

2024 Provincial Budget Highlights

Highlights of 2024 BC Provincial Budget

The 2024 budget now estimates 2023 to 2024 fiscal year deficit to be \$6.9B compared to a prior year surplus of nearly \$4B. The changes are related to a softening economy against a backdrop of higher interest rates and slowing domestic and global activity.

For the next three years the province is projecting the following deficits:

- 2024/25 \$7.9B deficit (including \$3.9B in contingencies)
- 2025/26 \$7.8B deficit (including \$3.0B in contingencies)
- 2026/27 \$6.3B deficit (including \$3.7B in contingencies)

Forecasted debt at the end of this three-year budget is \$126B, ~\$8B lower the last budget but more than 2.5x pre-pandemic levels.

Other 2024/25 key economic metrics:

- Nominal gross domestic product (GDP) growth is forecasted to be 3.2% (compared to 3.1% in 2023)
- Provincial unemployment rate is expected to be 6.1% in 2024 and 5.9% in 2025
- Consumer Price Index (CPI) forecasted to be 2.7% (compared to 3.9% in 2023)

Provincial Budget Highlights Impacting Capital Regional District & Member Municipalities

1. Helping British Columbians to Reduce Costs

- \$248 million for a one-year 2024 BC Family Benefit Bonus which should result in a 25% increase to their monthly payment
 - On average, families will receive \$445 more
- One-time BC Electricity Affordability Credit, Households will save an average of \$100 on their bills over the course of the year, depending on power usage
 - Commercial and industrial customers will also receive savings up to 4.6% **[CRD/CRHC/municipalities]**
 - The average small business will save \$400 over the course of the year
- 100% of revenue from the carbon-tax increase will be directed to the climate action tax credit, translating to approximately 12% increase
 - The number of people receiving the credit increases annually, with a goal to reach 80% of households in BC by 2030
- Budget 2024 doubles the exemption threshold of the Employer Health Tax, from \$500,000 to \$1 million **[CRD/CRHC/municipalities]**
 - With this change, 90% of businesses will be exempt from the tax, estimated to save them more than \$100 million a year
- As people file their 2023 income taxes, renters will see up to \$400 come back to them through the BC renter's tax credit **[CRHC]**

2. Affordable and Attainable Housing

The BC government is focusing on:

- Legislation to reset the short-term rental market **[CRHC/municipalities]**
- Expanding the Speculation and Vacancy Tax **[CRHC/municipalities]**
- Focusing on restrictive and outdated zoning rules (including focus on secondary suites) **[CRHC/municipalities]**

- Turning more land and areas near transit hubs into homes for people **[CRHC/municipalities/transportation]**
 - Changes to the Residential Tenancy Branch including:
 - Capping rent increases below inflation; **[CRHC/municipalities]**
 - Providing an annual \$400 renter’s tax credit; and **[CRHC/municipalities]**
 - The Rental Protection Fund. **[CRHC/municipalities]**
 - **BC Home Flipping Tax** - Effective January 1, 2025, there will be a tax on the profit made from selling a residential property within two years of purchasing. Exemptions will be in place for life circumstances, such as divorce, death, illness and relocation for work. Revenue from the tax will go directly to building affordable housing throughout BC.
 - **Changes to Property Transfer Tax Exemptions**
 - Increases to the threshold for the First Time Homebuyers’ Program:
 - Buyers who purchase a home up to \$835,000, the first \$500,000 completely exempt from the property transfer tax = \$8,000 in savings
 - Newly built homes worth up to \$1.1 million will also see lower costs through the newly-built-home exemption
 - For builders and developers, purpose-built rental buildings of four or more units will also receive a property transfer tax exemption until 2030
 - **BC Builds**
 - \$198 million (150 operating, 48 capital) in new funding to speed up the development of housing for middle-income people and families **[CRHC/municipalities]**
 - Uses government-owned, public and underused land and lower government borrowing rates to offer low-cost financing to bring down construction costs **[CRHC/municipalities]**
 - Streamlining approvals to move projects from concept to construction within 12 to 18 months, compared to the current average of three to five years. New units will be income-tested **[CRHC/municipalities]**
 - **Housing Support**
 - \$116 million in new funding to initiatives centred on delivering programs and services. Funding also maintains more than 500 permanent and temporary shelter spaces. **[CRHC/municipalities]**
- ### 3. Safe and Healthy Communities
- Budget 2024 provides \$8 billion over three years to strengthen health care, kindergarten-to-Grade 12 education, justice and public safety, and help for people who need care and support.
 - **Health Care**
 - \$2 billion to support access to the full range of health services, including primary and acute care, long-term care, assisted living, home care, and mental-health and substance-use care and recruitment and retention of health-care professionals **[CRHD]**
 - Capital investments of \$13 billion over the next three years will support the construction of long-term care, acute care and cancer care facilities **[CRHD]**

- **Cancer Care**
 - \$270 million to deliver treatments and strengthen prevention and screening services, such as HPV vaccines and cervical and hereditary cancer screenings. Cancer care centres are on the way for Surrey, Burnaby, Nanaimo and Kamloops to provide better care closer to home
- **Home and Community Care Services for Seniors**
 - \$354 million to ensure seniors can continue to access the services they count on, even as demand increases, through: **[CRHC/CRHD]**
 - \$227 million for home health-care services provided by regulated professionals, including nurses, occupational and physical therapists, and social workers
 - \$127 million for community-based services to support day-to-day tasks such as grocery shopping, light housekeeping, minor home repairs, snow shoveling, and transportation to and from medical appointments
- **In-Vitro Fertilization**
 - \$68 million to launch a new publicly funded in-vitro fertilization program, funding both treatment and medication for a single cycle
- **Mental Health and Addictions**
 - Budget 2024 continues to expand services and break stigma:
 - \$117 million to continue funding more than 2,200 community mental-health and substance-use treatment beds at more than 300 health authority and community care facilities;
 - \$49 million to support existing harm-reduction initiatives at 49 overdose-prevention sites, drug checking and naloxone kit distribution;
 - \$39 million to fund existing Peer-Assisted Care Teams and Mobile Integrated Crisis Response Teams; and
 - \$10 million to support the development and implementation of treatment and recovery programs.
- **K-12 Education**
 - With historic enrolment growth in 2023 (more than 13,000 students), Budget 2024 invests \$968 million for more staff in classrooms including \$255 million for the Classroom Enhancement Fund for special education teachers, teacher psychologists and counsellors.
 - \$4.2 billion is dedicated to build, renovate, and seismically upgrade schools and playgrounds over the next three years as part of the province's capital plan.
- **Justice and Public Safety**
 - \$398 million in new investment to support families by expanding the early resolution model and legal aid services
- **Help for People who Need Care and Support**
 - \$114 million for children in alternative care arrangements will improve front-line support in the child welfare system, including those who support Indigenous children and youth

- \$30 million over three years to support children with dyslexia and related learning differences. Early literacy screening for kindergarten to Grade 3 will better equip teachers and support staff
- \$26 million to support 2,800 more children and youth with an autism diagnosis or complex health needs
- Additional \$105 million to Community Living BC to improve quality of life for people with developmental disabilities and their families

4. Sustainable and Clean Economy

- \$1.3 billion for new initiatives to mitigate and better respond to the impacts of climate emergencies and build a cleaner economy **[CRD/municipalities/emergency]**
- **Responding to Elimate emergencies**
 - \$405 million more over four years to bolster the province’s capacity to prepare for and respond to future climate emergencies **[CRD/municipalities/emergency]**
 - \$154 million in operating and \$21 million in capital funding to support additional wildfire response, recovery and infrastructure resources
 - \$56 million for aviation preparedness and response through increased contract funding for helicopter and air tanker services;
 - \$60 million for the Forest Enhancement Society of BC to continue industry and community focused wildfire risk reduction;
 - \$38 million to support stable, year-round resourcing, including fire crew leaders and front-line staff; and
 - \$21 million for a new Prince George equipment depot.
 - \$18 million to boost year-round delivery of response and recovery programs, such as supporting provincial and regional operations centres
 - Priority infrastructure projects and programs to decrease flood risks and strengthen drought resiliency will receive \$234 million, including: **[CRD/municipalities/emergency]**
 - \$83 million to expand the Agriculture Water Infrastructure Program to help more farmers and ranchers effectively manage, collect, transport and store water for agriculture and irrigation purposes;
 - \$50 million for water metering pilot programs in 21 communities throughout BC that will inform the feasibility of establishing a universal water-metering program;
 - \$77 million to upgrade the Barrowtown pump station in Abbotsford;
 - \$14 million to help replace the 50-year-old Cowichan Lake Weir; and
 - \$10 million to increase the water storage capacity and sustain water flow of Saint Mary Lake on Salt Spring Island by raising the dam height. **[CRD]**
- **CleanBC and Advancing the Clean Economy**
 - Budget 2024 reaffirms the province’s commitment with \$318 million to continue to fund grant and rebate programs for clean transportation, energy-efficient buildings and communities, and support transition to a low-carbon economy. **[CRD/municipalities/transportation/environment]**
 - Another \$93 million will help people and communities reduce emissions:
 - \$40 million for additional heat pump rebates for households with low and middle incomes to provide access to affordable, clean energy; **[municipalities /environment]**

- \$20 million for active transportation grants to communities;
[CRD/municipalities/transportation/environment]
- \$30 million to continue the implementation of electric vehicle public charging infrastructure; and
[CRD/municipalities/transportation/environment]
- \$3 million to support youth involvement in climate-action initiatives.
[CRD/municipalities/transportation/environment]
- \$24 million to support collaboration with First Nations, industry, local governments and the public and ensure adequate resources for a new made-in-BC Critical Minerals Strategy and mine permitting
- **Strengthening an Inclusive Economy**
 - Budget 2024 establishes tools to support equity financing opportunities for First Nations including provincial loan guarantees and other supports through a new First Nations Equity Financing Framework. **[CRD/FNR]**
 - \$24 million over four years for improved safety to eleven First Nations communities that rely on five forest service roads for primary access.
- **Supporting Self-Determination**
 - The province has been partnering with Modern Treaty Nations to co-develop measures that better support self-determination. Budget 2024 lays out a new approach for assessment and property taxation on Modern Treaty Nations' core governance lands putting exclusive decision-making for property interests on Nisga'a Lands and Treaty Lands into the hands of Modern Treaty Nations.
- **Critical Transportation Networks and Community Infrastructure**
 - \$15.5 billion in capital plan over the next three years, to deliver transit and transportation infrastructure **[CRD/municipalities/transportation]**
 - **Continued priority projects include:**
 - Highway 1 projects through the Fraser Valley and from Kamloops to the Alberta border; major infrastructure projects like the Fraser River Tunnel project and the Pattullo Bridge; and transit projects like the Broadway Subway and the Surrey Langley SkyTrain
 - \$248 million for BC Transit to expand infrastructure to support increased service and ensure efficiency by reducing traffic congestion
[CRD/municipalities/transportation]
 - \$250 million over five years will support the 21 local governments that make up the Northwest BC Resource Benefits Alliance. Funding will support planning and construction of municipal infrastructure, such as roads, water sewer and other community facilities.
- **Future Ready**
 - \$228 million over three years for StrongerBC: Future Ready Action Plan. Launched in 2023, the plan funds skills training for students, employees, businesses, and employers throughout the province **[CRD/municipalities]**
- **Building a Stronger BC**
 - Capital spending over the fiscal plan is \$43.3 billion
 - Operating funding increased by \$13 billion across the fiscal plan

- To sustain and expand provincial infrastructure, such as schools, post-secondary facilities, housing, health-care facilities and transportation projects, including highway improvements, landslide cleanup and prevention and bridge repairs replacements **[CRD/municipalities/transportation]**
- Through the capital plan 185,000 jobs will be directly or indirectly created over the next three years