



Budget 2007- Research Funding - Main Estimates

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The Government has just tabled their Main Estimates (http://www.tbs-sct.gc.ca/rpp/0607/index_e.asp). These usually proceed the tabling of the Budget (scheduled for March 19th), hence expenditure levels may be adjusted once the Budget information is available.

To summarize, the total of operating costs plus grants allocated to the following agencies are:

Agency	2006-07	2007-08	Increase	Major changes
CIHR	\$ 832,665,000	\$ 869,521,000	+ 4.43 %	
NRC	\$ 692,421,000	\$ 672,539,000	- 2.87 %	(\$12.6 M no longer required for the telescopes projects)
NSERC	\$ 885,258,000	\$ 899,551,000	+ 1.61 %	(\$5 M for the Perimeter Institute was not required)
SSHRC	\$ 581,321,000	\$619,260,000	+ 6.53 %	(inclusion of \$40 M for indirect costs)

I understand that there will be further mention of R&D in the Budget that will be tabled on March 19th. At present, indications are that some additional but targeted funds may be provided to the Granting Councils and that a replacement innovation and development fund will be replacing the Technology Partnerships Canada program. As well, ***it would appear that the Science and Technology Strategy proposed last spring will be outlined as a white paper released with the Budget*** with the intent of outlining current expenditures by Government, extrapolating on future costs, identifying gaps as well as suggesting future priorities and discussing how science and technology might be managed. White papers typically suggest an extensive opportunity for consultation. As to the management of science issue, you may recall that a series of management audits were carried out on the Granting Councils this past year – these have not been released thus far although changes to other governmental agencies are apparently resulting in separating the chairman of the board positions from the chief executive officer position.

If you wish to review the estimates in detail, **Part I**, the summary of the Government's expenditure plans, is available in PDF format (http://www.tbs-sct.gc.ca/est-pre/20072008/p1_e.asp). The one liner for **CIHR** is on **page 1-8** and for **NSERC & NRC**, on **page 1-16**. Considerably more detail is outlined in the **Part II** Main Estimates (http://www.tbs-sct.gc.ca/est-pre/20072008/p2_e.asp) where **CIHR** is found at page **13-9**, **NRC** at page **16-16** and **NSERC** at page **16-18** and SSHRC at page 16-20.

On specific issues:

Canada Research Chairs:

No new information about CRC - the line item in the SSHRC Estimates (the program's administration is housed within SSHRC) shows no increase for this coming fiscal year. I appreciate that the clock is ticking so expect continued support – but aren't sure about how much growth will happen - it's worked well and certainly has brought good people back. I have an opportunity to meet with the new chairman of SSHRC (Chad Gaffield) in early April.

Indirect costs:

The Estimates for the program administrator, SSHRC, show a \$40,000,000 allocation for "Indirect costs of research". This is essentially all of the growth in SSHRC's budget for this coming fiscal year. The question of overhead costs could end up being part of the post-secondary transfer discussion with the provinces. Also, I suspect that the Feds are looking for a clear commitment from the provinces and hence the universities that the allocation is used appropriately.

Canadian Foundation for Innovation:

A possible Budget item. CFI was mentioned a couple of times in last fall's Fiscal update. It is my understanding that CFI would like a commitment but doesn't require the funds immediately. There doesn't appear to be any reference in the Estimates.

School, college and aging population demographics:

One part of the S&T challenge is the effect of demographics on college and university populations – governments across the country are already facing major problems in staffing existing vacancies, not counting replacing the next cohort that will retire. The recent press which suggests that student numbers are going to drop stems from a series of Statistics Canada reports – which when coupled with the aging population study is quite worrisome for a government that's concentrating on economic initiatives, all of which require people. Obviously, there are a large number of issues – ranging from where will the highly qualified manpower come from.