

## **P.E.I. creates fiscal responsibility committee as record deficit balloons yet again**

The province has approved nearly \$150M in unbudgeted spending this year



[Devon Goodsell](#) · CBC News · Posted: Feb 25, 2026 6:00 PM AST | Last Updated: February 25

P.E.I. has established a new committee tasked with reviewing government spending and cutting red tape as the province grapples with a ballooning deficit.

The province projected the largest deficit in its history [when the 2025-26 operating budget was tabled](#) last spring: \$183.9M.

And it's only gotten bigger.

In December, the province [announced the projected deficit had nearly doubled](#), to \$367.4 million. And the province has since approved nearly \$150 million in unbudgeted spending — which means the deficit will be even higher when the updated budget is delivered in March.

“This budget process has been extremely difficult,” said Finance Minister Jill Burridge, who also chairs the Cabinet Committee on Fiscal Responsibility and Red Tape Reduction.

“We’ve been asking a lot of departments to look at every program, look at every service they deliver to make sure that it’s being delivered in the most efficient way. And they are doing that, they are rising to that, and as a team we are going to figure this out. It’s a hard time.”



Finance Minister Jill Burrige said P.E.I. has no plans to cut core services. (Rick Gibbs/CBC)

The committee has been tasked with the provinces described as "government-wide efforts to review programs and services."

Burrige said the committee plans to meet before the Legislature resumes on March 24. The first order of business, she said, will be deciding what to tackle first. And she expects public consultation will play a role in helping guide the committee's priorities, too.

"It's never lost on me that it's not my money, it's the taxpayer's dollars so we want to ensure that money is going towards what they want to see it going towards," she said.

"Times change, things change, so having this comprehensive review will only help us ensure that our spends are targeted properly."

- [P.E.I.'s deficit balloons to \\$367M, nearly double budget predictions in April](#)
- [P.E.I. projects record \\$183.9M deficit in budget designed with population growth, trade war in mind](#)

This year alone, the province has approved \$67 million in unbudgeted spending for Health P.E.I., including \$35.3 million in professional services, and an additional \$84.4 million on other government departments, including \$62.4 million for the P.E.I. Agricultural Insurance Corporation.

"We did have a few special warrants happen here, one in health, that's an operational expense that is basically holding up our healthcare services," Burrige said.

Burridge said P.E.I. isn't alone. The [federal deficit is also rising](#), and provinces across the country are also facing record deficits as they grapple with population growth, an aging population and infrastructure gaps that have been accumulating for years.

- [N.S. budget contains major cuts as province confronts \\$1.2B deficit](#)
- ['You'll see a deficit': Premier Scott Moe tempers Sask. budget expectations](#)

She said P.E.I. has no plans to cut core services — things like health care and education — but resources could be reallocated to where they're needed most.

“We don't want to cut services that Islanders rely on,” she said. “We just want to make sure that the public spend is targeted on the programs and services that they do rely on and that the most important thing is the most important thing.”



Liberal Leader Robert Mitchell says Islanders should be 'very worried.' (CBC)

The Opposition Liberals say it's ironic the government has created a committee made up of cabinet ministers to cut red tape and reign in spending.

“From my perspective it kinda looks like, and I'm sure it does to Islanders too, a bit of smoke and mirrors,” said leader Robert Mitchell.

“All of this could be discussed on the floor of the Legislature ... They don't need to do it behind closed doors with another special committee. So we're hoping that we do get to the Legislature and get a chance to put our vision on that reckless spending that's been going on for the last 12 months.”

- [Alberta to increase spending on doctors by 22% as deficit budget looms](#)
- [B.C. budget includes tax increases, 15K public job cuts, projected \\$13B deficit](#)

Mitchell said Islanders deserve to know how the province plans to reduce spending, whether that means cuts to services or tax increases.

“I think Islanders should be very worried,” he said. “We don’t know what kind of cuts this government is planning on making and particular cuts could have an extreme devastation on people’s daily lives.”



P.E.I. Union of Public Sector Employees president Karen Jackson hopes the province won't cut jobs. (CBC)

P.E.I. Union of Public Sector Employees president Karen Jackson said the union’s members want answers, too.

“Any time you’re in a deficit and there needs to be cuts, it usually falls on the backs of frontline workers,” she said.

“We’re hoping this time that that will not happen and this new committee that they’ve formed will look at the fiscal spending over the last few years and hopefully tighten up their belt.”

Premier Rob Lantz has given the new committee 12 months to come up with a plan to deal with the province's mounting deficit and debt. It's also going to look at the province's customer service standards, the use of AI in government and regional collaboration opportunities to help save money.

## **ABOUT THE AUTHOR**