

Federal Budget 2016

Briefing note for members of the Federation for the Humanities and Social Sciences

I OVERVIEW AND BUDGET HIGHLIGHTS

- The Honourable Minister for Finance Bill Morneau tabled the 2016 federal budget on March 22, focused on delivering on the Government's main platform commitments, including tax relief for the middle class, an enhanced child benefit targeted at low income families and infrastructure spending.
- The budget, which estimates a \$29 billion annual deficit for the next two years, also includes significant new investments for research, post-secondary education and the arts, and commits to build a stronger innovation and science agenda for Canada towards Budget 2017.
- The Federation has applauded the substantial new commitments to discovery research, which are the highest in a decade, as well as steps to rebalance investments to better recognize the crucial contributions of social science and humanities research. **See the Federation's full press release [here](#).**

Top Ten Research and PSE highlights of Budget 2016:

1. \$141 million to the core budgets of the **granting councils**, including \$45 million for NSERC, \$45 million for CIHR, and \$23 million for SSHRC. The remaining \$28 million is to support indirect costs of research. Whereas the planned increases for CIHR and NSERC have doubled, the SSHRC increase to its core budget more than doubled. This represents a welcome signal to rebalance the research portfolio with greater attention to the humanities and social sciences.
2. \$14 million over two years for the **Mitacs Globalink** program to support 825 internships and fellowships annually.
3. \$73 million over four years to fund **co-ops** through the new Post-Secondary Industry Partnership and Cooperative Placement Initiative, which will support work integrated learning with a focus on high-demand fields, such as STEM and business.
4. \$216 million in 2016 and \$468 million in 2017 to enhance **Canada Student Grants**, plus mechanisms worth \$40 million to aid loan repayments (paid for in part by the cancelling of student tax credits). Changes include a 50 percent increase to grant amounts as well as revised eligibility thresholds and repayment systems.
5. \$2 billion of the budget's overall investments in infrastructure has been specifically allocated to support **infrastructure on university and college campuses** over three years, starting in 2017. (The funding will support up to 50 percent of the costs of eligible projects.)
6. \$413 million in 2016 to support primary and secondary education for **Aboriginal children** (part of a five-year commitment worth \$3.7 billion).

7. \$340 million in new investments in Canadian **arts and culture** agencies, including \$75 million to the CBC and \$40 million to the Canada Council for the Arts (part of a five-year plan worth nearly \$1.9 billion).
8. A new comprehensive **review of federal support for discovery research**, including the granting councils, to be undertaken by the Minister of Science, to strengthen Canada’s research ecosystem.
9. A commitment to define a **new Innovation Agenda for Canada**—a plan to develop, through 2016-17, a clear strategy across departments for how the Government supports innovation and growth in partnership with other actors.
10. Other investments in Canada’s research ecosystem include:
 - \$20 million over eight years, starting in 2018–19, to create two additional **Canada Excellence Research Chairs** in fields related to clean and sustainable technology.
 - \$237 million for **Genome Canada**, inter alia.

In our February 2016 pre-budget submission to the House of Commons Finance Committee, the Federation called for action in three areas. Find the [full submission here](#).

| | Federation Recommendations | Budget 2016 |
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| 1) | Significantly increase investment in the granting councils , with new funding that is untied, designed to achieve growth in real dollars and help build better balance across disciplines | <ul style="list-style-type: none"> • \$141 million to granting Councils, representing highest investment in 10 years • While NSERC and CIHR commitments doubled from what the previous government had promised for 2016, SSHRC commitments have grown by 229%, increasing its share |
| 2) | Create opportunities for student mobility , including internships and experiential learning within and outside of Canada | <ul style="list-style-type: none"> • Important new funding for MITACS at \$14 million • \$73 million for co-ops |
| 3) | Improve access to post-secondary education for First Nations, Métis and Inuit peoples including through the Post-Secondary Student Support Program, and support research and programming for reconciliation | <ul style="list-style-type: none"> • Significant \$3.7 billion investments over 5 years for K-12 education on reserves • No commitment for increasing access to PSE |

- **This briefing note offers the Federation’s initial analysis of Budget 2016 for the humanities and social science academic community. We welcome member feedback and further contributions to inform the Federation’s continued policy outreach work. Comments can be sent to Peter Severinson, Policy Analyst, via email pseverinson@ideas-idees.ca**

II ANALYSIS – KEY ISSUES

1. Research Funding

- **Granting Councils:** The 2016 budget announces ongoing core funding increases worth \$141 million for Canada’s three major granting agencies, which is the greatest one-year funding increase in 10 years. This total includes \$46 million that was committed in 2015 plus an additional \$95 million. Notably, this funding is described as investment in “discovery research,” and the new funding is not earmarked for specific purposes. Newly announced funding includes \$30 million for CIHR, \$30 million for NSERC and \$16 million for SSHRC (on top of the \$15 million, \$15 million and \$7 million, respectively, that was committed in the 2015 budget). Overall, CIHR’s year-over-year funding increase is 4.4 percent, NSERC’s is 4.2 percent, and SSHRC’s is 6.3 percent.
- **SSHRC:** SSHRC’s core funding is being increased by \$23 million in 2016, which includes \$7 million that was announced in the 2015 budget and \$16 million announced in the 2016 budget. This funding announcement breaks a longstanding pattern in research funding which has seen SSHRC receive funding increases that are slightly less than half the size of the increases going to each of the other agencies. In 2016, SSHRC’s share has increased to slightly more than half that amount. This marks a moderate shift in the overall balance of funding going to support research in the humanities and social sciences.
- \$20 million over eight years, starting in 2018–19, to create two additional **Canada Excellence Research Chairs** in fields related to clean and sustainable technology. These are in addition to the anticipated 20 new Chairs to be launched in a competition this year.
- **Genome Canada:** The 2016 budget includes a \$237-million commitment to Genome Canada to support the organization between 2016 and 2019.
- **Other research organizations:** Several funding announcements were made regarding other notable Canadian research organizations:
 - \$32 million over two years for the Centre for Drug Research and Development
 - \$12 million over two years for Stem Cell Networks
 - \$50 million over five years for the Perimeter Institute for Theoretical Physics
 - \$20 million over three years for the Brain Canada Foundation

2. Access to Education

- **Student Grants and Financial Assistance:** The 2016 budget includes significant investments to improve access to post-secondary education, as well as a shift in how support is delivered to students. The budget announces the discontinuation of the Education Tax Credit and the Textbook Tax Credit (for a savings of \$105 million in 2016 and \$445 million in 2017). It also increases funding for Canada Student Grants by \$216 million in 2016 and \$468 million in 2017. The size of potential grants has been increased by 50 percent, eligibility thresholds have been reworked, and repayment of student debts will be supported through mechanisms worth about \$90 million over two years.

3. Education for Indigenous Students

- **Elementary and secondary:** Support for Aboriginal education is predominantly focused on the elementary and secondary level, with a variety of new investments worth \$3.7 billion over five years (including a \$414-million investment in 2016).
- **Post-secondary:** The 2016 budget is light on announcements for Aboriginal post-secondary students. It does include \$15 million over two years to renew the Aboriginal Skills and Employment Training Strategy. In their 2015 election platform, the Liberals promised an extra \$50 million for the Post Secondary Student Support Program, which helps Aboriginal students cover the costs of post-secondary education. The budget includes no mention of this program.

For its part, the AFN is welcoming funding increases in a broad range of programs supporting First Nations communities, including housing, clean water, education, and child welfare. The AFN has said that this budget is a "significant" step in beginning the process of reconciliation.

- Canada must commit to closing the living standards and education gap, including at the post-secondary level for Canada's fastest growing population, as part of broader efforts to make meaningful steps towards justice and reconciliation for Aboriginal peoples.

4. Mobility

- **Experiential learning opportunities:** Experiential learning programs will receive increased investment through a new program called the Post-Secondary Industry Partnership and Cooperative Placement Initiative. This program (which will receive \$73 million over four years) will have a mandate to focus on "high-demand fields, such as" STEM fields and business. This language is a slight, but potentially meaningful, departure from what was in the Liberals' 2015 platform, which promised co-op funding exclusively for these disciplines. This will require further clarification and follow up with the Ministry. There is no information on how this funding will be distributed between institutions, employers, or other organizations.
- **Mitacs:** The 2016 budget includes \$14 million for Mitacs, to support 825 internships and fellowships each year between 2016 and 2018. This funding specifically targets Mitacs's Globalink program, which focuses on attracting international students and providing Canadian students with training opportunities abroad.

5. Infrastructure

- **Infrastructure for post-secondary institutions:** Infrastructure investments featured prominently throughout the 2016 budget. The new Post-Secondary Institutions Strategic Investment Fund is an unanticipated program that proposes \$2 billion of potential investments in post-secondary infrastructure projects over three years, starting in 2016. This fund will be a time-limited initiative that will cover up to 50 percent of the costs of eligible infrastructure projects. The fund



aims to support projects that enhance research and commercialization facilities, industry-relevant training facilities, and projects that help meet environmental objectives.

6. Arts and Culture

- **Arts and culture:** The 2016 budget includes a plan to invest \$1.9 billion in Canadian arts and culture over a five-year period. Two-thirds of that funding is being set aside to support the CBC (\$675 million over the five years) and the Canada Council for the Arts (\$550 million over five years). Other notable increases include an additional \$168 million over two years for the Canada Cultural Spaces Fund and \$156 million over three years for the Canadian Science and Technology Museum.

7. New Reviews and Agendas

- A new comprehensive **review of Canada's research ecosystem**, including the granting councils, will be undertaken by the Minister of Science, to ensure federal support for research is strategic and effective. The Review will i) assess the opportunities to increase the impact of federal support on research excellence and the benefits that flow from it; ii) examine the rationale for the current targeting of granting councils' funding and bring greater coherence to diverse federal priorities and instruments; iii) assess the support for promising emerging research leaders; and iv) ensure there is sufficient flexibility to respond to emerging opportunities including big science projects and other international collaborations
- Through 2016 and 2017, the government has committed to develop a new **Innovation Agenda** to redesign how it supports innovation and growth in partnership with actors such as the private sector, other levels of government, PSE institutions and the non-profit sector. The Agenda will include clear objectives and metrics to measure progress towards a vision where Canada is a "centre for global innovation," including creative and entrepreneurial citizens, leading science and technology, excellent innovation infrastructure and globally competitive companies that are thriving in a business environment supporting "commercialization and growth." **The budget commits \$800 million over four years to support innovation networks and clusters as part of this Innovation Agenda, starting with \$150 million in 2017-18. There are no details on how this money will be targeted.**

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About the Federation for the Humanities and Social Sciences

The Federation for the Humanities and Social Sciences promotes research and teaching for the advancement of an inclusive, democratic and prosperous society. With a membership now comprising over 160 universities, colleges and scholarly associations, the Federation represents a diverse community of 91,000 researchers and graduate students across Canada. The Federation organizes Canada's largest academic gathering, the Congress of the Humanities and Social Sciences, bringing together more than 8,000 participants each year. For more information about the Federation, visit www.ideas-idees.ca.