Budget 2017 highlights innovation and skills, but adds no new funds for basic research

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Attention now turns to the upcoming report of the fundamental science review panel chaired by David Naylor.

The Trudeau government tabled its second budget on March 22, promising to address economic challenges facing the country and cultivate a nimble workforce through investment in education and skills development. Among its many elements, the budget expands the Canada Student Loans and Grants program and earmarks $90 million over two years for Indigenous students. However, the budget included no new funding for the three major research granting councils – the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council and the Canadian Institutes for Health Research – dismaying many in the research community.

Recommendations for basic research funding and infrastructure are expected to be contained in a report by the Fundamental Science Review panel, chaired by David Naylor, anticipated in the coming weeks. The review was launched in summer 2016 and kicked off a series of consultations. The final report was scheduled to be released by the end of last year but has been delayed.

“The budget was very clear that they are awaiting the Naylor report and its recommendations before looking at what needs to be done at what levels,” said Elizabeth Cannon, board chair of Universities Canada and president of the University of Calgary. “It’s unfortunate the timing of that report did not align with this budget cycle. I think it will provide a strong platform to engage the government on the needs in this community, because they are significant.”

As part of its approach to innovation in the budget, the federal government has designated up to $950 million over five years for business-led innovation “superclusters” – areas the government will bank on to accelerate economic growth, linking large firms and start-ups with postsecondary education and research institutions.

Clusters were also mentioned in last year’s budget, setting off conversations across the country in anticipation of a formal program, according to Dr. Cannon. “This is a huge opportunity for us. I think these will be business-led, but there is a full appreciation of the importance of research within any supercluster and the proximity of the university as part of the ecosystem,” she said.

This year’s budget has identified certain areas of investment “to support innovation and economic growth”: stem cell research, space exploration, quantum information, social innovation and international research collaborations. The government has allocated $125 million to a nationwide artificial intelligence strategy to bolster research in AI, to be administered by the Canadian Institute for Advanced Research. CIFAR also got $35 million over five years for its core mission.

Mitacs, a non-profit organization partnering businesses with academics, is getting $221 million over five years to create 10,000 co-op placements, primarily for graduate students. The funding will allow Mitacs to roughly double the size of its activity in this area, connecting skilled students seeking non-academic work experience with businesses in need of research and development, said CEO and scientific director Alejandro Adem.

“Our graduate students come from all over the world. By providing these experiences, they also get rooted more firmly in Canada,” said Dr. Adem, who is also a mathematics professor at the University of British Columbia. He added, “A good percentage of our students are now from the humanities and social sciences, and we have priorities to open up our programs. It’s not just STEM based.”

Also in the budget was an announcement of 25 new Canada 150 Research Chairs to attract international scholars to

Canada, to be funded with existing resources within the Canada Excellence Research Chairs Program. As well, the budget proposes $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 partnership with the provinces, the private sector, educational institutions and not-for-profit groups.

The federal government also intends to review the National Research Council in 2017 to "assess how the Council can best support the Innovation and Skills Plan." In this fiscal year, the NRC will have its funding of $59.6 million renewed to support its business innovation initiatives. Another, separate detail in the budget is that the newly-created position of chief science advisor gets an annual budget of $2 million.

Here is a summary of key university-related funding:

- Up to **$950 million** over five years for business-led innovation "superclusters" – areas the government will bank on to accelerate economic growth, linking large firms and start-ups with postsecondary institutions and research institutions.
- **$454.4 million** over four years, starting in 2018-19, and **$46.3 million** per year thereafter, to expand eligibility for Canada Student Loans and Grants for adult learners, students with dependent children, and part-time students.
- **$221 million** over five years to Mitacs to provide 10,000 work-integrated learning placements for graduate students.
- **$125 million** to launch a Pan-Canadian Artificial Intelligence Strategy to bolster research in this area, to be administered by the Canadian Institute for Advanced Research. CIFAR also received **$35 million** over five years for its core mission.
- **$117.6 million** over eight years (in reallocated funds within the Canada Excellence Research Chairs program) to create approximately 25 new research chairs to attract top international scholars to Canada.
- **$90 million** over two years to support the financial needs of Indigenous postsecondary education students.

Watch the full budget presentation: