The September 1st, 2009 provincial budget focuses on reducing discretionary spending while seeking to protect education and health care services. The budget notes revised deficit forecasts of $2.8 billion in 2009/10, $1.7 billion in 2010/11, and $945 million in 2011/12.

### Highlights of Interest to Local Governments

**Infrastructure**
- $32 million in 2010/2011 to pursue further cost-sharing with the federal government for accelerated infrastructure projects under the Build Canada Fund. This funding is in addition to existing commitments of $150 million committed previously under the communities component of the Build Canada Plan.
- $50 million in 2010/2011 to leverage additional funds from the federal Infrastructure Stimulus Fund.

**Tourism**
- $42 million in 2010/2011 and $59 million in 2011/2012 to maintain tourism and marketing operations previously funded by the hotel room tax.

**Energy**
- Provincial repeal of the Innovative Clean Energy Levy on the purchase of electricity, natural gas, fuel oil and grid-propane for non-transportation purposes that raised revenue to fund clean energy initiatives through the Innovative Clean Energy (ICE) Fund. The province will fund the ICE Fund directly.

**First Nations**
- Provides $31 million over the next three years to support the implementation of the Maa-nulth Treaty.

**Health**
- Funding for health services will increase by 18% over three years, reaching $15.7 billion by 2011/12.
- Commits $80 million to provide for vaccines and other supports needed to minimize the impact of the H1N1 flu virus.

With a focus on reducing discretionary spending, UBCM notes that several provincial ministries have forecasted budget reductions in the coming years, as well as an overall reduction in the number of full-time equivalent staff for the province between 2009/10 and 2011/12. UBCM also notes that the budget for the Ministry of Community and Rural Development (MCRD) has been revised between the February 17th, 2009 and September 1st, 2009 budgets. The 2009/10 MCRD budget estimate in the February budget was $197 million, while the September 1st budget notes a $183.7 million budget estimate for the ministry.

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