VPRI reports on the research impact of the 2012 Federal Budget

Robert Haché, vice-president research & innovation, has issued this commentary providing more details on the impact of the 2012 federal budget on research funding agencies and what it means for the York research community.

Vice Presidents Research from across Canada converged in Ottawa on Friday April 13th to meet with the Presidents of the Social Sciences and Humanities Research Council (SSHRC), Natural Sciences and Engineering Council (NSERC), Canadian Institutes of Health Research (CIHR) and the Canada Foundation for Innovation (CFI), regarding the impact of the 2012 budget on their funding programs. While the complete details of the consequences budget 2012 remain to be fully worked out, the overall tone of the message emphasized the efforts being made by Tri-council to protect and promote fundamental research, to describe where the new investments in the budget will be rolled out, and to give a first look at where the mandated cuts in programming and operations will occur.

Initial discussion emphasized new investments being made and the expression of support for basic research in the budget language (if not directly in the dollars being distributed). Not only was the overall budget to Tri-council preserved in a budget cycle where 5-10% cuts in overall budgets were the norm, but new investments were committed to support a number of new and existing programs. Thus CANARIE, Genome Canada and the CFI all received major infusions of funding that were accompanied by focused investments (in mental health etc.). While there is no explicit new funding for basic research in this budget, the lack of an overall funding reduction place Tri-council in rare company around the federal budget table this year.

Over the last number of years, Tri-council agencies were asked to undertake a strategic review of their expenditures, a process which required a review of all program spending and assessment of savings. The review process identified areas where savings could be achieved in order to redirect funding within the organization for new initiatives or to other government priorities. Further, in 2011 organizations were asked to focus on achieving efficiencies in their operations, as well as to refocus business processes and service delivery platforms, allowing for a reinvestment of new resources for priority initiatives, and ensuring that programming in support of basic research, student scholarships, and industry-related research initiatives and collaborations are preserved.

Changes coming to NCE programming were also described. Thus the pilot business-led NCEs have been made a permanent program with a $12M annual budget, and the Centers for Excellence in the Commercialization of Research (CECRs) received an ongoing $30M budget. However, in this instance, as the initial budget was frontloaded to enable the launch of 22 centers, the ongoing CECR budget will be insufficient to sustain all of the existing networks and thus some rationalization of centers may be expected.

One of the biggest casualties of budget 2012 will be support of the classic NCEs, who will see their support drop from $74M to $54.6M (-28%). This reflects the decision to absorb much of the federally-mandated cuts to existing Tri-council budgets, through reduction in NCE support. Further, these cuts will not be distributed evenly between councils. SSHRC support of NCEs will be most affected, with even its ability to meet present obligations likely to be impacted. NSERC support of NCEs will also be significantly impacted, although here it is not expected to affect existing commitments. CIHR support of NCEs will also be reduced, but to a lesser extent. These changes reflect decisions made by all 3 Councils to protect their support of basic research and training in the budget-cutting exercise.
While the councils also described the anticipated impacts of the budget on other areas of their core funding programs at a high level, it is important to note that they have only had access to the budget for two weeks and thus analysis and breakdown of the impact of the budget is still being worked through. While government bodies and agencies make submissions to finance on the budget, the final budget process is confidential and not revealed within government until the budget is tabled in parliament.

SSHRC received a $7M boost to its research partnership programs that represent a flagship of their new programing. Further, both their talent programs and Insight programing has been fully protected and will receive the same allocation in the present budget year. By contrast, a reduction of $7M will need to be found across its other programming. In addition to the reduction in NCE support, SSHRC has committed to a $2.7 M reduction in SSHRC operational funding over 2 years. The remaining reductions are expected to be worked out within the next several weeks, and are likely to include reductions in the connections program and other activities.

A similar result was described by NSERC. The new infusion of $15 M will go to increase support to its Strategy for Partnerships and Innovation maintaining its research partnership programs fostering collaborations between university researchers other sectors. Both the personnel support programs and the discovery program will be preserved at their present level of support, although without any year over year increase. By contrast, in addition to reductions in NCE support, NSERC will reduce its funding to operations by a percentage similar to the SSHRC cuts. Further, to fully meet its reduction targets, NSERC will also significantly reduce the support to researchers provided through its research tools and instruments (RTI) program and major resources support program. The reductions here are expected to be an extent that will imperil the long term future of this programing. Further, alternatives to these programs could not yet be articulated.

CIHR appeared to fare the best with respect to impacts on its budget. While it too will reduce its operations budget, and reduce its support to NCEs, the remainder of the cuts that were expected will be recouped through the new patient centered research funding ($15M) provided in budget 2012. Both the open grants program and personnel programs will be fully protected, while CIHR is continuing to rationalize its overall programing landscape on the strategic side. CIHR is also committed to restructuring its review and funding process. Researchers are reminded that Dr. Jane Aubin, Chief Scientific Officer and Vice President Research, CIHR will be visiting York on April 27th and will be holding an open forum from 2:30-4:00pm, KPMG Lecture Hall E111, Schulich School of Business. The York research community is encouraged to attend.

CFI was also included in budget 2012, with a new allocation of $500M over 5 years beginning in 2014. While the amount of the allocation was somewhat reduced by comparison to the past two allocations ($750 and $510 M respectively)CFI is very pleased. Although it might seem that the 5 year roll out of funding would delay what will become a 2-3 year cycle of large scale competitions, according to CFI’s own cash flow models, the funding will be received exactly on time for a normal competition cycle. It was explained that what has changed for CFI is that it will no longer be receiving its funding up front as it has since its inception in 1999, but will henceforth receive it as in-year funding. CFI indicated that to anticipate the nature of future funding competitions, institutions and researchers needed to pay close attention to their new strategic plan, which places some emphasis on the broadening of its mandate and a focus on ongoing support and support of innovation. Lastly, Gilles Patry indicated that while the Leaders Opportunity Fund (LOF) of CFI continues to enjoy strong support across institutions, CFI has become somewhat skeptical of the rationales provided by institutions employing the funds for
purposes of retention. Thus there may be changes to LOF funding that will increase the emphasis for the use of these funds on attracting new talent.

So what does all this mean for York researchers? While these are clearly no longer the heady times of the early 2000’s, when Tri-council budgets grew rapidly in a largely unrestricted manner, overall support for University-led research by the Federal Government remains comparatively strong, and researchers should be encouraged by this. However, it is clear that at all levels, the funders of University research continue to move towards an emphasis on how the results of University-led research translates into tangible benefits for Canadian society and the Canadian economy. Here it is important for researchers to continue their efforts to explain and educate Government and other funders on the need to support fundamental research as the bedrock on which University-led research is built. It is also crucial to emphasize the need for programming that provides funding for making connections amongst researchers and sustaining the basic infrastructure needed for individual research programs. We can all, in following up on the steps presently been taken by Tri-council, encourage the continued protection and development of core people and basic research programming within Tri-council, and emphasize at every opportunity that the development of Canada’s Innovation Agenda can only be successful if done in partnership with development of our discovery agenda.