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TO: BC FIRST NATIONS LEADERSHIP
FROM: FIRST NATIONS LEADERSHIP COUNCIL
DATE: APRIL 21, 2021
RE: BC BUDGET 2021- IMPACTS TO FIRST NATIONS

KEY TAKEAWAY

The provincial government tabled its 2021 Budget under the title, “A Stronger BC, For Everyone,” with key investments addressing the immediate and long-term impacts of the ongoing COVID-19 pandemic. As First Nations have been disproportionately impacted by the pandemic and have faced intensified barriers to their health and well-being, the Budget’s investments that are geared towards COVID-19 health response needs and economic recovery will be critical, particularly distinctions-based investments.

However, as the Budget is primarily focused on addressing the impacts of COVID-19, it lacks new First Nations financial commitments, including funding geared towards the implementation of the MMIWG Action Plan and *Calls for Justice*; overall advancement in the Indigenous justice sector, cannabis strategy and legalization; wild salmon conservation and aquaculture; emergency management and reform of the Emergency Program Act (EPA); and forestry reform including old growth management. Notable investments include the historic \$500 million in funding towards mental health and addictions services, targeted investments to address the ongoing opioid crisis, and \$45 million to respond to the recommendations of the *In Plain Sight* report on systemic anti-Indigenous racism in the healthcare system.

BACKGROUND

The BC Budget was tabled April 20, 2021. The budget budget prioritizes recovery from the pandemic, building on the Province’s COVID-19 Action Plan by prioritizing \$8.7 billion in new investments across the three-year fiscal to address immediate impacts on the health and safety of British Columbians, support people and businesses, and lay the groundwork for longer term recovery from the pandemic. New permanent funding also includes further advancing key government priorities: childcare, poverty reduction, mental health, housing, reconciliation with Indigenous peoples and CleanBC.

In her speech, Finance Minister Selina Robinson highlighted the unprecedented economic impacts the pandemic has had, and stressed that economic recovery is expected to be uneven and uncertain across sectors. However, expectations for economic growth in the coming years are higher due to the sooner than expected vaccination timelines and the expectation of the resumption of previously constrained economic

activities. Better than expected 2020 actuals for retail sales, housing starts, home sales, exports, and wages and salaries also point toward an improved Budget 2021 economic outlook.

Pre-pandemic levels of economic activity are expected to return sometime in 2022 and the Ministry's current estimate of a 5.3% decline in BC real GDP in 2020 is better than the 6.2% decline forecast in the Fall 2020 Economic & Fiscal Update. In addition, the updated 2020/21 forecast projects a deficit of \$8.1 billion, which is an improvement of \$5.5 billion from the [Fall 2020 StrongerBC Economic Recovery Plan](#).

With respect to Indigenous peoples, the BC Government has stated it will continue to support the "shared vision of self-determining, healthy and prosperous Indigenous communities in BC," and highlight the recent achievements made to advance this vision, including the 7% annual share in provincial gaming revenue with BC First Nations from the long-term agreement signed in September 2020. Budget 2021 adds \$60 million in annual base funding to the Ministry of Indigenous Relations and Reconciliation (MIRR), which will provide dedicated funding that supports Indigenous participation in land and resource activities, negotiations and engagement on legislation, policy and programs. While the government commits \$17 million over three years to implement the *Declaration on the Rights of Indigenous Peoples*, there are few new financial commitments, as the majority of the investments made towards advancing reconciliation build off of previous budget commitments, and the programs and funding found under the *Fall 2020 StrongerBC Economic Recovery Plan*.

Following is a summary and discussion of Budget 2021: A Stronger BC, For Everyone

SUMMARY AND DISCUSSION

The areas of focus for Budget 2021 as it relates to resources for Indigenous peoples are health and safety and reconciliation work, including the continued implementation of the *Declaration on the Rights of Indigenous Peoples Act*. Some highlights for areas of spending that will benefit Indigenous peoples include:

- Over \$290 million over three years to support reconciliation and continued implementation of the *Declaration on the Rights of Indigenous Peoples Act*
 - \$197 million to support a range of activities including engagement with Indigenous peoples on land/resource activities, legislation and policy, and the implementation of agreements
 - \$17 million over three years to implement the *Declaration on the Rights of Indigenous Peoples Act*

- \$59 million to implement cultural safety and humility training and Indigenous liaisons across health, and mental health and addictions
- \$20 million to create 400 new child care spaces for Indigenous families
- \$17 million in 2021/22 to deliver skill training initiatives for Indigenous people
- \$4.6 billion in Pandemic and Recovery Contingencies to provide time-limited supports and programs as the province overcomes and recovers from the pandemic and \$900 million in 2021/22 for vaccine roll-out, contact tracing and screening, and PPE
- The largest investment in mental health and addictions services in BC history with \$500 million in new funding over three years
- \$1.6 billion over three years to address growing demand for income and disability assistance, including a \$175 per month increase for income and disability assistance and the doubling of the Senior's Supplement (the current maximum rate is \$99.30 per single senior and \$220.50 for senior) – the first increase ever
- \$265 million in 2021/22 to provide ongoing supports and services for people experiencing or at risk of homelessness
- \$233 million new base funding over three years to improve access, affordability and quality of care for children, bringing total child care funding to over \$2.2 billion over the plan
- \$85 million for family, children, and youth services including in-care and out-of-care supports, and programs for children living with disabilities
- \$2 billion in additional financing to expand the HousingHub program which facilitates the creation of 9,000 units of rental housing and home ownership options over the next 3-5 years
- \$506 million in new investments for CleanBC, including \$199 million over three years for clean transportation programming and improving building and community energy efficiency, \$60 million for Clean Energy and CleanTech Innovation

Budget 2021 heavily prioritizes COVID-19 response and recovery and the long-term financial sustainability of the province, allocating very little new funding that targets critical areas of concern for Indigenous peoples in the province.

While the government has committed \$17 million over three years to implement the *Declaration on the Rights of Indigenous Peoples Act*, specifics on how this money will be spent and what areas of the Act are being advanced is lacking.

Noticeably absent is funding geared towards the implementation of the MMIWG Action Plan and *Calls for Justice*; supporting communities in the transition of jurisdiction and the development of child and family services models under the *Act Respecting First Nations, Inuit and Métis children, youth and families*; cannabis strategy and legalization; wild salmon conservation and aquaculture; emergency management and reform of the Emergency Program Act (EPA); and forestry reform including old growth management.

First Nations will have to continue to engage with the Province to ensure that the implementation of the *Declaration Act* and other legislation, programs and supports that the government has committed to is done so transparently, and with the appropriate financial backing.

APPENDIX A: BUDGET 2021 MEASURES AFFECTING FIRST NATIONS

CLIMATE CHANGE/CLEAN ENERGY BC

Budget 2021 builds on the CleanBC Plan by investing an additional \$506 million to reduce emissions and promote low-carbon economies. Budget 2021 investments bring the total funding for CleanBC to nearly \$2.2 billion over 5 years.

New investments include \$96 million for industry to reduce emissions, expand clean tech, and support global competitiveness; \$60 million to support the Centre for Innovation and Clean Energy and for cleantech investments to expand partnership opportunities with the federal government; \$46 million to support energy-efficient buildings and communities, which includes \$34 million to reduce diesel consumption in remote and Indigenous communities; \$130 million for zero emissions vehicle incentives and the electrification of vehicles; and funding of \$4 million for the Climate Action Secretariat to help develop climate action measures that support clean economic growth.

In addition, the Province will invest \$6 million to support the first phase of the B.C.'s Climate Preparedness and Adaptation Strategy to better respond to climate risk and reduce the impact of climate change over time. However, there are no new clean energy/climate strategy funds specifically targeting First Nations introduced in the budget.

CHILD WELFARE AND CHILD CARE

Budget 2021 advances the ChildcareBC strategy by investing an additional \$233 million over the fiscal plan to create more new spaces and continue to make child care more affordable. This brings the total child care budget to almost \$2.3 billion over the fiscal plan. New investments include \$20 million over three years to add 400 more spaces to the Aboriginal Head Start program that provides no-fee, culturally-based child care for Indigenous families.

Budget 2021 also provides \$85 million over the fiscal plan to support family, children, and youth services, with additional funding to support children in ministry care or with Delegated Aboriginal Agencies. In order to advance the government's priority of improving Indigenous child welfare outcomes and keeping children and youth connected to their families and cultures, Budget 2021

will provide \$41 million to support alternatives to care arrangements by reuniting families, promoting adoption, and other permanent transfer of custody options. As well, \$20 million in health and safety grants will go towards helping child care providers with the cost of keeping centres safe through the pandemic.

There is no targeted funding to support Indigenous communities to develop their own child and family services models that reflect their values and traditions under the *Act Respecting First Nations, Inuit and Métis children, youth and families*.

FORESTRY

Forest revenue is expected to decline an average of 12.8% annually over the following two years mainly due to lower expected overall stumpage rates, lower harvest levels and lumber prices decreasing from the historically high levels experienced in early 2021.

Over the four years to 2023/24, the economic forecast assumes that the Ministry of Indigenous Relations and Reconciliation will recover \$167 million of stumpage revenue in support of funding the Forest Consultation and Revenue Sharing Agreements with First Nations.

Due to the pandemic, the focus of the government is on promoting sustainability and economic resilience for the forestry sector. As part of the CleanBC plan, continued funding of \$519 million over the fiscal plan period will go towards ensuring large industry, including forestry, transitions to low-carbon technology.

Budget 2021 does not include funding related to the implementation of the Old Growth Strategy recommendations, nor the development of sustainable old growth management.

GAMING

Budget 2021 affirms the agreement announced as part of Budget 2019 that shares 7% of the British Columbia Lottery Corporation's ("BCLC's") gaming income with BC First Nations, which is estimated to be \$3 billion over 25 years.

Funds are estimated to be disbursed through the BC First Nations Gaming Limited Partnership as follows:

- Estimated 2021/22: \$58.0 million
- Plan 2022/23 \$90.9 million
- Plan 2023/24: \$105.6 million

The fiscal year 2021/22 estimate reflects an expected gradual recovery of BCLC's net income. BCLC's operations were adversely affected in the 2020/21 fiscal year due to the closure of all gambling facilities effective March 16, 2020 in response to the COVID-19 pandemic.

HEALTHCARE

In light of the pandemic and the opioid crisis, Budget 2021 focuses heavily on the health and safety of people and includes significant new investments in the healthcare system that will bring total annual health spending to over \$25.4 billion by 2023/24. These investments include an additional \$900 million for 2021/22 from the Pandemic and Recovery Contingencies for health-related COVID-19 management. This funding will go towards vaccine deployment and a number of health strategies, including the Rural and Remote Collaborative Framework to better connect remote Indigenous and non-Indigenous communities to critical health care services.

Budget 2021 responds to the recommendations of the *In Plain Sight* report into systemic racism in the healthcare system by providing \$45 million over three years of new funding for First Nations cultural safety and humility training and Indigenous liaisons within each regional health authority.

Mental Health and Addictions

As the pandemic has highlighted the importance of mental health and the damaging, ongoing impacts of the opioid crisis, Budget 2021 provides the largest investment in mental health and addictions services in BC history with \$500 million in new funding across the fiscal plan. This funding will support BC's mental health and addictions strategy, *A Pathway to Hope*, and provide targeted mental health supports for children, youth and young adults.

To improve the access and quality of mental health services, Budget 2021 will invest \$75 million in new funding over three years. This includes \$14 million for the First Nations Health Authority to deliver targeted mental health and addictions services to Indigenous peoples throughout BC. Budget 2021 will also provide \$330 million over the fiscal plan to provide a full range of treatment and recovery services for individuals experiencing issues with substance use, including \$152 million for opioid treatment. Funding will also support the creation of 195 new substance-use treatment and recovery beds throughout BC for all types of substance use.

In addition, overdose prevention supports implemented in response to the pandemic - including new supervised consumption sites, Assertive Community Treatment teams, the Lifeguard App, consultative services for healthcare professionals providing substance use treatment, and additional nursing supports - will become permanent programs through Budget 2021.

ECONOMIC RECOVERY

Budget 2021 focuses on investing in people through new training and employment opportunities, employment opportunities for BC's youth, and investing in communities for a strong economic recovery:

- \$17 million to partner with hundreds of Indigenous communities and organizations to expand access to programs through the Indigenous Skills Training program
- \$7 million through the StrongerBC Economic Recovery Plan has invested in the Digital Technology Supercluster to support the expansion of the Canadian Tech Talent Accelerator program within BC to support 1,400 to 2,000 Indigenous, Black, people of colour and under-represented youth into an internship program
- \$3 million for the Recreation Sites and Trails BC youth program to create 72 new jobs to help restore public outdoor recreation spaces and provide jobs in rural and remote communities
- New base funding of \$40 million over the next three years to provide high-speed internet and cellular coverage for more rural and remote communities, including Indigenous communities

Budget 2021 includes \$500 million in financing over the fiscal plan for the InBC Strategic Investment Fund. Investment decisions will be made independent of government but will be guided by government's priority of supporting specific economic, social and environmental policies, such as moving toward a greener economy and advancing reconciliation. Investing through the fund is anticipated to begin later this year, and will help to attract and anchor high-growth businesses, talent and good jobs in BC.

There is also \$5 million to help local Indigenous tourism businesses with grants of up to \$45,000 to provide relief and recovery supports as businesses navigate the ongoing economic impacts of COVID-19.

RECONCILIATION

Budget 2021 adds \$60 million in annual base funding to the Ministry of Indigenous Relations and Reconciliation, which will provide dedicated funding that supports Indigenous participation in land and resource activities, negotiations and engagement on legislation, policy and programs. It is unclear how much of this money will be specifically going towards advancing treaty and non-treaty related reconciliation agreements and negotiations. Budget 2021 also includes \$6 million per year to support 30 new positions in the ministries of Indigenous Relations and Reconciliation and Forests, Lands, Natural Resource Operations and Rural Development.

Budget 2021 continues critical investments in skills and training (which are reported elsewhere in the budget) to support Indigenous peoples to access programs to prepare for new employment opportunities in high demand jobs. This includes \$17 million in 2021-22, building on previous investments in the StrongerBC Economic Recovery Plan and Budget 2020. The Indigenous Community Skills Training and Education program received \$15 million to enable

more than 1,000 Indigenous people whose employment was affected by COVID-19 to access skills training and education programs.

Budget 2021 includes \$59 million to support culturally safe health services for Indigenous peoples, which is critical to ensuring equal access to the health care system and promoting health and well-being. This includes \$14 million for the First Nations Health Authority to deliver targeted mental health and addictions services for Indigenous peoples throughout BC and a further \$45 million over three years to implement recommendations of the *In Plain Sight* report.

Notably, the Budget builds upon the Fall 2020 StrongerBC Economic Recovery Plan which committed significant funding to advance reconciliation and build a more inclusive economy, including:

- The Connecting British Columbia program and the Government of Canada's Universal Broadband Fund will provide \$4.5 million to improve cellular service on Highway 16 from Prince Rupert to Prince George, fulfilling a critical recommendation to make the highway safer and help prevent violence against Indigenous women and girls.
- \$5 million to help local Indigenous tourism businesses through the BC Indigenous Tourism Recovery Fund, part of a cross-government effort to help all aspects of the tourism industry.
- Rural Economic Recovery grants (\$20 million) include funding for Indigenous and local governments to support immediate job creation through construction.
- \$1.9 million for the Anti-Racism Restart and Recovery program to connect communities with information, supports and training to respond to, and prevent incidents of racism and hate.
- Environmental efforts include funding to assist communities, First Nations and tour operators clean up BC's shorelines (\$14.8 million) and about 70 watershed and wetland initiatives (\$27 million) to ensure BC's water stays healthy and resilient in a changing climate.
- Overdose response and awareness efforts in rural, remote and Indigenous communities will be supported through \$1 million in prevention grants. This builds on 2020-21 investments of \$2.3 million to expand life-saving interventions and mental health care for First Nations and Métis youth, and post-secondary students.

HOUSING

Budget 2021 includes an additional \$265 million in 2021-22 to extend supports and services for people experiencing or at risk of homelessness to maintain 3,000 temporary emergency shelter and hotel spaces that support people facing homelessness with a safe place to go during the pandemic and opening more permanent supportive housing in partnership with the federal government as part of the Rapid Housing Initiative.

Budget 2021 provides \$2 billion in development financing through HousingHub, a division of BC Housing, for government to work in partnership with communities, non-profit and private sector stakeholders to facilitate the creation of new rental housing and home ownership opportunities for middle income British Columbians. With this additional investment, HousingHub will be able to facilitate the creation of approximately 9,000 new homes for middle-income families over the next three to five years.

Budget 2021 continues to provide funding to support the construction of 114,000 units, including funding 10,000 new housing units over the fiscal plan through grant funding to non-profit housing providers and \$1.6 billion in capital investments. The new units will help support British Columbians such as middle-income families, seniors, Indigenous peoples, and women and children leaving violence and are a part of government's commitment to deliver more housing options for British Columbians who need it.

JUSTICE

Budget 2021 provides \$132 million over three years towards a justice system that “serves all British Columbians and provides timely and equitable access to justice particularly for women, visible minorities, single parents, refugees, Indigenous peoples, 2SLGBTQ+ community members and people with low incomes.” This includes funding to support courts, family dispute resolution, legal clinics, parent legal centres and family maintenance enforcement services as well as sector wage enhancements under the Sustainable Services Negotiating Mandate.

Justice sector funding includes \$16 million over three years to support the province's court modernization strategy (which includes virtualization and system enhancements). An additional \$24 million in one-time funding from the Pandemic and Recovery Contingencies is allocated in 2021/22 to support the safe operation of courts during the pandemic. The budget also includes \$73 million over the fiscal plan to support public safety services and policing and security initiatives under the Gang Suppression Action Plan, the BC Coroners Service, the Office of the Fire Commissioner, and road safety programs. Funding will also help to address added staffing needs for front-line RCMP officers in rural communities to address coordinated responses for emergencies such as the opioid health crisis and the COVID-19 pandemic.

In Budget 2020 there was an absence of clear funding commitments for the development or implementation of justice related programs for Indigenous Peoples, including addressing the overrepresentation of Indigenous peoples in the justice system. Budget 2021 continues this trend, making minimal advancements in this area and failing to address the implementation of the National Inquiry's *Calls for Justice* and to make investments towards resources, services, and supports for Indigenous women and youth confronting systemic violence and the MMWIG crisis.

APPENDIX B: MIRR BUDGET AND ANALYSIS

Budget 2021 sees an updated budget forecast in 2021/22 for the Ministry of Indigenous Relations and Reconciliation (MIRR). The MIRR budget estimate has increased from \$97 million in 2020/21 to \$179 million in 2021/22 due to an increase in budgeted funding for Treaty and Other Agreements. The MIRR budget is projected to be \$194 million in 2022/23 and \$182 million in 2023/24.