance

BRIEFING DOCUMENT

To: Heather Wood
Deputy Minister

Date Requested: March 26, 2021
Date Required: May 4, 2021

Initiated by: Heather Wood
Deputy Minister

Date Prepared: April 12, 2021

**Ministry
Contact:** Shauna Sundher
Director, Housing
Tax Policy Branch

Phone Number: 778-698-9051
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Cliff #: 481111

TITLE: Recommendations from the Expert Panel on Housing Supply and
Affordability

(X) FOR INFORMATION

DATE PREPARED: April 12, 2021

TITLE: Recommendations from the Expert Panel on Housing Supply and Affordability

ISSUE: The Expert Panel on Housing Supply and Affordability has released a draft of their final report and recommendations.

BACKGROUND:

The Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability (the Panel) was established in September 2019 to examine housing trends for rental and homeownership, and to explore options to allow British Columbians to have further access to housing.

The Panel consists of Jill Atkey (BC Non-Profit Housing Association), Jock Finlayson (Business Council of BC), Brian McCauley (Concert Properties), Sue Paish (Canada's Digital Technology Supercluster) and Helmut Pastrick (Central 1 Credit Union) and is chaired by Joy MacPhail (Chair, Insurance Corporation of British Columbia, owner OUTtv and former NDP MLA).

Over the past 18 months, the Panel hosted monthly meetings with a range of subject matter experts, engaged with citizens via an online survey, and conducted interviews and roundtable discussions with elected officials, developers, and housing providers with a focus on the three largest urban centres in British Columbia: Vancouver, Victoria, and Kelowna.

In July, the Panel presented a draft report that provides insights from comments and feedback obtained from British Columbians and Canadians through an online engagement survey and email.

In December, the Panel published a "What We Heard Report" and sent letters to Ministers Eby, Robinson, Osborne, and Heyman, releasing four preliminary recommendations that indicated the direction the Panel:

1. Create an acquisition fund for the non-profit purchase of existing affordable privately-owned rental buildings; could be provincial only, or in partnership with the federal government;
2. Implement a digital permitting system to streamline development approvals;
3. Continue to support with provincial data, federally funded urban land use modelling in major urban areas; and
4. Create a municipal incentive program to reward the addition of new supply.

The Panel is drafting its Final Report with an anticipated public release in late May or June. An embargoed draft Final Report has been provided to federal and provincial staff ahead of the public release. The draft Final Report and recommendations received by staff are expected to see minor changes before the release of the final version.

The draft Final Report contains 30 recommendations organized under five calls to action:

1. Create a planning framework that pro-actively encourages housing;
2. Reforming fees on property development;
3. Expanding the supply of community and affordable housing;
4. Ensuring fairer treatment of renters and homeowners; and
5. Improve coordination within and between all orders of government.

The Panel's recommendations address matters within the jurisdictions of the federal government and CMHC; local governments; and the provincial ministries of Finance, Municipal Affairs, Transportation and Infrastructure, and Housing.

DISCUSSION:

Tax Policy Branch (TPB) staff are in regular communication with staff from the Ministry of the Attorney General (Housing Policy Branch) and the Ministry of Municipal Affairs regarding housing policy issues. The recommendation summary table (Appendix 1) includes preliminary comments from each Ministry for the recommendations that fall within their respective areas.

s.13; s.16

s.13

Of the 5 broader calls to action, all except the fourth directly focus on actions that will increase the supply of housing. The first two calls to action focus on improving the process of creating new supply. The third focuses on directly funding new supply of community and affordable housing in BC that may not be created under the first two calls to action. The fifth call to action is around improving coordination to support policies that are aimed at expanding housing options and affordability.

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Challenges:

The importance of supply side measures is evident in the draft Final Report – the panel feels it is critical to addressing housing affordability going forward.

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Additionally, the majority of recent articles and media reports on the housing market have referenced that a lack of supply coupled with domestic demand are the contributing factors to recent price increases.^{s.13}

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s.13

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Withheld pursuant to/removed as

s.13 ; s.14

Ministry of Finance
BRIEFING DOCUMENT

To:	Honourable Selina Robinson Minister of Finance	Date Requested: April 12, 2021 Date Required: May 19, 2021
Initiated by:	Grant Holly Sr. Director, Intergovernmental Fiscal Relations	Date Prepared: April 13, 2021
Ministry Contact:	Yu Li Strategic Policy Advisor	Phone Number: 778-698-4358 Email: Yu.Li@gov.bc.ca Cliff #: 481133

TITLE: Parliamentary Budget Officer Report: "Distributional and Fiscal Analysis of a National Guaranteed Basic Income"

PURPOSE:

(X) FOR INFORMATION

COMMENTS: On April 7, 2021, the Office of the Parliamentary Budget Officer (PBO) released a report on the impacts of a Guaranteed Basic Income (GBI) program across different groups of people. This report builds on the previous PBO report published in July 2020, which provided cost estimates of the GBI for provinces and Canada. This note is prepared with input from the Ministry of Social Development and Poverty Reduction.

DATE PREPARED: April 13, 2021

TITLE: Parliamentary Budget Officer Report: “Distributional and Fiscal Analysis of a National Guaranteed Basic Income”

ISSUE: The Office of Parliamentary Budget Officer released a report on the impacts of a Guaranteed Basic Income program on April 7, 2021.

BACKGROUND:

On April 7, 2021, the Office of the Parliamentary Budget Officer (PBO) released a report evaluating impacts of a Guaranteed Basic Income program (GBI). This report builds on an earlier report PBO released in July 2020 (the July report), which provided cost estimates for a GBI program for each province and Canada as a whole, in the context of COVID-19. B.C. Ministry of Finance staff prepared a briefing note on the July report for the Honourable Carole James, then Minister of Finance (Cliff#: 393129). This new report estimates the impacts of the GBI across income levels, gender and family types. It also identifies the current federal and provincial tax credits, as well as social assistance, that could potentially be replaced by the GBI program. It incorporates anticipated behavioral changes related to the GBI and forecasted fiscal and labour market impacts of the disincentive-to-work.

DISCUSSION:

In this report, the PBO continues to adopt the parameters used in Ontario’s 2017 basic income pilot project. The GBI program ensures up to 75 per cent of the Low-Income Measure (LIM) for those aged 18 to 64, estimated at \$16,989 for a single person and \$24,027 for a couple. This translates to \$1,416 for an individual and \$2,002 for a couple each month. The benefit is reduced by \$0.50 for every dollar of employment income (or 50 per cent claw-back rate). People with disabilities would receive a universal additional \$6,000 each year.

Key Findings

Impact by Income Level

The impact of the GBI on disposable household income is progressive, with those among the lowest income groups benefiting most. Households in the bottom 20 per cent of the income groups in Canada are expected to receive 17.5 per cent more than their current income (or \$4,535) each year, followed by those in the lowest 20 to 40 per cent of the income groups with 1.0 per cent more (or \$446) annually. The disposable income of those households whose income fall into the top 60 per cent, is expected to drop as a result of the elimination of the tax credits to help fund the GBI. Table 1 in the Appendix provides more details on the expected impact of the GBI on households with the lowest 20 per cent income, by province.

It is estimated that in Canada, more than 6.4 million people (16.4 per cent of the Canadian population) would benefit from the GBI and see their disposable income increase. However, approximately 16.8 million people (43.1 per cent) would expect a loss of disposable income mostly due to the reduction in the personal basic amount. There are more than five individuals losing from this program for every two persons benefiting. Table 2 in Appendix provides more details on net gainers and net losers from GBI, by gender.

Impact on Poverty Rates

The GBI is expected to cut half the poverty rate in Canada (reducing it by 49.0 per cent) using the Market Basket Measure (MBM), which is based on the cost of a basket of goods and services that individuals and families require to meet their basic needs and achieve a modest standard of living. However, the reduction rates vary by province, with a range of 13.5 per cent in Newfoundland and Labrador to 60.4 per cent in Quebec. B.C. is expected to see a reduction of poverty rate by 40.2 per cent. The variations among provinces are mostly due to different distribution of employment income as well as tax credit programs. Table 1 in the Appendix provides more details.

Impact by Family Type

The report estimated that for Canadian households with the lowest 20 per cent of the income, families with two working-age adults without children would benefit most with an increase of \$17,057 (or +64.5 per cent) in income; and families with two working-age adults with children are expected to receive \$13,797 more (or +31.6 per cent). Households among the top 60 per cent of income generally are expected to see a decline of income, regardless of family type. Households with seniors are expected to experience little to no change in their disposable income because seniors do not qualify for the GBI and will continue to benefit from existing transfers.

Impact of Behavior Changes

Workers' behavior may change in response to the GBI as the program could provide a disincentive to work. Individuals may reduce their hours of work and lower-wage workers could choose to leave the labour market entirely. It is estimated that the disincentive-to-work effect could reduce the total hours of work in B.C. by 1.4 per cent, slightly more than the national average of 1.3 per cent. The total payroll in the province is estimated to be negatively impacted by 0.5 per cent, on par with the Canadian average. The behavior changes are expected to increase the cost of GBI through reduced payroll tax as well as the direct increase of the GBI cost due to lower employment income of workers who choose to reduce their hours or leave the labour market.

Cost of GBI

Excluding the potential offset by tax credits and social assistance, the gross cost of the GBI program is expected to increase from \$85.0 billion in 2021/22 to \$93.3 billion in 2025/26. For B.C., the cost is estimated to grow from \$10.6 billion to \$11.4 billion over the same period. Table 3 in the Appendix provides more details on the cost breakdown.

The report included a list of current federal and provincial tax credits that could potentially be eliminated to fund the GBI program. It is estimated that the savings from cancelling these credits and social assistance could fully offset the basic cost of GBI. Therefore, the net cost of GBI would just include behavior cost and disability cost, which for B.C., is calculated to be \$922 million in 2021/22 and \$963 million in 2025/26.

The following is a list of the select federal and B.C. provincial tax credits potentially being cancelled to generate the savings, which is revised from the July report to include more tax credits eliminated.

Federal tax credit:

- Basic personal exemption/amount
- Caregiver tax credit
- Disability tax credit
- Family caregiver tax credit
- Medical expense non-refundable tax credit
- Canada training credit
- GST credit
- Maximum expenses allowed for medical expense supplement
- Proportion of expenses allowed for medical expense supplement
- Workers compensation benefits
- Working income tax benefits

Provincial tax credit/social assistance:

- Provincial basic personal amount
- Provincial caregiver tax credit
- Provincial maximum disability deduction/amount
- Provincial medical expense tax credit
- B.C. sales tax credit
- Social assistance

Analysis and Implications

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Cost

- This report added a few federal and provincial tax credits compared to the July report (such as basic personal amount) so the potential savings from repealing these credits are much greater than the previous estimates. The savings

generated are now expected to fully cover the basic cost of the GBI program (not including behavior and disability cost). In the July report, the recovery rate was only around 28 per cent for B.C.

- The report did not specifically mention how the net cost of GBI would be funded, although it hinted in the report abstract that the federal government may be responsible for the net cost of the program.

- s.13

- The elimination of various credits and social assistance as well as the coordination among changes to various programs would be very complex to administer. This is not mentioned in the report.

- s.13

Fairness

- The fairness issues identified previously are not addressed. Several credits being eliminated are specifically targeted towards relieving hardship of some vulnerable groups. These credits, such as disability tax credit and caregiver credit, serve a specific purpose in providing monetary relief to those in hardship. Removing these credits will leave some of them worse off.

- s.13

- The detailed distributional impact analysis suggested much more people would experience reduced income from elimination of various tax credits so people with the lowest income would benefit from the program. For B.C., middle-income households (income in the top 60 per cent to 20 per cent) are expected to lose the greatest amount of money (a decline of \$2,331 for those between in top 40 to 20 per cent and a drop of \$877 for those between top 60 to 40 per cent while those with the highest income (top 20 per cent) are only expected to lose \$675 (or -0.3 per cent). This may generate additional questions around fairness.
- The impact by family type in Canada indicated that single parent families (except those with the lowest 20 per cent income) would lose the greatest amount, ranging from \$4,819 for the highest-income single parent families to \$5,315 for those making the bottom 20 to 40 per cent income. While the PBO report did not provide detailed impact analysis of elimination of various credits and social assistance separately, it is believed that the uneven impacts on various family types, particularly single parents, are primarily a result of the elimination of various refundable and non-refundable tax credits and personal basic exemption amount.

- The report focused on the general reduction of poverty rate. However, the detailed analysis suggested that the GBI program may impact child poverty unfairly. The program seems to benefit two-parent families more than single parent families. In fact, two-parent families have lower child poverty rate (5.8 per cent) and lower depth of poverty (16.5 per cent below the MBM), compared to single parent families (26.2 per cent child poverty rate and 25.5 per cent below the MBM).

B.C. Expert Panel Recommendation

- The expert panel, chaired by the UBC professor David Green, was tasked by the Province in 2018 to evaluate the feasibility of implementing a universal basic income program in B.C., as part of the B.C. Poverty Reduction Plan.
- The panel released their final report in January 2021, which recommended against such program. It states that “the needs of people are too diverse to be effectively answered simply with a cheque from the government”. The panel made 65 recommendations with many focusing on improving and overhauling existing social programs.
- The report pointed out the complexity of a GBI program and the requirement of an overhaul of the tax and transfer system. It also stated that the advantages of promoting a basic income is hard to prove and such system is an ineffective and costly way to try and address issues like poverty reduction.

Appendix: Detailed Information on Impacts of GBI

Table 1: Change in Average Household Disposable Income among Households in the lowest 20 Percent Income Group, and Reduction of Poverty Rates by Province

Province /Canada	Change in Average Household Income for Those with the Lowest 20 Per cent Income		Impact on Poverty Rates (based on MBM)
	\$ increase	% increase	
BC	\$3,997	16.8%	-40.2%
AB	\$3,886	13.8%	-43.7%
SK	\$5,554	22.3%	-49.2%
MB	\$6,094	23.7%	-61.9%
ON	\$5,369	20.0%	-49.2%
QC	\$3,846	15.2%	-60.4%
NB	\$3,108	11.8%	-32.6%
NS	\$5,405	21.8%	-55.0%
PEI	\$2,966	11.4%	-45.0%
NFL	\$3,548	13.9%	-13.5%
Canada	\$4,535	17.5%	-49.0%

Note: These numbers do not include the supplemental disability benefit.

Table 2: Net Gainers and Net Losers from GBI in Canada, by Gender

Group	Men	Women	Total
Individuals with Income Gains – Net Beneficiaries (000)	3,121	3,240	6,361
Share of population with Income Gains	8.0%	8.4%	16.4%
Change in disposable income of net beneficiaries (\$)	\$8,316	\$8,141	\$8,227
Change in disposable income of net beneficiaries (%)	50.4%	48.7%	49.6%
Individuals with income losses (000)	8,609	8,185	16,794
Share of individuals with income losses	22.2%	21.2%	43.4%
Change in disposable income of individuals with income losses (\$)	-\$3,018	-\$3,216	-\$3,114
Change in disposable income of individuals with income losses (%)	-4.5%	-6.7%	-5.4%

Table 3: Gross Cost of GBI, Canada and B.C. (Before the Potential Offsets)

GBI Cost (\$million)		2021/22	2022/23	2023/24	2024/25	2025/26
Canada	Basic Cost	78,486	80,871	82,420	84,169	86,139
	Behavior Cost	3,036	3,084	3,143	3,206	3,272
	Disability Cost	3,505	3,615	3,743	3,813	3,869
	Total Gross Cost	85,026	87,570	89,306	91,189	93,279
B.C.	Basic Cost	9,721	9,869	10,037	10,216	10,401
	Behavior Cost	474	482	491	501	511
	Disability Cost	448	459	473	471	452
	Total Gross Cost	10,642	10,810	11,001	11,188	11,364

Note: The basic cost is the GBI gross cost before using the offsets to fund basic income

Ministry of Finance
BRIEFING DOCUMENT

To:	Heather Wood Deputy Minister of Finance	Date Requested: May 10, 2021 Date Required: May 17, 2021
Initiated by	Rob Fraser Executive Director Property Assessment Services	Date Prepared: May 12, 2021
Ministry Contact:	Rob Fraser	Phone Number: (778) 698-3560 Email: Rob.Fraser@gov.bc.ca Cliff #: 482052

TITLE: Update on BC Assessment's (BCA) Key Issues

PURPOSE: To provide Deputy Minister Heather Wood with background information on agenda items for a May 18th meeting with BCA's President/CEO Jason Grant.

(X) FOR INFORMATION

COMMENTS:

As part of their agreed to meetings, Jason Grant wants to raise three issues with Deputy Minister Heather Wood: Property Assessment Appeal Board, BCA Courtenay office and Market Update

DATE PREPARED: May 12, 2021

TITLE: Update on BCA's Key Issues

ISSUE: As part of their agreed to meetings, Jason Grant wants to discuss three issues with Deputy Minister Heather Wood.

BACKGROUND:

Jason Grant outlines three issues that he would like to bring to the attention of the Deputy Minister: Property Assessment Appeal Board (PAAB), BCA Courtenay office and Market Update.

PAAB

The PAAB is a quasi-judicial administrative tribunal that resolves property assessment appeals between property owners and BCA. It is funded through appeal filing fees and an appropriation from BCA. The \$30 filing fee has not been changed in 20 years.^{s.13; s.17}

s.13; s.17

The Ministry of Attorney General (AG) is statutorily responsible for the PAAB's operations. BCA is statutorily under the Ministry of Finance, which is responsible for funding the property assessment appeal system (PAAB and the Property Assessment Review Panels) through their annual tax levy on property owners.

BCA Courtenay Office

s.13; s.17

s.13; s.17

Note that BCA does have the authority within the *Assessment Authority Act* to acquire, hold and dispose of property.

Market Update

Real estate markets have remained very active, despite the COVID-19 Pandemic. BCA has been monitoring the situation and will provide an overview of what is happening in the Residential and Industrial, Commercial and Investment (IC&I) markets, as an early indication of what this might mean for 2022 Property Assessments.

DISCUSSION:

PAAB Fees: Status and Next Steps

Appeals to PAAB have increased from 3,384 in 2018 to 5,219 in 2020. PAAB's budget has increased from \$1.0 million in 2016/2017 to \$2.0 million in 2020/21 with most of the funds going to additional appeal staff.

s.13; s.17

BCA Courtenay Office

s.13; s.17

s.13; s.17

BCA staff

were notified on January 27, 2021 that the office will close by July 27, 2021.

s.13; s.17

Market Update

It is expected that Jason will provide a market update that may impact the 2022 roll (market values of properties are determined as of July 1, 2021; physical condition and permitted use are determined as of October 31, 2021).

High-level observations are listed below (Jason will have more comprehensive information available for discussion purposes as required):

Residential: significant increases in sales across the province and the prices have also increased rapidly especially in the category of Single Family Detached (July 2020 through April 2021: Greater Vancouver: +19%; Fraser Valley: +28%).

Industrial, Commercial and Investment (IC&I): In the Lower Mainland, commercial sectors continue to show strong recovery and many are showing early indications for increases in value, e.g., Industrial: +10% to +15%; General Commercial: +10% to +20%; Hotels and Motels, 0% to +5%. Note however, that Major Retail category shows a wider range with community and regional malls continuing to decline in value (-5% and -10%) while other major retail could be improving by +5% depending on circumstances.

IC&I market in the rest of the province (Vancouver Island, Thompson Okanagan, Kootenay Columbia, and Northern BC Regions) is fairly stable.

Ministry staff will continue work with BCA to monitor the market movement and sales trends.¹³

**PUBLIC SECTOR EMPLOYERS' COUNCIL SECRETARIAT
BRIEFING NOTE – FOR DECISION**

PREPARED FOR: Honourable Selina Robinson, Minister of Finance and Minister responsible for the *Public Sector Employers Act*

TITLE: Proposed compensation plan for InBC Investment Corp.

BACKGROUND:

InBC Investment Corp (InBC), a \$500M taxpayer supported strategic investment fund, was announced in September 2020 as part of BC's economic recovery plan.

The Ministry of Jobs, Economic Recovery and Innovation (JERI) is seeking approval for a compensation plan governing compensation and human resource practices at the new crown corporation.

In addition, a total compensation maximum is proposed for the CEO of InBC. The implementation of a new compensation plan and a CEO total compensation maximum requires the approval of the Minister responsible for the *Public Sector Employers Act* (the *Act*).

DISCUSSION:

Compensation Plan

InBC will have approximately 23 employees, all excluded from union membership. The proposed plan has two salary schedules (non-investment and investment) and embodies the four core principles required of BC public sector organizations – performance, differentiation, accountability, and transparency.

Many compensation elements, including benefits, pension, long term disability, and vacation entitlement are generally consistent with the BC Public Service. Additionally, the proposed plan includes a health and wellness reimbursement of \$850 per employee, which is similar to some other Crown corporations.

Non-Investment employees: The non-investment employee group makes up the majority of InBC's employee complement and has been benchmarked closely to the B.C. public sector. See Appendix A for the proposed ranges and Appendix B for benchmarking.

s.13; s.17

Investment employees: s.13; s.17

s.13; s.17

In terms of benchmarking, with one exception, comparable investor positions are not found in the B.C. public sector, so benchmarking outside of the B.C. public sector is warranted. ICBC had a Chief Investment Officer prior to contracting to BC Investment Management Corporation (BCI) in late 2019.

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CONFIDENTIAL

This briefing document contains confidential information pertaining to labour relations and other matters.

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Withheld pursuant to/removed as

s.13 ; s.17

OPTIONS:

1. s.13; s.17

2. Approve the CEO total compensation maximum and non-investment aspects of the compensation plan, including the health spending reimbursement and transfer of service. Direct the Ministry to work with the PSEC Secretariat to develop other compensation approaches for the investment roles.

APPROVED: Option # 2



Minister

2021-05-13

Date

Prepared by:	Lindsay Coburn	Approved by:	John Davison
	Director, Labour Relations, PSEC Secretariat		President & CEO, PSEC Secretariat
Phone #:	778.698.9161	Phone #:	778.698.7877

Appendix A: InBC's Proposed Non-Investment Salary Ranges

Band	Example Position	Minimum	Maximum
Vice President	s.13; s.17		
Management			
Professional/Technical			
Support/Admin			

Appendix B: Public Sector Benchmarking for Non-Investment Salary Ranges

InBC Proposed Band	Benchmark Comparator	Minimum	Maximum
Vice President Proposal: s.13; s.17	BC Public Service: ADM 1	\$ 145,000	\$ 165,000
	BC Public Service: Legal Counsel 2	\$ 127,821	\$ 165,767
	BC Financial Services Authority, Level 6	\$ 145,656	\$ 182,070
	BC Utilities Commission: Executive Director	\$ 171,375	\$ 194,226
	Average:	\$ 147,463	\$ 176,766
Management Proposal: s.13; s.17	BC Public Service: Band 4	\$ 90,900	\$ 120,800
	BC Financial Services Authority: Band 4	\$ 83,232	\$ 119,646
	BC Utilities Commission	\$ 118,500	\$ 139,542
	Average:	\$ 97,544	\$ 126,663
Professional/Technical Proposal: s.13; s.17	BC Public Service: AO 24	\$ 66,558	\$ 75,884
	BC Financial Services Authority: Band 3	\$ 67,626	\$ 91,555
	BC Utilities Commission	\$ 79,738	\$ 93,810
	Average:	\$ 71,307	\$ 87,083
Support/Admin Proposal: s.13; s.17	BC Public Service: Executive Administrative Assis	\$ 52,635	\$ 59,557
	BC Financial Services Authority: Level 1	\$ 41,616	\$ 57,222
	BC Financial Services Authority: Level 2	\$ 52,020	\$ 72,828
	BC Utilities Commission	\$ 60,911	\$ 71,660
	Average:	\$ 51,796	\$ 65,317

Appendix C: InBC's Proposed Investment Salary Ranges

Range	Position(s)	Minimum	Maximum	Incentive	Maximum Earnable
Vice President	s.13; s.17				
Professional/Technical					

Appendix D: Benchmarking for Investment Salary Ranges

	Employer	Position	Maximum Earnable Salary (2021)
CIO	InBC: Proposed	Chief Investment Officer	s.13; s.17
	ICBC	Former Chief Investment Officer ¹	\$ 316,240
	InBC's Benchmarking ²	Chief Investment Officer	s.13; s.17
Principle and Associate	InBC: Proposed	Principle and Associate ³	s.13; s.17
	ICBC	Director, Investment Governance Strategy & Operations ¹	\$ 189,046
	InBC's Benchmarking ²	Principle	s.13; s.17
	InBC's Benchmarking ²	Associate	
Other ⁴	BC Hydro	CEO	\$ 411,113
	ICBC	CEO	\$ 406,386
	BC Securities Commission	Chair	\$ 461,358
1: Aged forward by 2% to 2021.			
2: The median market data based on comparators including BCI, BDC Capital, EDC, Canadian Business Growth Fund, CAI Capital Partners, Deetken Impact, BC Securities Commission, CPP Investment Board, FinDev, Telus Polinator Fund, BMO Capital Partners, EdgeStone Capital Partners, First West Capital Partners, Chrystalix, UBC Investment Management Corp (IMANT), Scotia Capital, Mars, Alberta Enterprise. Additional compensation components such as signing bonuses are not captured.			
3: InBC's intent is to have Associates move up to the Principle position. Associates would start lower in the range than Principles.			
s.13; s.17			

Appendix F: Proposed CEO Total Compensation

Employer	Total Compensation Maximum
InBC (Proposed)	s.13; s.17
BC Family Maintenance Agency	\$302,000
BC Infrastructure Benefits	\$302,000
Community Living BC	\$302,000
Legal Aid BC	\$260,000
BC Assessment	\$258,000
Industry Training Authority	\$258,000
BC Oil and Gas Commission	\$255,000
Innovate BC	\$227,000
Knowledge Network	\$227,000
Forestry Innovation Investment	\$227,000

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Selina Robinson,
Minister of Finance

Date Requested: May 21, 2021

Date Required: May 27, 2021

Initiated by: Sam Myers
Executive Director
Debt Management Branch

Date Prepared: May 21, 2021

**Ministry
Contact:** Jim Hopkins, ADM
Provincial Treasury

Phone Number: 250-387-9295

Email: Jim.Hopkins@gov.bc.ca

Cliff #: 482284

TITLE: Long-Term Borrowing Order-in-Council (OIC)

PURPOSE:

(X) DECISION REQUIRED

DATE PREPARED: May 21, 2021

TITLE: Long-Term Borrowing Order-in-Council (OIC)

ISSUE: Approval of the attached green-tagged OIC is required to provide the Minister of Finance authority to complete the province's borrowing program for the fiscal year 2021/22.

BACKGROUND:

As in prior years, shortly after the release of the Provincial Budget, a long-term borrowing OIC is requested from Legislative Counsel to establish the authority for the Minister of Finance to carry out the financing requirements as outlined in the Budget.

Financing requirements under this OIC would be in the form of long-term debt issuance (domestic and/or US Global issuance) with proceeds being loaned to government corporations and agencies. This year the gross borrowing requirement obtained from the Fiscal and Debt Summary, Budget and Fiscal Plan 2021/22 – 2023/24 is \$19.248 billion. The amount stated in this long-term borrowing OIC is \$10.248 billion (CAD\$ equivalent), which supplements the \$9.0 billion (CAD\$ equivalent) long-term borrowing OIC that was ordered and approved on March 29, 2021. The \$9.0 billion OIC was arranged prior to Budget to ensure sufficient borrowing authority was in place until this second OIC request, which represents the remaining amount of the total borrowing requirement, could be authorized.

DISCUSSION:

This \$10.248 billion long-term borrowing OIC is required to provide the authority necessary for the government to fulfill funding requirements as outlined in Budget 2021. Should this OIC not be approved the Minister of Finance may not have sufficient borrowing authority and thus may be unable to fund the capital projects and government initiatives.

OPTIONS:

- Option #1. Approve the attached green-tagged OIC so the Minister of Finance has the authority to complete the Province's borrowing program for fiscal year 2021/22.
- Option #2. Do not approve the attached green-tagged OIC which may result in the Minister of Finance being unable to fulfil the Province's borrowing requirement for fiscal year 2021/22.

RECOMMENDATION:

- Option #1.

APPROVED / NOT APPROVED

Honourable Selina Robinson,
Minister of Finance

Date

Ministry of Finance
BRIEFING DOCUMENT

To:	Honourable Selina Robinson Minister of Finance	Date Requested: May 14, 2021 Date Required: May 19, 2021
Initiated by:	Francis Camilleri Executive Director & Commissioner of Income Tax Income Taxation Branch	Date Prepared: May 19, 2021
Ministry Contact:	Francis Camilleri Executive Director & Commissioner of Income Tax Income Taxation Branch	Phone Number: 778-698-1793 Email: Francis.Camilleri@gov.bc.ca
		Cliff #: 482206

TITLE: BC Recovery Benefit (RBP) – outstanding cases where no / insufficient documentation received

PURPOSE:

(X) FOR INFORMATION

COMMENTS: Optional.

The Income Taxation Branch will soon start to deny RBP applications where the Applicant has not responded to multiple attempts (at least two) to contact them by emails, letters or phone call to request information and the last request or attempted contact (e.g., phone call) was made more than 30 days ago.

DATE PREPARED: May 14, 2021

TITLE: BC Recovery Benefit (RBP) – outstanding cases where no / insufficient documentation received

ISSUE: Thousands of BC Recovery Benefit (BCRB) applications are outstanding where applicants have not satisfied the eligibility criteria for the benefit. Requests for additional information have been made by email, letter and/or phone. In many cases, either no documentation or insufficient documentation was received to enable verification with the program requirements.

BACKGROUND:

The BCRB is a one-time direct deposit payment for eligible families, single parents or individuals. Individuals with a net income of up to \$62,500 are eligible for \$500 and the benefit is reduced with a net income of up to \$87,500. Families and single parents with net incomes under \$125,000 are eligible for \$1,000. Families and single parents with incomes up to \$175,000 will received a reduced benefit.

The BCRB program was implemented on December 18, 2020. Applicants can either complete an application on-line (via eTax BC) or contact the BCRB call centre to have an agent complete an application on their behalf over the telephone.

Approximately 69% of all applications received to date have been automatically verified by the information that the Ministry has available to it (e.g., 2019 T1 income tax data), whereas the remaining 31% required some type of manual intervention; the most likely of which is requesting documentation to support the applicant's eligibility.

As of May 17, 2021, about 1500 to 2,000 new applications continue to be received daily. The last day to apply is June 30, 2021.

DISCUSSION:

In the first two weeks of the program, over 1.18M applications were received. As of May 13, 2021, a total of 1.97M applications have been received and of those, 75,877 (or 3.85%) were still outstanding.

The BCRB system was designed to ensure both program and fiscal compliance and facilitate the timely processing of payments by direct deposit. Due to the high levels of fraud and identity theft that occur in BC, Canada and worldwide related to benefit programs, several controls and validation measures were built into the system. These were built to ensure that the correct benefit amount is paid to eligible individuals and families.

If the application information matches to internal data sources, payment is issued automatically. Those applications that do not match are flagged for manual review.

Several types of applications flagged for manual review received an automated email requesting additional information. Where no email address was provided, a letter was sent requesting additional information. Other applications with more complex or unique situations received a manually created email and / or a phone call from an adjudicator.

In absence of information to support that an applicant (and spouse if relevant) is eligible for the benefit, the commissioner will determine that the applicant is not eligible for the benefit. While there is no time frame specified in the legislation as to the time period within which the commissioner must make the initial determination, it would challenge the principles of administrative fairness for the commissioner to keep applications open indefinitely. Once a notice a determination is issued, the commissioner may make a redetermination within 3 years of the date of eligibility.

Of the over 1.97M applications received to May 18, 2021, over 611,000 or 31% required manual review. Almost 88% (538,449) of those applications requiring manual review have been fully adjudicated. Of the remaining 12% (74,475), 48,291 (approximately, have been outstanding for more than 90 days, and 38,986 have been outstanding for more than 120 days. Most of these older applications have been sent more than one request for information that would enable us to determine their eligibility for the benefit. We are working with those that have responded to determine their eligibility and get their benefit to them; however, many have not responded at all.

We can break the older outstanding applications into two broad categories:

Situation A: Applicant has not responded to multiple attempts (at least two) to contact them by emails, letters or phone call to request information and the last request or attempted contact (e.g., phone call) was made more than 30 days ago.

Situation B: Applicant has responded to the initial request for documentation. However, the documentation that was provided was incomplete or insufficient and there has been no response for at least 30 days to our subsequent requests or attempts to follow up.

For situation A: ITB will soon start to mail a Notice of Determination (NOD) denying the application on the basis that the applicant has not provided the necessary information to support their application.

A NOD is the legal document through which the commissioner communicates a decision to approve (and the amount approved) or deny an application. When an application is denied, the NOD provides the reason for the denial. The BCRB NODs are sent by mail, as opposed to email to help identify potentially fraudulent applications¹.

¹ In receiving mail from the ministry, individuals whose identify may have been used fraudulently to apply for the benefit are notified that an application was made in their name.

- The NOD issued in this situation will provide that the reason for the denial is as a result of the ministry not receiving the information necessary to determine eligibility.
- The adjudicator can re-open a case if, at a later date, the requested documentation is provided. Therefore, the NOD will include a statement advising the applicant of this and asking that they contact us.
- The NOD will include a phone number for the call centre and an email address so the applicant can contact the Ministry with any questions
- Once the legislation has Received Royal Assent, applicants whose application is denied will have the right to appeal. However, if contacted, the Ministry will first suggest that the applicant provide the necessary information to have the case re-opened before filing an appeal.

For situation B: ITB will soon start to send one last email or letter requesting the necessary documentation and advise that if a response is not provided within 30 days, their application will be denied.

If the applicant does not respond within 30 days, ITB will start to process a NOD, denying the application on the basis that the applicant has not provided the necessary information to support their application. The NOD will be similar to the one described for Situation A.

Conclusion

The processes for both Situation A and B require manual effort on behalf of adjudicators. This means that the Ministry will not be issuing bulk denials in a single push but rather these processes will be initiated in early June, once the system is ready to enable these denials. The majority of the effort to address the cases in Situation A and B where the application was made 90 days or more previously, is expected to span a number of months. A similar approach will be taken with applications received in the latter months over the summer and into the early fall.

It is anticipated that the processes will prompt some applicants to provide the necessary information to enable a payment to be approved. Therefore, it is important to initiate the process sooner rather than later while the division has the resources to respond in a timely manner. In the coming months, as other core divisional activities are restarted, the resources available to adjudicate outstanding applications will be reduced.