

NHCC News Update April 21, 2021

Budget 2021 delivers some support for charities, extends sickness benefits, increases research and innovation funds

On Monday, April 19, Chrystia Freeland delivered her first budget as Finance Minister, a massive document that provides for more COVID-19 relief for individuals and businesses and also tries to kickstart the economy post-pandemic. The following focuses on issues NHCC has been targeting or that impact member organizations: Charitable sector support, sickness benefit improvements, mental health supports, a disability eligibility consultation and research and innovation funding.

Charitable sector support

NHCC, among others in the charitable and non-profit sector, pushed for support for the sector in the form of a targeted sustainability program. The budget did not provide overall support but did include proposed programs that charities and non-profits can access.

- To help charities, non-profits, and social purpose organizations with the skills and capacity needed to access social finance opportunities, budget 2021 proposes to renew the **Investment Readiness Program** to build capacity in areas such as business plan development, expanding products and services, skills development, and hiring.
- Budget 2021 proposes to provide \$400 million in 2021-22 to Employment and Social Development Canada to create a temporary **Community Services Recovery Fund** to help charities and non-profits adapt and modernize so they can better support the economic recovery in communities.
- The budget would extend the **Canada Emergency Wage Subsidy** to September 25, 2021, with gradual decrease in subsidy rates starting on July 4.
- Budget 2021 proposes a new \$595 million **Canada Recovery Hiring Program**, which will run from June to November for eligible employers. It would assist employers that hire new staff, rehire laid-off staff or increase staff hours.
- Also proposed is the extension of the **Canada Emergency Rent Subsidy and Lockdown Support** until mid-September with gradually declining benefits.

Sickness benefit improvements

NHCC has supported advocacy by others to improve sickness benefits to make them more flexible and easier to use. The budget commits to making that change.

- Budget 2021 proposes to **enhance sickness benefits from** 15 to 26 weeks, as previously committed to in the mandate letter for the Minister of Employment, Workforce Development and Disability Inclusion. This extension, which would take effect in summer 2022, would provide

approximately 169,000 Canadians every year with additional time and flexibility to and return to work.

Healthcare related items

Much to the dismay of provincial and territorial premiers, Budget 2021 does not include any new money for the Canada Health Transfer. The budget did promise \$500 million a year in funding for a **high-cost rare drugs strategy**, a figure that was committed to prior to the budget. The big-ticket item was a commitment of \$3 billion over five years, starting in 2022-23, for **long-term care**. It would support provinces and territories in ensuring that agreed-upon national standards for long-term care are applied and permanent changes are made. The commitment does include the need to respect jurisdictional boundaries and to work closely with provinces and territories.

- About \$300 million is targeted at mental health initiatives including funds to develop **national mental health service standards** with provinces and territories and for projects that provide **innovative mental health interventions** for populations disproportionately affected by COVID-19.
- \$15.4 million over two years, starting in 2021-22, to the Public Health Agency of Canada to work with partners to support the creation of a **national autism strategy**.
- \$25 million over five years, starting in 2021-22, to Health Canada for additional investments for research on diabetes (including in juvenile diabetes), surveillance, and prevention, and to work towards the **development of a national framework for diabetes**.
- \$29.8 million over six years, starting in 2021-22, to Health Canada to advance the government's **palliative care strategy**.
- \$13.2 million over five years, beginning in 2021-22, with \$2.6 million per year ongoing, to Health Canada to ensure that Canada's **medical assistance in dying framework** is implemented consistently and with all appropriate safeguards.

Disability and accessibility

Disability advocates are pleased with a commitment in Budget 2021 to get consultations underway for a new disability benefit. The budget language reads:

- Budget 2021 proposes to provide \$11.9 million over three years, starting in 2021-22, to Employment and Social Development Canada to undertake consultations to **reform the eligibility process for federal disability programs and benefits**. This will help maximize the reach of these programs and improve the lives of Canadians living with disabilities. This work would feed directly into the design of a new disability benefit.

Research funding

Budget 2021 looks to provide a total \$2.2 billion over seven years to health research through a number of different programs. If there is an overall theme, it would be growing Canada's bio-sciences sector.

- \$500 million over four years, starting in 2021-22, for the **Canada Foundation for Innovation** to support the bio-science capital and infrastructure needs of post-secondary institutions and research hospitals.
- \$250 million over four years, starting in 2021-22, for the federal research granting councils to create a **new tri-council biomedical research fund**.

- \$59.2 million over three years, starting in 2021-22, for the **Vaccine and Infectious Disease Organization** to support the development of its vaccine candidates and expand its facility in Saskatoon.
- \$45 million over three years, starting in 2022-23, to the **Stem Cell Network** to support stem cell and regenerative medicine research.
- An additional \$1 billion on a cash basis over seven years, starting in 2021-22, of support through the **Strategic Innovation Fund** targeted toward promising domestic life sciences and bio-manufacturing firms.
- \$250 million over three years, starting in 2021-22, to increase clinical research capacity through a **new Canadian Institutes of Health Research Clinical Trials Fund**

Reactions to the budget

Imagine Canada: <https://imaginecanada.ca/en/360/federal-budget-makes-strides-nonprofits-and-charities>

Research Canada: <https://hriportal.ca/government-of-canadas-budget-embraces-historic-moment-for-the-health-research-and-innovation-ecosystem/>

Innovative Medicines Canada: <http://innovativemedicines.ca/budget-2021/>

Earnscliffe Strategy Group: <https://earnsccliffe.ca/wp-content/uploads/2021/04/0421-FEDERAL-Budget-2021-1.pdf>

Santis Health: <http://santishealth.ca/insights/budget-2021-a-recovery-plan-for-jobs-growth-and-resilience/>

Links for Budget 2021:

Budget 2021 Document - <https://www.budget.gc.ca/2021/home-accueil-en.html>

Budget 2021 Speech from DPM Chrystia Freeland - <https://www.canada.ca/en/department-finance/news/2021/04/budget-2021-address-by-the-deputy-prime-minister-and-minister-of-finance.html>

Backgrounder: Budget 2021 Job Creation - <https://www.canada.ca/en/department-finance/news/2021/04/backgrounder-budget-2021-job-creation.html>

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