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PRINCE EDWARD ISLAND **BUDGET ADDRESS**



Presented by:

Honourable Jill Burridge

Minister of Finance and
Chair of Treasury Board



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Budget Address



Delivered by
The Honourable Jill Burrige
Minister of Finance
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At the First Session of the
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Prince Edward Island Legislature

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Introduction

Good afternoon. Bonjour. Kwe.

Madam Speaker, Members of the Legislative Assembly, and Guests. It is once again my honour to present the 2024-2025 operating budget.

Government's budget is a signal to the people they serve on where they will spend their time, money and energy in the year ahead. It signals priorities, areas of focus and insight into what's to come. And no one in this chamber – or Islanders from tip-to-tip – will be surprised about the priorities the government will continue to focus on throughout the upcoming fiscal year. Healthcare, housing and affordability measures continue to be our government's central focus, the things we wake up every day and think about. More importantly, these are the areas where we will spend our time and energy to make advancements for the betterment of all Islanders. A lot of preparation and discussion happens before we present the budget here today. A part of budget planning is to reflect on what came before. We look back and celebrate things that have been done.

Earlier this week we opened the province's first-ever mental health and addictions emergency department, the first of its kind in Atlantic Canada.

Just last week, we added an additional \$2.7 million of annual funding to clients of the Social Assistance and AccessAbility Support programs.

We are helping with the rising cost of home heating for the 8,000 Islanders who received a free heat pump since the program began.

We have completed three successful international recruitment missions and issued 113 job offers for RNs to come to PEI to live and work in our healthcare system.

We are thankful for the privilege of helping make the lives of Islanders better.

But true insight comes from looking at the problems that still need our attention. True change comes from honest reflection. Many Islanders are still struggling and are telling us they need our help.

We need to make health care available to everyone. It must be timely. It must be effective. We need to make it affordable to live in Prince Edward Island. We need to protect our way of life for generations to come, while investing in the young people who will lead our future.

Madam Speaker, this is humbling work. It's not easy.

But we are not people who give up. We keep going.

When Islanders struggle, we never have to struggle alone. Our neighbours show up to help. It is in our nature, and it is our way of life. We rally together to do better.

This government is not shying away from the problems. We are here today to face them head on, and to be part of the solutions. We are here to help.

We will improve healthcare in Prince Edward Island.

We will improve services for seniors.

We will grow our housing supply.

We will be there to help people access housing and social supports.

We will make life in PEI more affordable.

We will invest in our communities and our industries.

This will mean doing things differently, like in our health care system.

This will mean sticking to our values, like helping every child get off to the right start in life. Like investing in the people who help our children every day.

This will mean being patient as good ideas take time to become a reality. And this means listening. It means adjusting when we need to.

But, no matter what, we will never stop working for Islanders. That is our promise to Islanders.

Madam Speaker, today's budget includes \$140 million in new spending, bringing the total expenditure to just over \$3.2 billion. This reflects a 4.5 per cent increase over last year. Our revenues have grown by \$152 million or 5.1 per cent over last year as well.

This means our projected deficit for 2024-25 will stand at \$85 million.

Madam Speaker, with your indulgence, I would like to share more details of our plan to do more for Islanders.

Improving Your Healthcare

We know healthcare is top of mind. And for good reasons.

It's a service we all rely on and care so deeply about.

I need Islanders to know, you're being heard, and we're taking action.

But, to improve healthcare we need to reflect on what we are doing and what we aren't doing.

It will require change, and change is hard. There is no silver bullet.

There is no simple solution. It will take ideas large and small, simple and complex, easy and hard, to move the system forward.

One thing is certain: we need more healthcare providers to improve the system. Part of that solution lies in how we recruit workers to this province. So, to start, we will invest \$6.2 million in recruitment and retention. This investment will support the relocation and integration efforts of internationally educated nurses and the allied health professional incentive. This includes \$1.75 million for staff resources to support recruitment and retention of healthcare workers.

It's been said many times before, and I'm here to say it again, we need to adopt new ways of doing things in order to change our healthcare system. Back in 2022, we launched our first five Patient Medical Homes in PEI. It brought together primary healthcare providers and allied health providers to work collaboratively to provide the right care, by the right provider, at the right time. It was groundbreaking, to say the least.

Since then, our patient medical home model of care has been touted from coast to coast as being the gold standard for primary care in this country. Since then, we've launched 12 additional Patient Medical Homes bringing the total to 17, with the goal to get to 30 established by next spring. We are far ahead of our provincial counterparts in

implementing this model and we have no plans to slow down anytime soon.

This year alone, we are investing \$25.8 million in Patient Medical Homes, an increase of \$10.5 million. This will allow us to roll out new patient medical homes and optimize existing medical homes to allow Islanders without access to primary care to become affiliated in this new, collaborative and innovative model of care.

While we have surpassed the halfway point of implementing this model of care, I would be remiss if I did not recognize the hardworking professionals that have worked hard to establish these homes and the practitioners who work within. While in preliminary stages of implementing this model, there was a focus on bringing together existing practices to work in these homes; but now we are at a point where we can add new practitioners and focus on expanding care to those who currently do not have a primary care provider. And, as our Minister of Health reminds us of often, this model of care is key to recruiting new physicians and gives us a competitive advantage to be a top choice for new physicians.

In addition, we are investing a further \$5.3 million in primary care services. This includes an additional \$680,000 in virtual care options for Islanders to access care and to use online tools like self-scheduling and reminders.

Madam Speaker, just over a month ago we officially launched mid-wifery services in this province. A long-awaited service for many Islanders, but it was implemented with engagement and collaborations from all areas of the healthcare system. This year, we will invest an additional \$300,000 to enhance the roll-out of mid-wifery services to ensure stability for years to come. In addition, \$800,000 will be invested to expand sexual health options and reproductive services. Further, there is an additional \$1 million to increase supports for cancer screenings and care.

And Madam Speaker, while there is a lot of chatter about the future of a national pharmacare program in our federation, our province won't be pulling back waiting for bi-lateral agreements to be signed with our federal government. This year, our government will be investing an additional \$800,000 to expand the eligibility for the diabetes insulin pump program and support diabetes foot clinics, bringing our total investment for diabetes supports and programs to \$2.7 million.

Our Health Innovation team has been at ground zero for many of our recent accomplishments. They were instrumental in implementing Pharmacy Plus, Virtual Hallways, Skip the Waiting Room, Primary Care Access Clinics and many other new innovations that have provided better access to care. This budget provides over \$9.1 million towards these health innovation projects for this fiscal year to ensure we continue to innovate and find new ways for Islanders to get the care they want and deserve. The project that is next on the horizon is our mobile x-ray service for seniors in residential care. We will launch the first phase of this innovative service to provide on-site x-rays for individuals in long-term care by investing \$536,000 this fiscal year.

Our government will also be launching a Children's Vision Care Program, investing over \$700,000 to provide elementary school aged children with annual eye examinations by a licensed optometrist and two pairs of glasses. This will build on the Eye See, Eye Learn program by ensuring children of all ages without private coverage have the financial support to ensure eye tests and eyewear do not become a choice, when we all know they are a necessity for those who need them. This program will also help with early intervention and assessments for learning disabilities.

Altogether, this budget contains over \$16.1 million in additional funding this year for primary care, bringing the total investment to over \$58 million, a new record high for investing in primary care for Islanders.

Madam Speaker, we will also be investing in new physicians. This year alone, we will increase the budget for physicians and physicians supports by \$6.6 million while adding an additional \$2.4 million to integrate Physician Assistants and Associate Physicians as care providers in our healthcare system. To add two additional family residency seats, our government will be investing \$534,000 in the PEI Family Medicine Resident Program. Our plan is to continue to invest in residency seats in the years to come to prepare our system for medical learners.

When we talk about investing in training, there is no greater example than our commitment to growing our healthcare team than the investment we are making to establish a medical school right here on PEI. Starting as a satellite campus of Memorial University, this new program will finally even the playing field for our bright young Islanders who want to become doctors but are at a distinct disadvantage of having a 1 in 11 chance of being accepted to medical school, while elsewhere in the country applicants have a 1 in 2 chance. This year, we will invest an additional \$9.9 million, for a total of \$36.2 million over the next year, to have the ability to train doctors right here on PEI.

We will also invest \$2.2 million to continue creating upskilling opportunities for LPNs to become RNs, provide bridging programs for internationally educated nurses, support advance care paramedics working to full scope with critically ill patients, as well as to continue training more RCWs, LPNs, Paramedics and RNs on PEI. This will include continuing to provide free tuition for RCWs, LPNs and Paramedics who train on PEI and commit to a return in service for two years. When combined with an investment from last year, this results in \$3.4 million in training and upskilling funds for healthcare workers in the upcoming year.

Madam Speaker, with nearly 36,000 seniors living on the Island, making up 21 per cent of our province's population, senior care is a crucial component of the healthcare system.

We are investing \$4.9 million to continue enhancing and streamlining services for seniors, including programs such as COACH, Care at Home and Urgent Home-Based Respite, as well as supports for an additional physiotherapist, occupational therapist, nurse practitioner resources, and other allied health professionals. In addition, we will be introducing home-based restorative care.

But as you already heard, the problem extends past just having services available in the community. The reality is, with our population growth, we need more beds throughout the province. We are working with the Prince Edward Island Private Nursing Home Association to license beds immediately, with a strong focus on decanting our hospitals of those who are awaiting placement in long-term care, which will result in more capacity and better patient flow in our Island healthcare system.

This budget also signals a mid and long-term plan to ensure that our community care and long-term care facilities keep pace with our population growth. One of the next steps in the plan is for our government to launch a low-interest financing option for operators to complete capital builds to create more long-term care in our system.

Madam Speaker, it isn't just spaces and beds we are investing in when it comes to community care and long-term care. We also must invest in the staff who provide the tremendous care that residents get at these facilities. These essential staff take care of our loved ones 24 hours a day, 7 days a week. Actioning the recommendation from the Long-term Care Review, we will invest \$4.5 million to support moving towards wage parity between private community care and long-term care homes relative to government-owned facilities. Government will work with the industry on a multi-year, phased-in approach that focuses on retaining and recruiting staff who provide important care to our seniors. This

historic investment will help increase wages for all non-management staff in these facilities including RNs, LPNs, RCWs, PCWs, program support, cooks, housekeeping and maintenance.

Our government also remains committed to the Medical Transportation Assistance Program by investing an additional \$350,000 to expand support for those who have to travel out of the province for health services.

We are continuing to invest in enhancing our mental health services with this budget containing nearly \$3 million in new funding. This includes \$1.5 million to support the opening of the new mental health and addictions emergency department and short stay unit at the QEH and \$1.2 million for staffing of addiction treatment and transition programs, as well as staff to support the new and existing mental health facilities, including social workers, addiction workers, dietitians, psychologists, RNs, RCWs and support workers.

Madam Speaker, these investments are in addition to the long-term investments we made last year, and the investments our government has made in the four years prior. And, while we constantly remind ourselves – it takes more than just money to solve the challenges we face in healthcare. I'm proud to say that this government has increased the health budget by 59 per cent in the last five years, bringing the total investment in health to \$1.1 billion, which equates to 35 per cent of our provincial expenditures.

Building Together

Talking about health goes hand in hand with housing.

A house is much more than four walls and a roof. It is a source of security, dignity and identity.

By prioritizing housing, we are prioritizing the health of all Islanders and the social and economic well-being of our communities.

Just last week, our government launched PEI's housing strategy for the next five years.

Madam Speaker, the strategy is extensive. It speaks to the need to grow our construction workforce, it talks about accelerating development, it talks about adding housing units in all areas of the housing continuum, and it speaks to the need to innovate and do things differently.

Previous housing strategies focused on one dimension of the housing continuum. When anyone said the word 'housing' in provincial government years ago it was always in the context of social housing. That was the only area of responsibility for the provincial government.

Today, that is no longer the case. Our government is making investments in all dimensions of the housing continuum. This broadened mandate for the Department of Housing, Land and Communities has required a whole new approach; it requires collaboration with all levels of government, NGOs, community partners, non-profits, cooperatives and developers.

The new approach is built on the Housing First model; a model that focuses on ending homelessness by providing the most appropriate housing option, coupled with the most appropriate supports, which will result in the best health outcomes for the individual.

And Madam Speaker, after the recent launch of our housing strategy, now - when you say housing in our government - it comes with the acknowledgement that the government has a role to play in all dimensions of housing.

To best support the development of all dimensions of the housing continuum, it's forced us to develop and launch programs throughout the entirety of the continuum.

And, like the strategy suggests – we will be investing across the housing spectrum in this budget.

To start, we will help Islanders most in need, by investing \$6.9 million to continue providing emergency shelter supports, outreach services, and residential support services in transitional and supportive housing.

In addition to our record investment in our capital budget this past fall where we committed to building or acquiring 560 new social housing units over five years, this budget contains \$1.6 million to provide the necessary funding to operate newly constructed or acquired housing units.

We will also be launching a new \$10 million Community Housing Expansion Program to support near-market affordable housing. This program will work in collaboration with non-profits and co-operatives, to create new and acquire existing affordable housing units and to keep them that way in perpetuity. We anticipate in the first year alone, this program will result in creating and keeping over 120 units affordable in PEI.

When it comes to supporting market housing, we will continue to offer over \$6.7 million in tax rebates for newly constructed multi-unit residential buildings, including rebates of HST and property tax rebates through the Residential Unit Development Incentive program that

provides financial support to encourage the development of new rental units.

To help speed up construction of market units, we will invest \$300,000 to hire four new housing development positions, including electrical inspectors and client services to reduce wait times for building permits.

And last, but certainly not least, I am proud to say we will invest an additional \$200,000 to create PEI's Land Use Plan, with a total investment of \$450,000 for this upcoming year.

Madam Speaker, these investments are just the tip of the iceberg in our efforts to improve housing in our province. We will also be continuing with programs to support pathways to home ownership for Islanders, such as the closing cost assistance program, the down payment assistance program and the rent-to-own program.

And while we have had a large year between our capital budget last fall, and this historic investment in housing for the upcoming year, this government has a clear track-record of investing in housing for many years. In fact, since April 2019, this government has increased annual spending on housing by \$51.5 million – that's an increase of 243 per cent overall.

Helping with Everyday Costs

Madam Speaker, every day Islanders are doing their best to make ends meet.

Significant events, whether they're happening here or around the world, are all impacting the cost of living.

Over the past few years, our government has responded with an unprecedented package of programs and supports targeted to help those in need. We have no plans on stopping now, as these challenges continue to affect our province.

In fact, while making record investments in supporting Islanders every year since 2019, this government has also introduced tax cuts for Islanders each year for the last five years as well.

And Madam Speaker, I am not going to end that tradition here today.

This budget includes almost \$15 million in tax cuts that will leave more money in the pockets of Islanders. As committed last spring, we will continue to increase the basic personal amount to \$14,250. And again, as we committed last spring – we will continue to reform our tax system by raising the thresholds of each tax bracket and lowering the tax rates for the first four brackets, which will result in over 90,000 Islanders paying less tax next year.

Also, starting in January 2025, with an initial investment of \$1.1 million, we will introduce a new PEI Children's Benefit. With a total annual investment of \$4.4 million per year, this will support families from West Point to East Point, and all areas in between. This monthly benefit will help families with costs associated with their children, like food, sports, childcare and clothing. This benefit will be scaled to support those who need it the most. For example, a family with two children with a net household income of up to \$45,000 will receive \$720 per year. Families with incomes between \$45,000 and \$80,000 will also receive a prorated

benefit. The PEI Children's Benefit will be administered through CRA and will be reviewed annually.

We will also invest \$175,000 in KidSport, increasing the income threshold to expand the number of families who can receive up to \$600 per child to participate in sport and recreation activities.

To help Island residents save on home costs and reach our goal of net zero, we will invest an additional \$7.3 million in free heat pumps, electric hot water heaters and insulation programs, bringing our total investment in these efficiency programs to \$33 million.

A further investment of \$1 million will go into the Island-wide transit system to add more routes and keep fares low at \$2 per ride, \$20 for monthly passes and \$10 for students and seniors.

With \$3.1 million, we will support the annualization of the increase to Social Assistance and Accessibility Support clients. Funding will also be provided for a review of the AccessAbility Support program.

To support our non-profit and community organizations that do tremendous work in communities large and small, rural and urban, the Department of Social Development and Seniors will be increasing operational grants by \$1.32 million to support the Islanders these organizations serve on a daily basis.

To support seniors living in their own homes, we will invest \$380,000 in the Seniors Independence Initiative, increasing the annual support to a maximum of \$1,800 for practical services, like grass cutting, snow removal and housekeeping.

Learning and Growing

Madam Speaker, cutting costs shouldn't have to compete when it comes to getting an education.

Our government is committed to providing supports so that everyone can afford to learn and have a prosperous future.

To support post-secondary students and their aspiring careers, we will invest \$940,000 to increase the annual George Coles Bursary to \$3,200. We will also expand this program to include those studying off-island in targeted healthcare training programs.

We know when children get the nutrition they need, they can focus better on learning. That is why we are providing \$55,000 in additional funding to the school breakfast program and investing an additional \$1 million annually to support the pay-what-you-can school provincial lunch program for all students in public schools across PEI.

With an investment of \$4.3 million, we will continue the implementation of \$10 a day childcare and provide support for operators to create more childcare spaces, with a commitment of 30 per cent of new spaces allocated to infants. This brings the total investment in support of reducing fees to \$12.3 million.

Madam Speaker, we can't speak about learning without recognizing those who work in our education system. Every staff member at our Island schools plays a crucial role in our children's development. We know they need support with our growing population, so we will be investing \$7 million to add more front-line staff such as teachers, school counsellors, educational assistants, youth workers and bus drivers.

Madam Speaker, this government has increased investments by a record \$161 million in our education system since April 2019, resulting in an overall increase of 61 per cent. Again, another historic investment in education and early learning in recent history.

Safer Communities and Strengthening Industries

Madam Speaker, I'd like to think we're all proud to call PEI our home.

I also think it's okay to admit this place isn't perfect and that we have work to do.

With support from the Federal Government, we will be investing \$2.4 million to create a Gender-based Violence Action Plan that focuses on enhanced services, resources and support to people experiencing gender-based violence or de-escalation support to those at risk of perpetuating gender-based violence.

There will be \$75,000 in additional funding for anti-racism grants for non-profit organizations to develop and deliver anti-racism activities that benefit and impact racialized and Indigenous communities.

We will also invest \$773,000 to further build law enforcement capacity to detect and enforce impaired driving and promote awareness of impaired driving harms and countermeasures.

Our bioscience sector continues to grow, and we have become a global player in the industry. With \$2 million, we will continue to invest in this sector through the development of the second incubator space.

Support for our primary industries remains strong, with an investment of \$1 million to pilot the PEI Agriculture Energy Systems Program and create a land purchase support program for new farmers. This investment also includes support for educating our youth about agriculture and veterinary education opportunities, including an additional seat for an Island student at the Atlantic Vet College.

To support the development of the next generation of fishers, Government will launch the Future Shellfish Fishers Program with an investment of \$65,000 to provide a program that will be modeled after

the Future Fishers Program and will be developed with industry and stakeholder input.

One of the greatest things about living in PEI is that we live on an island. This makes us an attractive destination and we encourage tourists to visit any time of the year. With an investment of \$500,000 to the Tourism Season Expansion program, we are continuing our efforts to make PEI a year-round destination by supporting tourism operators with product development for the shoulder seasons.

We also learned from Dorian and Fiona that sometimes living on an island can make us particularly vulnerable to the impact of climate change.

With an investment of \$500,000, we will begin the development of shoreline management plans for our regional coastal areas. This plan is a direct response to UPEI's Interim Coastal Policy Recommendations Report released in November 2023.

Government is taking steps to protect our land. Island Nature Trust will receive an additional \$200,000, for a total of \$950,000, to support land acquisitions in pursuit of the provincial protected areas target of 7 per cent. There is also funding of \$190,000 for additional staffing to ensure there are timely assessments of the potential impacts of proposed developments upon watercourses and wetlands.

Together, as we work to reduce our greenhouse gas emissions, we will invest \$1 million to fund the operating costs of new EV chargers and existing chargers in the province's EV network.

And lastly, to preserve our Island's rich history, we will provide \$167,000 of additional funding to the PEI Museum and Heritage Foundation for the operation of heritage sites across the province.

Conclusion

Madam Speaker, we humbly present this budget to this assembly for discussion and debate.

We appreciate the input received from Islanders through written submissions, online survey responses, emails, public and stakeholder virtual and in-person consultation sessions. We also received input from the Official Opposition and Third Party.

Your input and good ideas have been shared with all government departments. This budget contains initiatives to address a number of suggestions that we received through the consultation process.

We present this budget to Islanders in hopes we are doing right by them.

We re-commit to facing issues head-on. We will celebrate more successes, together.

Most importantly, we are ready to get to work.

Madam Speaker, thank you for your indulgence.

Thank you. Merci. Wela'lin.