Federal Budget 2015
Briefing Note for members of the Federation for the Humanities and Social Sciences

I BUDGET HIGHLIGHTS

• On April 21, Finance Minister Joe Oliver released the long-awaited Federal Budget 2015. Given the pre-election timing, this budget was aimed at delivering tangible, retail measures for Canadians including significant new tax packages for families, seniors, and small business—all within a context of substantial fiscal constraints. Budget 2015 nonetheless also included important investments in the post-secondary education and research sector.

• The Federation welcomed several new budget commitments in research and higher education, while noting that the roll out for some of the investments raises a few issues that require monitoring. See the Federation’s full press release here.

• Major research and PSE highlights of Budget 2015 include:
  o An additional $46 million per year to the granting councils, starting in 2016-17, and going forward, including $7 million per year for 5 years for SSHRC’s Partnership Program.
  o The Canada Foundation for Innovation (CFI) will receive an additional $1.33 billion over 6 years, starting in 2017-18, to support advanced research infrastructure at universities, colleges, and research hospitals.
  o MITACS will receive $56.4 million over 4 years, starting in 2016-17, in support of graduate-level industrial research and development partnerships.
  o CANARIE will receive $105 million over 5 years, starting in 2015-16, to support world-class high-speed research and education networks.
  o Indspire, will receive $12 million over 3 years, starting in 2015-16.
  o Up to $243.5 million to secure Canada’s participation in the Thirty Meter Telescope related to domestic work on leading-edge components.
  o An additional $30 million over 4 years, starting in 2016-17, to support cutting-edge research and technology development in Canada’s satellite communications sector.
  o Extending Canada’s participation in the International Space Station mission to 2024
  o The National Research Council will receive $119.2 million over 2 years, starting in 2016-17, for partnered research and development activities.
  o The Canadian Council for the Academies is renewed at $3 million a year for 5 years.
  o Canada’s post-secondary students received $419 million over four years through investments in the Canada Student Loan and Canada Student Grant Programs.
• In our August 2014 pre-budget submission to the House of Commons Finance Committee, the Federation called for action in four areas. Find the full submission here. Budget 2015 committed investments in most of these areas:

<table>
<thead>
<tr>
<th>Federation Recommendation</th>
<th>Budget 2015</th>
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<tr>
<td>1) <strong>Major new investments in research</strong></td>
<td>$250M over 3 years for Tri-Councils (equitably distributed)</td>
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<td>• $250M over 3 years for Tri-Councils</td>
<td>$46M over 4 years to Tri-Councils/year</td>
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<td>• $450M per year over 5 years for CFI</td>
<td>$1.33B CFI over 6 years ($222M/year)</td>
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<td>2) <strong>Student Mobility</strong></td>
<td>$150M in international study and internship awards for university students</td>
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<tr>
<td>• $150M in international study and internship awards for university students</td>
<td>$56.4 for MITACS over 4 years</td>
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<td>3) <strong>Social Innovation</strong></td>
<td>$20M over 3 years for new social innovation funding linked to universities</td>
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<tr>
<td>• $20M over 3 years for new social innovation funding linked to universities</td>
<td>Nil</td>
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<td>4) <strong>Improved access to post-secondary education</strong> for First Nations, Métis and Inuit students through Indspire and other programs</td>
<td>$12M/over 3 years for Indspire</td>
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• This briefing note offers the Federation’s initial analysis of Budget 2015 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 Matthew McKeen, Policy Analyst, via email mmckean@ideas-idees.ca
II ANALYSIS – KEY ISSUES

1. Research Funding

- **Granting Councils.** The Federation has welcomed renewed tri-council funding of $46 million per year, starting in 2016-17, and going forward. These new investments have been tied to specific programs. These investments are part of a continued pattern of modest increases established in Budgets 2014 and 2013, following no net increase to the granting councils in 2012. But greater investment is still needed.

- **SSHRC.** The funding to SSHRC is welcome but problematic in its detail. There is no new money for this year (similar to the other councils), although SSHRC is projected to receive $7 million for each of the next 4 years. However, the funds are targeted exclusively to the SSHRC Partnership Program. This is an important program, but the announcement leaves other key programs, such as Insight and Connection, without new growth. The Federation does not support the earmarking of funds; programming decisions are better left to the discretion of the granting councils. We will continue to engage officials on the implementation implications. The announcement also continues the pattern whereby the social science and humanities’ share of the increase is half that of the other disciplines.

- **R&D Funding.** In general, research funding levels must be taken in the context of Canada’s overall poor performance on R&D relative to other OECD countries. The Federation’s pre-budget submission called for additional and equitable investment in the three Granting Councils of $250 million over three years.

- **CFI.** The $1.33 billion over 6 years, starting in 2017-18, is the largest investment in support of Canada’s research infrastructure and is therefore good news for further strengthening Canada’s competitive research advantage. What will be critical is to ensure that these new funds adequately address research infrastructure needs in the humanities and social science community. Moreover, despite this important new investment, CFI annual disbursement levels are expected to drop over the next few years. The implications of this require monitoring.

- **MITACS.** Budget 2015’s investment in Mitacs of $56.4 million over four years, starting in 2016–17, will support some 6,000 new graduate-level research and development internships focused on business-related challenges. The Federation joins Mitacs in welcoming this investment. More needs to be done to build awareness of and accessibility to these funding streams for the social science and humanities community. The Federation will work with Mitacs and our members towards this end.

- **CANARIE.** The budget invests $105 million over 5 years, starting in 2015-16, for CANARIE, which continues the pattern from Budget 2012 when CANARIE received $40M.

- **CCA.** The Canadian Council of Academies had its endowment renewed at $3 million a year for 5 years. This is important to enable CCA to continue to undertake evidence-based, expert assessments to inform public policy development in Canada.

- **Genome Canada.** Genome Canada received no new funding in Budget 2015, but the $165M over 3 years it received in Budget 2013 runs through 2016-17.
2. Access to Education

- **Aboriginal Education.** The government announcement regarding investments in Indspire of $12 million over 3 years starting this year continues a pattern of modest increases to this important program, which is the largest non-governmental funder of Indigenous education. A recent report from Indspire found that 93% of Indigenous students who receive funding for their education earn a post-secondary credential, and 82% of those graduates find work. The Federal budget also announced $200 million over five years to support First Nations education, though this appears to simply recycle a small portion of the $1.9 billion announced in Budget 2014, which had been put on hold following the failed First Nations Education Act. For its part, the AFN had called for the full $1.9 billion to be released immediately and has underscored that Budget 2015 was a missed opportunity to make any major contributions towards addressing ongoing inequalities. Canada must commit to closing the education and living standards gap for Canada’s fastest growing population, as part of broader efforts to make meaningful steps towards justice and reconciliation for Aboriginal Peoples.

- **Student Grants and Financial Assistance.** The Federal Budget advances a number of welcome new initiatives in this area including i) expanding the Canada Student Grants Program to include more short-term programs, ii) ensuring that students are not penalized for earning income while in school, and iii) reducing what is expected in terms of parental contributions. The Federation supports increasing access to post-secondary education for Canada’s youth. There has been mixed reaction from student groups. The Canadian Alliance of Student Associations have welcomed the new measures, while the Canadian Federation of Students argues that more access to loans does not fundamentally address the growing problem of more students graduating with unmanageable debt.

3. Mobility

- Budget 2015 offers no new investment in student mobility beyond the Mitacs program. In an increasingly interconnected world, international study and work experience will be vital for Canada to maintain a competitive advantage. Studies show it improves employability, disciplinary expertise, and builds global citizens. The Federation had recommended creating new opportunities for experiential learning and international experience as part of marking Canada’s 150th. Budget 2015 does commit $210 million for the anniversary, some of which could be directed towards students and research, though this will require further government engagement.

4. Digital infrastructure

- Developing Canada’s digital infrastructure is critical for connectivity and innovation in the 21st century. Budget 2015 takes some important steps in this regard. Of the $1.33 billion for CFI, $75 million is earmarked for digital research infrastructure in the academic sector. This could link to support for Compute Canada’s high-performance computing efforts and CANARIE’s work to...
connect Canada’s researchers nationally and internationally. What will be important going forward is to ensure this funding is fully accessible to humanities and social science researchers.

5. Social Innovation

➢ In its pre-budget submission, the Federation had applauded earlier government investment in a social innovation fund through Canada’s colleges and polytechnics, and called for extending social innovation funding to the University sector. Budget 2015 has come up empty on this specific recommendation. However, there are commitments to allow charities to invest in limited financial partnerships and to support social entrepreneurship through a Social Finance Accelerator Initiative. There are no funds yet dedicated to this latter initiative and few details about how this commitment will be operationalized.

About the Federation for the Humanities and Social Sciences
The Federation for the Humanities and Social Sciences promotes research, learning and an understanding of the contributions made by the humanities and the social sciences towards a free and democratic society. Established in 1940, with a membership now comprising 160+ universities, colleges and scholarly associations, the Federation represents a diverse community of 85,000 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.