

# Federal Budget 2017

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

### I. Overview

- Finance Minister Bill Morneau tabled the federal government's second budget on March 22, 2017, entitled "*Building a Strong Middle Class*".
- Budget 2017 announces the Government of Canada's innovation and skills plan, aimed at positioning Canadians for a changing economy and society. The Government's approach is "cautious," given world events and economic trends.
- The Budget includes \$3 billion in 2017-18 and future years as "adjustment for risk" – a contingency to account for economic and fiscal uncertainty.
- Many details are still to be announced, with reviews of multiple programs launched, and some new initiatives delayed until future years.
- There is no announcement of new funding for the base budgets of the federal granting councils, and no increases for the Canada Foundation for Innovation.
- Details on the Government's plan for university research and knowledge infrastructure are likely to be included in the report and recommendations of the independent panel reviewing federal funding for fundamental science, chaired by David Naylor.
- This panel report will be made public shortly, and the Federation looks forward to the opportunity to discuss further the important role of university research across all disciplines.
- Budget 2017 includes for the first time a Gender Statement, detailing how Budget 2016 and 2017 measures take into account of the specific challenges and experiences of women in the economy. The Government recognizes the limitations of the data and analysis currently available, and commits to provide more in-depth analysis in future Gender Statements.
- The Federation has welcomed the Budget. See full media release [here](#).

### II. Analysis of Budget 2017 highlights

#### 1. Research and innovation funding

- Budget 2017 included **no announcements regarding the base budgets of the federal granting councils, nor for the Canada Foundation for Innovation**. Budget 2016, however, provided an additional \$95 million per year to the budgets of the research granting councils starting in 2016–17, which was the highest amount of new annual funding for discovery research in more than a decade.

- Twenty-five new **Canada Research Chairs** were announced to attract top-tier international scholars. The chairs are to be funded by \$117.6 million over eight years from a reallocation of existing funding in the Canada Excellence Research Chairs program.
- Up to \$950 million was committed over five years to support a small number of business-led **innovation superclusters**, to be provided on a competitive basis. These will focus on highly innovative industries, such as advanced manufacturing, agri-food, clean technology, digital technology, health/bio-sciences and clean resources, as well as infrastructure and transportation. Funding is being drawn from Budget 2016's innovation networks and clusters funding and transit and green infrastructure allocations announced in last fall's fiscal and economic update.
- Among other innovation and research announcements are:
  - \$125 million to launch a Pan-Canadian Artificial Intelligence Strategy, linking experts in Montréal, Toronto-Waterloo and Edmonton. This initiative will benefit businesses that wish to submit a proposal for an innovation supercluster. Funding will be administered by the Canadian Institute for Advanced Research (CIFAR).
  - In addition, \$35 million over five years was committed for renewed and enhanced funding for CIFAR, starting in 2017-18.
  - \$6 million in 2018–19 for the Stem Cell Network.
  - \$10 million over two years for the Institute for Quantum Computing at the University of Waterloo, starting in 2017-18.
- Budget 2017 focused extensively on the opportunity for innovation to support employment and economic growth for a broad range of Canadians. The following are a few notable announcements:
  - \$10 million over two years, starting in 2017-18 for the Social Sciences and Humanities Research Council's **Community and College Social Innovation Fund**.
  - Another review of the **National Research Council** (NRC) is being initiated with a focus on how the NRC can support the government's Innovation and Skills Plan and the Impact Canada Fund (see Section 8, Other, below), as well as on how the NRC can create more opportunities for women researchers and innovators. The Budget also includes renewed funding of \$59.6 million in 2017-18 to support the NRC's business innovation initiatives.
  - Establishment of **Innovation Canada**, a new platform to coordinate and simplify support for Canadian entrepreneurs.

## 2. Skill development

- Skill development is a fundamental component of the innovation plan described in Budget 2017. This includes \$225 million over four years, starting in 2018-19, and \$75 million per year thereafter, to establish a **new organization to support skills development** and measurement in

Canada – in collaboration with provinces and territories – by identifying skills sought by employers and exploring innovative approaches to skill development.

- To create more work-integrated learning opportunities, **Mitacs** will be provided with \$221 million over five years starting in 2017-18. This funding will support the organization’s goal of facilitating 10,000 placements a year, for post-secondary students, including in the humanities and social sciences. (This follows a significant funding commitment in Budget 2016).
- The Budget includes several announcements designed to help more Canadians access training and education, such as:
  - \$12.5 million over six years, starting in 2017-18 from Employment and Social Development Canada’s existing resources to help more low-income families benefit from the **Canada Learning Bond**.
  - Commitments to make the **Employment Insurance** program more flexible for unemployed workers to access training programs, supported by \$132.4 million over four years, beginning in 2018-19, and \$37.9 million per year thereafter.
- In addition to skill development, Budget 2017 includes announcements to support entry of foreign talent, including:
  - \$279.8 million over five years, starting in 2017-18, and \$49.8 million per year thereafter for the **Temporary Foreign Worker Program and the International Mobility Program**, which lets employers hire temporary workers without a Labour Market Impact Assessment.
  - \$7.8 million over two years, starting in 2017-18, to implement a **new Global Talent Stream** under the Temporary Foreign Worker Program, which would also apply to short-term academic stays.

### 3. Indigenous education and research

- The Federation has welcomed Budget 2017’s commitment to new funding to enhance access and success for Indigenous post-secondary students, which is a crucial part of reconciliation. Continued investments to support equal access to quality K-12 education and other vital services are also needed. Budget 2017 committed investments to:
  - Increase funding to the **Post-Secondary Student Support Program** by \$90 million over two years, beginning in 2017-18. This funding will support the post-secondary education financial needs of more than 4,600 students over the two-year period. A 2015 Liberal party platform commitment had been for \$50 million in annual funding.
  - Provide **Indspire** with \$5 million per year for five years, starting in 2017-18, conditional on Indspire raising \$3 million per year in matching funds from the private sector. In

total, this will provide \$40 million over five years in bursaries and scholarships for more than 12,000 First Nations, Inuit and Métis students.

- Provide \$14.7 million over three years starting in 2017–18 to extend and enhance the **Northern Adult Basic Education Program**.
- The Government will undertake a **comprehensive and collaborative review** with Indigenous partners of all current federal programs that support Indigenous students who wish to pursue post-secondary education.
- Budget 2017 includes announcements to **support Indigenous culture and languages**, building on previously announced funding in Budget 2016 and the government’s commitment to create a new Indigenous Languages Act. The government committed to developing these programs in collaboration with Indigenous peoples, centred on the principle of Indigenous control. Programs announced in Budget 2017 – supported by \$89.9 million over the next three years – include:
  - \$69 million for the Aboriginal Languages Initiative, which will support camps, classes, learning materials and archival activities.
  - \$14.9 million for Library and Archives Canada to support the digitization of existing Indigenous language and cultural materials.
  - \$6 million for the National Research Council Canada to support information technology support to preserve oral histories.
- Assembly of First Nations (AFN) National Chief Perry Bellegarde noted that Budget 2017’s commitment of \$3.4 billion for indigenous priorities over five years are positive investments but must lead to real results for children and families. The budget’s reiteration of the Prime Minister’s commitment to “co-develop an Indigenous Languages Act” and commitment of resources to revitalize and support Indigenous languages has also been welcomed by the AFN.

#### 4. Additional post-secondary student support

- Budget 2017 includes a number of announcements that support student access to post-secondary education, as part of the Budget’s overall focus on skill development to support innovation.
- Notably, the Budget includes several positive changes that expand eligibility for the **Canada Student Grants program**, supported by funding of \$454.4 million over four years, starting in 2018-19, and \$46.3 million per year thereafter. These changes include:
  - Expanded eligibility for students attending school part-time, which is expected to affect 10,000 part-time students. (This change builds on actions taken in Budget 2016.)
  - Increasing the income threshold for grant eligibility, and making this consistent across provinces and territories.

- Expanding eligibility for students with dependent children, starting in the 2018-19 academic year, affecting an estimated 13,000 students with dependants.
- The launching of a new three-year pilot project that will test approaches to enable adult learners to qualify for Canada Student Loans and Grants.
- Budget 2017 also proposes to renew the Government’s support for **Pathways to Education Canada**, a charitable organization that helps youth in lower-income communities complete secondary school. The Budget commits \$38 million over four years, starting in 2018-19. Of this amount, \$14 million will be reallocated from Employment and Social Development Canada’s existing resources.

## 5. Arts and culture

- Budget 2017 includes a focus on the importance of growing Canada’s creative sector and new funding to support Canada’s creators. This includes:
  - \$300 million over 10 years to create the **Canada Cultural Spaces Fund**. The Fund aims to help “construct, renovate and better equip the creative spaces and hubs that will be home to the next generation of artists and innovators,” in order to support the development of Canadian talent and entrepreneurialism in the arts and cultural communities. More information is needed to understand how support to such hubs will also bolster the vital connections between creators and the post-secondary teaching and research community.
  - A commitment to review and modernize the Broadcasting Act and the Telecommunications Act, to examine such issues as net neutrality, digital content creation, cultural diversity and Canadian content.

## 6. Teaching

- Budget 2017 includes a variety of modest new commitments focused on improving K-12 teaching in Canada, with an emphasis on STEM learning. The Budget commits to:
  - Provide \$50 million over two years to launch a competitive process through which **digital skills and coding training** organizations can apply for funding for teaching initiatives.
  - Invest \$10.8 million over five years, starting in 2017-18, to allow the Natural Sciences and Engineering Research Council **PromoScience** program to support more STEM learning activities for Canadian youth — in particular for underrepresented groups, through hands-on learning experiences, such as space camps and conservation projects.
  - Invest \$1.5 million over five years, starting in 2017-18, to expand the Prime Minister’s Awards for Teaching Excellence to include 17 new STEM-themed awards to recognize scientific excellence and bring greater international acclaim to Canadian scientists and researchers.

## 7. Chief Science Advisor

- Budget 2017 proposes to establish an annual budget of \$2 million for the as yet to be announced **Chief Science Advisor** and its related secretariat. The Budget reiterates that the Chief Science Advisor will provide advice on how to ensure that government science is open to the public, that federal scientists are able to speak freely about their work, and that science is effectively communicated across government.

## 8. Other

- **Impact Canada Fund**
  - Budget 2017 proposes to create a new initiative, the Impact Canada Fund, to introduce a new mission or “challenge”-based approach for the federal government to help address Canada’s difficult public policy challenges.
  - Details of the fund are not clear and more information is needed to understand if there is any link to the university research community. The fund aims to “open up” the problem-solving process to Canadian and global innovators, engaging the private sector, non-profit organizations, social enterprises as well as individual citizens.
  - The Fund will focus on two streams:
    - A clean technology stream, supported by up to \$75 million over two years, starting in 2017-18, to address challenges such as helping Canada’s rural and remote communities reduce their reliance on diesel as a power source.
    - A smart cities stream, supported by \$300 million over 11 years, that will support the Smart Cities Challenge.
  - Budget 2017 also proposes to provide \$8.1 million over five years, starting in 2017-18, to oversee the implementation of the Impact Canada Fund.
- **Affordable digital access**
  - The Budget also announces a new Affordable Access program that will work to ensure affordable internet access to low-income households, with funding of \$13.2 million over five years starting in 2017-18.

- 30 -

### **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](http://www.ideas-idees.ca).