

## FEDERAL BUDGET 2021

### Impact on CSFAP and Labour Market

(Content directly from [Budget 2021](#))

Budget 2021 builds on Canada's investments in youth with over \$5.7 billion over the next five years to help young Canadians—including from low-income households—pursue and complete their education, to provide additional relief from student loan debt for young graduates, and to create 215,000 new job skills development and work opportunities. Taken together, the Government of Canada's response to the current crisis represents the largest ever investment in young Canadians—totaling \$13.1 billion over six years. This represents one of the largest youth support packages from around the world. Canada's growth and prosperity well into the future depends on new opportunities for young people today.

#### BUDGET 2021 IN SUMMARY

- **Proposed name change: Canada Student Financial Assistance Program (CSFAP)**
- **Waiving Interest on Student Loans for an Additional Year:** The government proposes to introduce legislation that would extend the waiver of interest accrual on Canada Student Loans and Canada Apprentice Loans until March 31, 2023.
- **Enhancing Repayment Assistance.** Currently, the threshold for this support is earning \$25,000 per year or less, for a single borrower. To ensure that no federal student loan borrower ever has to make a payment they cannot afford: Budget 2021 proposes to increase the threshold for repayment assistance to \$40,000 for borrowers living alone, so that nobody earning \$40,000 per year or less will need to make any payments on their student loans.
- **Doubling the Canada Student Grants for Two Additional Years.** The government is announcing its intention to extend the doubling of the Canada Student Grants until the end of July 2023.
- **Expanding Access to Supports for Students and Borrowers with Disabilities.** The government is announcing its intention to extend disability supports under the Canada Student Loans Program to recipients whose disabilities are persistent or prolonged, but not necessarily permanent.
- **Supporting Vulnerable Children and Youth During the Recovery.** Budget 2021 proposes to provide \$118.4 million over two years starting in 2021-22, for Employment and Social Development Canada to conduct a two-year pilot expansion of federal investments in after-school programming under the Supports for Student Learning Program. These funds would support national and local after-school organizations who work to ensure that vulnerable children and youth can graduate high school and do not become further marginalized because of the pandemic.
- **Helping Youth and Students Build Job Skills and Connect with Employers.** Budget 2021 proposes to invest \$239.8 million in the Student Work Placement Program in 2021-22 to support work-integrated learning opportunities for post-secondary students. This funding would increase the wage subsidy available for employers to 75 per cent, up to \$7,500 per student, while also increasing employers' ability to access the program.
  - *Youth Employment and Skills Strategy* Budget 2021 proposes to invest \$109.3 million in 2022-23 for the Youth Employment and Skills Strategy to better meet the needs of vulnerable youth facing multiple barriers to employment, while also supporting over 7,000 additional job placements for youth. This builds on funding announced in the 2020 Fall Economic Statement, which is expected to result in over 30,600 new placements in 2021-22.
  - *Canada Summer Jobs* Budget 2021 proposes to invest \$371.8 million in new funding for Canada Summer Jobs in 2022-23 to support approximately 75,000 new job placements in the summer of 2022. This is in addition to 2020 Fall Economic Statement funding for approximately 94,000 additional job placements in 2021-22. In total, the Canada Summer Jobs program will support around 220,000 summer jobs over the next two years.
- **Investing in Skills, Training, and Trades.** Budget 2021 looks to the future by better connecting workers to good jobs in growing sectors, by creating new opportunities and increasing diversity in the trades, and helping Canadians gain the foundational skills needed to succeed in today's economy.

- **Extending Federal Supports for Adults Who Return to School Full-Time.** In 2018, the government launched **Skills Boost**, a three-year pilot program to help working adults afford the cost of returning to school full-time to upgrade their skills. The government intends to extend the \$1,600 adult learner top-up to the full-time Canada Student Grant for an additional two school years—**until July 2023**.
- **Helping Employers Train and Recruit Workers Certain sectors like health, clean tech, and construction have grown and are struggling to find workers with the right skills to fill jobs.** Budget 2021 proposes to provide \$960 million over three years, beginning in 2021-22, to Employment and Social Development Canada for a new Sectoral Workforce Solutions Program. Working primarily with sector associations and employers, funding would help design and deliver training that is relevant to the needs of businesses, especially small and medium-sized businesses, and to their employees.
- **Creating New Opportunities for Skilled Tradespeople.** The skilled trades are vital to our economy, and apprenticeships are the bridge that help skilled workers, especially young people starting their careers, connect with businesses and find well-paying jobs. Budget 2021 proposes to provide \$470 million over three years, beginning in 2021-22, to Employment and Social Development Canada to establish a new Apprenticeship Service. The Apprenticeship Service would help 55,000 first year apprentices in construction and manufacturing Red Seal trades connect with opportunities at small and medium-sized employers.
- **Supporting Skills for Success.** The skills need of businesses are changing as they adopt new technologies and new ways of doing things. Yet, today, **45 per cent of Canadians lack the literacy, numeracy, and digital skills that are increasingly necessary to succeed in jobs in the knowledge economy.** Budget 2021 proposes to invest \$298 million over three years, beginning in 2021-22, through Employment and Social Development Canada, **in a new Skills for Success program that would help Canadians at all skills levels improve their foundational and transferable skills.** The program will fund organizations to design and deliver training to enhance foundational skills such as literacy and numeracy, as well as transferable and soft skills.
- **Establishing a \$15 Federal Minimum Wage.** Canada’s prosperity and stability depend on every Canadian having a fair chance to join the middle class. Yet some Canadians struggle to do so while supporting families in part-time, temporary, and low-wage jobs—often working several jobs to make ends meet. The Government of Canada is announcing its intention to introduce legislation that will establish a federal minimum wage of \$15 per hour, rising with inflation, **with provisions to ensure that where provincial or territorial minimum wages are higher, that wage will prevail.**

## CASFAA RESPONSE

The CASFAA Board is pleased to see a continued and significant investment in the Canada Student Financial Assistance Program (CSFAP). The combined measures of Budget 2021 address several of our [Policy Positions \(casfaa.ca\)](https://casfaa.ca) such as the continuation of double-grants, earmarking support for trades and numeracy, student self-help, increasing Federal minimum wage to assist with need gap, students with disabilities, as well as indigenous students.

We do see some areas for clarification or improvement such as:

- Confirmation that the doubled grants will also be extended for part-time borrowers, given that the Top-Up was already identified as continuing.
- Increasing costs for computer/technological support.
- A balanced system of support that looks at the unmet need.
- Simplification of the CSFAP processes.
- Lifetime loan limits for students with permanent disabilities.
- Long-term vision of the CSFAP---what measures will remain past 2021?

The week of May 3rd, Board members are participating in a conference call with CSFAP leadership including new Director General Johnathan Wallace. This will be our opportunity to hear the detailed interpretation of the Budget measures, and to articulate CASFAA’s outlook on the implementation of these measures. We are particularly interested in the definition and paperwork requirements for “disabilities are persistent or prolonged, but not necessarily permanent.”

We will communicate the details to the CASFAA membership as they are confirmed.