# THE 2019 FEDERAL BUDGET

An Analysis from

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# Introduction

On Tuesday, March 19th, 2019 , Finance Minister Bill Morneau rose in the House of Commons to deliver the Trudeau government's fourth and final budget before facing re-election this fall. The macroeconomic conditions in the economy are good, but not great, with growth slow but unemployment at historic lows in much of the country. The Minister was widely seen as being likely to spend a little rather than a lot, mindful that while debt-to-GDP ratios were still decreasing ever so slightly, the government does have a broken promise to deal with on the campaign trail where deficits are concerned. Though a cautious pre-election budget seems like a contradiction in terms (they are usually packed with vote-winners), those were the expectations that Morneau and the rest of the Government set going in to Tuesday. Would post-secondary education get a significant share? It seems scarcely believable given how much money the sector got for research in last year's budget. And yet, as the Budget neared, rumours began to swell about investments in "individual skills accounts" – surely a PSE-related expenditure?

Over the following pages we detail the elements of the 2019 budget (oh-so-inventively named "Investing in the Middle-Class"): as it turns out, the sector's winning streak at the federal level is alive and well.

# Skills Development

## CANADA TRAINING BENEFIT

As heavily previewed over the past few weeks, the Government of Canada used this budget to create a new training benefit called the Canada Training Benefit (CTB). Unlike training funds for the unemployed, or training funds like the Canada Jobs Grant which put control of funding in the hands of the employer, the goal of the CTB is to provide working Canadians with a guarantee of both time and funds to improve their own skill set over time. The total programme cost will be $1.7 billion over the next five years, and from there $586.5 million per year.

The CTB is essentially composed of two sets of benefits: money, and time.

The money part – to be known as the Canada Training Credit - is a $250 refundable tax credit given annually to employed Canadians between the ages of 25 and 64. The basic idea is that individuals will pay for training and receive compensation for up to 50% of the tuition costs through this refundable credit.  The credit can accumulate over time; the maximum lifetime credit value is capped at $5,000, which would take twenty years to accumulate. The fund is very lightly means-tested, and will not be available to individuals making over $150,000 per year, nor to those earning less than $10,000 in employment income.

This is not quite a Singapore-style training account as some media outlets were describing it a few days ago Though funds do accumulate, it is a tax benefit rather than a separate account per se. Also, rather than acting as a pure voucher, it requires an individual to have "skin in the game" and pay at least half the value of the course. But in inspiration at least, the idea is the same: funds for mid-career individuals to take courses at their own discretion to enhance their skills.

This portion of the CTB is expected to cost something on the order of $230 million per year when full phased-in which suggests the federal government is not actually expecting that many people to take up the offer (depending on your assumptions about how many years the average user will wait before using the credit, we seem to be looking at expected annual use rates of between 2-6% of the 15 million Canadians who will be eligible for the tax credit. But of course if the program is well designed and becomes popular, costs could be much higher.

Now while money is a barrier to further education among adults, so too is time. The government has promised two initiatives within the CTB program to address this challenge:

The first is known as the Employment Insurance Training Support Benefit. This will provide all workers with one week off for training each year with employment insurance compensation (55% of average weekly earnings). Much like the training credit, this entitlement can be carried forward, in this case for a maximum of four years. Eligibility for this EI benefit is not the same as eligibility for the Training Credit. The latter is a function of income (see above); the former is a function of hours worked in the past year (the threshold is 600 insurable hours over the previous 12 months, the same as for maternity benefits, though individuals unable to make this threshold because they are on parental leave will be included as well). A key benefit of embedding the programme in employment insurance is that accumulated time-off for training will be portable from job-to-job, such that an employee may leave one employer with several weeks of accumulated leave, enter a new job and subsequently go on leave with their full accumulated amount.

This portion of the program is expected to cost a bit over $300 million per year, to be funded entirely out of the EI account, which is currently in surplus (which it has been for most of the last two decades). There is thus no need to anticipate a rise in the EI premium to fund this; that said, the government seems to want to establish an EI Small Business Premium Rebate to help offset the program (which seems odd if there is no incremental cost).

Second, the CTB will also establish leave provisions that protect workers' entitlement to take time away from work to pursue training. The Budget does not detail these leave provisions, but indicates that the Government will consult provinces and territories in the development of relevant labour legislation.

By providing benefits in both cash and time, the CTB in theory takes on both of the key barriers to further training and sets the stage for a major alteration of the way Canadians partake of mid-career education. However, it is not clear that the two wings of the program actually mesh well. The $500 per year (with the match) is probably best suited to supporting training during personal time on evenings and weekends. But the right to time-off for training seems to favour people who are taking training in blocks of a couple of weeks. It is not at all clear that there are in fact many available skills/training programs built on that basis, and if there were they would certainly cost a lot more than $500. Possibly this could change over the next 12 months after consultations with institutions. Unless they are closely tied together it is a certainty that uptake of the tax credit will greatly exceed that of the EI benefits.

A lot of CTB program details remain to be decided. Crucially, the program has a one-year phase-in period: nothing is going to be paid out until 2020. This gives time for the government to consult with provinces, institutions and employers about what kind of training programs will be eligible for the new program.

It seems fairly clear that the Government is trying to avoid making this a subsidy for the private career college industry, and prevent the kinds of fraud that plagued the UK system of individual learning accounts in the early 2000s. Indeed, the aim is likely to use the prospect of at least $530 million in new tuition dollars to get universities and colleges thinking more creatively over the next twelve months about micro-credentials and ways to make small chunks of learning valuable in the labour market. Phasing in different training types over time, for instance starting with courses in digital technology skills in the first year, may permit the government to further phase in the development of training programs and ensure adequate oversight.

The program's incidence is perhaps the most important question mark. International evidence strongly suggests that uptake will be higher among those who are more educated, higher earners and younger.

### Austria

71% of beneficiaries of individual learning accounts over five years were between the ages of 25 and 45, while the tertiary educated were considerably over represented (64% of all beneficiaries were women). It is likely that the matching feature will further skew take-up towards wealthier individuals who are already more likely to undertake training.

### Netherlands

In a Dutch Individual Learning Accounts program that relied on employee contributions and tax benefits, the participation rate was roughly 150% higher among those with post-secondary education than those with only primary and secondary schooling.

Here in Canada, take-up rates on the Lifelong Learning Plan (LLP), with which the CTB shares some significant design features, take up rates in the top income quintile were about three times what they were in the bottom quartile.

All of this suggests that in some respects the CTB may in fact aggravate the skills gap between rich and poor in Canada rathe than close it. The obvious fix here would be differential matching rates depending on income, thus providing more benefit for poorer learners than richer ones. This is certainly something which should be considered in future, as data on usage comes in. At the outset, though, there may be substantial communications value in keeping the program as basic as possible in order to win acceptance. Perfection can, in this instance, wait.

# YOUTH SKILLS

The Budget includes a series of initiatives to support youth engagement, skills development or employment outside of formal higher education.

This most significant commitment financially is to expand the Canada Service Corps youth service initiative – $314.8 million over five years starting in 2019-2020, $83.8 million per year ongoing. The aspiration is to create a “signature program” and “to provide every young person who wants to build a better Canada through volunteer services the opportunity to do so.” The budget indicates that the investment will support up to 15,000 annual volunteer service placements in national, regional and local partner organisations by 2023-24; 1000 annual individual grants for self-directed service projects’ and new incentives and program supports co-created with young people to address barriers to participation in volunteer service programs.

CanCode will receive a very large investment of $60 million over the next two years to “help 1 million more young Canadians to gain new digital skills”. This represents a 20% increase over the past two years, and the Government. According to the budget, CanCode has provided training to 800,000 K-12 students, making the target of 1 million additional students in the next phase appear basically reasonable.

Starting this year, the Government will invest $49.5 million over five years in additional funds to modernise its Youth Employment Strategy. This comes on the heels of the recommendations from the Expert Panel on Youth Employment. The Youth Employment Strategy currently includes three main elements – Skills Link, Career Focus and Canada Summer Jobs, all of which are basically focused on providing young people with work experience to build their skills and develop their career interests. The new funds will further support for work placements, build stakeholder partnerships, test pilot programs for hiring youth and improve program evaluation, and also support the ongoing development of the Government's Youth Digital Gateway. The budget indicates that the Strategy will take a "no wrong door" approach to ensure all young people have access to supports, including enhanced supports for those facing more serious barriers to durable employment.

The last targeted efforts to promote youth skills development relates to promoting skilled trades. The budget commits to providing $40 million to Skills Canada over four years starting in 2020-2021. Skills Canada is a non-profit organisation with affiliates in each province, mandated to encourage young people to join the skilled trades and technological workforce, and to "support a coordinated approach" to promoting the skilled trades. Skills Canada has been receiving federal funds since at least 2012. Skills competitions are the organisation's most prominent activities, which the funds would aim to expand, in addition to generating more resources for learners.

The Budget very similarly commits $6 million over two years to a national campaign to promote the skilled trades as a first-choice career for young people. The Government intends to appoint co-chairs to begin the campaign work, lead initial consultations and develop partnerships in 2019. Finally, the Government indicated that it will develop a new strategy to ensure existing programs and supports (such as the Apprenticeship Incentive and Completion Grants) address barriers to entry and progression for those who want to work in the skilled trades and best support employers in hiring and retaining apprentices.

Of less specific relevance to youth, the budget also commits $1 million over each of the next five years to support ESDC in the development of a strategy and improved capacity to strengthen inclusion in skills programming. More specifically, the goal is to better measure, monitor and address disparities, in collaboration with Statistics Canada and the Labour Market Information Council.

# Work-Integrated Learning

An expansion of Work Integrated Learning (WIL) opportunities occurred in 2017, when the government expanded funding for Mitacs, partially with the intention of creating up to 10,000 WIL spots. The 2019 budget expands substantially on the creation of WIL spots, committing to a long-term goal of providing every student who "wants" a WIL experience the ability to access one by 2029. The government is aiming for a total of 84,000 placements by 2023-24.

> [T]hese investments will help make significant progress towards BHER's goal of ensuring that within the next decade, all post-secondary students gain the work experience they need.
>
> BHER

This goal largely aligns with the Business / Higher Education Roundtable's long term aim of 150,000 positions, which is ambitious (though it may fall short of providing every student who might want one with an opportunity, given that there are currently over 2 million students in our post-secondary system).

The WIL plans also have a specific focus on students in the arts, humanities, and social sciences through the Student Work Placement Program. The exact allotment of WIL opportunities to students in those disciplines is not clear, but the fact that those areas received focus is novel and was quickly complimented by the Federation for the Humanities and Social Sciences.

These efforts received substantial financial support in this budget: $631 million over the next five years for expanding work placement programs, an additional $150 million (starting in 2020-2021, so very election-dependent) to ESDC for support in creating partnerships with “innovative businesses”, and $17 million specifically dedicated to the BHER for funding a new platform that connects businesses and students and for monitoring overall WIL performance. The BHER has committed to finding 44,000 placements by 2021. In sum, $798 million has been committed to this file through to 2023-24.

The WIL items are not explicitly linked to the superclusters, as was encouraged by Polytechnics Canada (among others), though the partnership with innovative businesses might be interpreted as leading in this direction. There is also no explicit link the SMEs, but that may develop as the programs emerge. Ideally, these WIL initiatives will also be complimented with institutional efforts to ensure that WIL programming is incorporated into program curriculum more generally. Generally, the WIL efforts are quite ambitious and were well-received by a range of interested organizations. However, we would point out (as we have done before) that in the absence of real curricular reform that integrate such experiences into the curriculum (especially in universities), this is really just a very expensive student employment program. It would behoove universities in particular to start demonstrating how these curricular changes are actually happening.

# Student Aid

## INTEREST RATES

The headline story here is that the government is spending over one and a half dollars over the next five years to reduce interest rates on student loans. This is comprised of two separate initiatives:

The first measure is the elimination of interest during the six-month "grace period" (that is, the period in which no repayment need be made) that follows the end of studies. This reverses a long-standing federal policy which dates back to 1993. It also significantly wrong-foots the Ford Government in Ontario, which did the exact converse (move from a no-interest policy during the grace period to one in which interest was charged), which one suspects was largely the point of this exercise.

The second is a reduction of the interest rates of loans in repayment by 250 basis points (borrowers choose between prime floating or prime plus 2.5% fixed). This is not just for loans contracted from 2019 on, but for all loans still in repayment. It is expected to save borrowers in repayment on average about $2,000 over the life of the loan. As with the move by the BC government to eliminate interest on the provincial portion of student loans, the federal change will overwhelmingly benefit graduates (especially in the 25-35 year-old age bracket) rather than current students; the impact on access will be largely zero.

## ACCESSIBILITY

In addition to the new six-month payment- and interest-free "grace period", borrowers taking medical leave (including for mental health) and parental leave will be able to extend the "grace period" to a maximum of eighteenth months in three six-month stackable blocks of time. The government will also compensate provincial and territorial governments participating in the Canada Student Loans Program to harmonize their programs to the same standard.

Budget 2019 also proposes substantial enhancements to financial assistance for students with disabilities, primarily by increasing the annual cap on the Canada Student Grant for Services and Equipment for Students with Permanent Disabilities to $20,000. This represents a 150 percent increase from 2018-19 limits. Starting in 2020-21, restrictions that students with permanent disabilities seeking repayment assistance absent from their studies for five or more years cannot receive further aid until their outstanding loans are paid out in full will be lifted. Furthermore, eligibility for loan forgiveness through the Severe Permanent Disability Benefit will be improved, as will be eligibility for loan rehabilitation after borrowers in precarious financial situations default.

The total cost of these accessibility measures over five years is $111 million, albeit to be offset by future savings (presumably, by these students repaying most of their loans farther in the future).

# Indigenous Education

Reconciliation is a key theme in this budget, as it has been in the last two. This budget contains good news for Indigenous students, as it represents the most significant investment ever in Indigenous Post-Secondary education. This mainly comes in the form of a renewed and expanded Post-Secondary Student Support Program (PSSSP) for First Nations, as well as new ten-year Inuit-led and Metis Nation-led post-secondary education strategies for these two communities, although the budget is short on details of this strategy looks like.

In 2017, the government increased funding to PSSSP by $50 million for two years, during which time the Government pledged to work on a longer-term reform of the program and its administration. Though no reform was agreed (briefly, nearly everyone except the band chiefs themselves think the program would be better run if it were not full-devolved to the band level, but the chiefs are the ones who have to agree to any change, so...) the government has nevertheless agreed to retain the $50 million and in addition increase it by another $15.5 million annually.

In addition, the budget pledges money for PSE to the country's other two indigenous people's: the Métis and the Inuit. $362 million over ten years was pledged for a Métis Nation-led post-secondary education strategy; this would appear to include the $154 million already agreed with the Manitoba Métis Federation last fall though again details are scarce.

For the Inuit, an investment of $ 125.5 million over ten years and $21.8 million per year ongoing is provided. In both cases, it is unclear who will be in charge of actually administering the funds (one imagines that there could be considerable complication and duplication of effort if it were done by anyone other than the Government of Nunavut's student aid program, though of course not all Inuit live in the territory).

Perhaps most interesting is the Government's comment that over the five years in which the new PSSSP money will be spent, the government will engage with First Nations on the development of long-term First Nations-led post-secondary education models. Note it does not just say funding models. I read that as a marker that the next stage in post-secondary education funding for first nations covers not just individuals but institutions as well, in much the same way that Ontario chose to fund its indigenous institutions two years ago. If so, this might be one of the most significant long-term outcomes of the 2019 budget, though we are some ways from knowing that yet.

There are a number of other areas of indigenous education which have a PSE connection. First is a $334 million over five years for "Preserving, Promoting and Revitalizing Indigenous Languages." Details here are scarce, but it seems likely that some of this task will necessarily fall to universities.

The budget also sets aside $9 million over three years for the construction of an Indigenous Legal Lodge at the University of Victoria. The Legal Lodge will house the university's new dual degree program in Canadian Common Law and Indigenous Legal Orders and serve as the foundation for debate, learning, public education and partnership on the revitalization of Indigenous laws. A third significant change is a new $3 million annual commitment to Indspire (formerly the National Aboriginal Achievement Foundation) which is on top of the $5 million year commitment from the 2017 budget. In addition, in its continuous efforts to foster Indigenous knowledge, the budget is allocating $13 million over five years for the Dechinta Centre for Research and Learning in the Northwest Territories. This funding is targeting the delivery of culturally appropriate and community developed curricula to increment access and retention of Indigenous and northern students in higher education.

Two final notes. First, Yukon College will be able to access up to $26 million over five years for the construction of a new campus science building. And second, the government has also proposed to provide up to $1 million over two years to establish a Task Force to study post-secondary education in Canada’s Arctic and Northern regions. Given that all three territories have, in their way, already announced plans to create their own entirely independent “universities” of varying degrees of viability, it’s not 100% clear what such a commission might achieve, but no doubt it will be worth watching.

# Research

Broadly, the budget contained four significant announcements on research. Two of these were related to funding for individual researchers and two were related to funding organizations.

## SUPPORTING GRADUATE STUDENTS THROUGH RESEARCH SCHOLARSHIPS:

Support for graduate students was to some degree an area in which the federal government fell short last year in responding to the Naylor Report (Naylor recommended much higher funding for Vanier and Banting doctoral and postdoctoral scholarships but this recommendation was not taken up).

Budget 2019 includes $26.5 million per year ongoing to provide several hundred new Canada Graduate Scholarships (500 at the Master's level and 167 at the doctoral level) but no change in the Vanier/Banting awards.

| Council | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total |
|---|---|---|---|---|---|---|
| NSERC | 4 | 6 | 8 | 8 | 8 | **34** |
| CHIR | 6 | 8 | 11 | 11 | 11 | **48** |
| SSHRC | 4 | 6 | 7 | 7 | 7 | **32** |

# FUNDING FOR SCIENCE, RESEARCH, AND TECHNOLOGY ORGANIZATIONS

This year's budget includes targeted priority research funding to seven research organizations outside the granting council system. In total, these organizations are meant to receive $342 million over three years, among which Ovarian Cancer Canada and Genome Canada were allocated the largest amounts, with Stem Cell Network, Brain Canada Foundation, Terry Fox Research Institute, Ovarian Cancer Canada, Genome Canada, and Let's Talk Science all getting smaller amounts.   In addition to these seven organizations, funding for TRIUMF for strengthening physics research was renewed. TRIUMF – a multi-institution particle physics institution physically situated at UBC - will receive $195.9 million over five-year period. On top of earlier funding which includes $96.8 million from the National Research Council.

While the TRIUMF spending can be seen as an investment in national research infrastructure, the other seven investments can in some ways be seen as a backing away from the Naylor Report. One of that report's central arguments was that basic science was being harmed by one-off investments in niche or boutique science and that funding needed to become more centralized in the peer-reviewed granting council competitions.  The feds sung from that hymn book for exactly one year, and – arguably – have now reverted to form by doing a whole bunch of one-off niche/boutique expenditures.

## STRATEGIC SCIENCE FUND

In the 2018 Budget, the government stated "At present, the Government allocates funding to a number of third-party research organizations [i.e. The kinds of organizations listed above that received one-off niche/boutique funding] that study a broad range of topics, from quantum science to regenerative medicine. The government will consider a new approach to determine how to allocate federal funding to third-party research organizations, as advocated by Canada's Fundamental Science Review. The three federal granting councils and the Canada Foundation for Innovation, for example, use a competitive model to determine funding allocations".

In this budget, the government announced a "Strategic Science Fund" which will develop a "principles-based framework" for evaluating funding for third-party science and research organizations. So the best way to think of this new Fund (which is not allocated any money in this budget) is as an implementation of the previous budget's pledge to create a way to regularize, justify and even create a regular budget for one-off expenditures on niche/boutique research. For all of last years talk about faithful implementation of the Naylor Report, the government seems very determined to protect its ability to circumvent granting councils when it sees fit.

# STUDENT RESEARCHERS

Budget 2018 committed $21 million over four years to “equality and diversity” initiatives in federally-funded and -supported science and research. This year’s budget builds on this foundation by providing an additional $37 million over five years to increase parental leave for federally-supported graduate students from six months to twelve (note figures may not add due to rounding).

**Tri-council agency funding for parental leave enhancements in millions of dollars**

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Total | 5 | 8 | 8 | 8 | 8 |

In addition, increasing the number of Canada Graduate Scholarships through the tri-council agencies, providing for an additional 500 at the master’s level and 167 at the doctoral level. The budget also makes a curious reference to the effect that the federal government wishes to “work collaboratively with willing and provincial and territorial partners on options to improve access to financial supports for graduates from low-income families”. We have literally no idea what this means and nor could we find anyone on budget night who could pro-vide an explanation. Graduate students are almost all considered “independent” and so family income is never taken into account when looking at need-based aid.

Conceivably, it is a clumsy way of indicating a desire to include graduate students in the Canada Student Grants, which currently only help undergraduate and public college stu-dents; however, we were informed by Canada Student Loans, which runs the program, that they had not been informed of such a move.  For this moment, therefore, this remains a total mystery.

**Federal graduate student scholarships in millions of dollars**

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Total | 14 | 20 | 26 | 26 | 26 |

# International Education Strategy

The Fall 2018 Economic Statement made reference to the introduction of a new international education strategy, The consultations for this strategy only got underway in December and the document remains several months from completion.

However, Budget 2019 did commit a good chunk of change for this yet-to-be unveiled strategy: $148 million over three years with a bizarre disbursement scheme - $22 million next year, $45 million the year after that, $66 million in 2021-22 and then $8 million per year after that.  There is no indication of how much of this money is destined to support outbound exchanges, and how much is simply export promotion along traditional lines (i.e. advertising). Our best guess as to why the disbursement is so wonky is that this initiative is linked to Canada's 2021 Security Council bid, and the money which is being called "export promotion" is in fact going to pay for scholarships to students from key voting countries.  We wish we could come to a less crass conclusion, but for the moment it's the only explanation that makes sense.

**International education strategy funding in millions of dollars**

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Total | 22 | 45 | 66 | 8 | 8 |

# Conclusion

As has usually been the case with budgets in this government, Budget 2019 is largely friendly to PSE with mostly good intentions but often only half-thought through ideas on implementation.

Let's start with the unambiguously good investments; namely, those for Indigenous students. The fact that PSSSP is getting a boost and that Métis and Inuit students are getting their own dedicated funds for the first time is great. Perhaps more intriguing is the idea that over the longer time there may be dedicated funding for First Nations Post-Secondary institutions, though as the Liberals have already discovered, attempting serious negotiations on funding models with Indigenous groups is rarely a quick process. The new research funding lines for individuals (scholarships, parental leave) also all seem pretty sensible, as to the accessibility changes to the CSLP.

The Canada Training Benefit is an idea everyone should want to like. We have a problem with adult training in Canada: we simply don't do enough of it. Everybody knows the key barriers are time and money, and the CTB deals with both those problems by building proven existing tools which do not require the construction of large new delivery systems. They have even (for a change) built in a phase-in period to hopefully catch and fix many of the obvious pitfalls related to fraud which have often hit new programs in the field, such as in Singapore and the UK. This should be a slam dunk.

But. But. There's something that doesn't feel quite right about it. It's not just that the benefits will likely skew wealthy, with individuals from middle- and upper-middle class families likely to take-up more than the working poor. That can eventually be fixed or mitigated in much the same it was with the Canada Education Savings Grant: by jacking up match rates for lower-income workers. No, the problem lies in two other separate directions.

First, precisely because the program is based on existing instruments (the tax system, EI) it has naturally taken on some of those instrument's attributes. EI is a really handy way to solve the time problem, but it is totally unable to help individuals who want to take a course on evening or weekends. It only works for education based on discrete weeks of time. Will anyone want that? Hard to say.

But second, I think perhaps it may be too modest. The government itself is projecting very low take-up rates (between 2-6% depending on what assumptions you use about how people will use them) and I suspect they are right: the money simply isn't big enough to get people into courses. I think a richer program offering $500 or $1000 per year would have made a much bigger dent in the public consciousness.

The program could of course end up being a runaway success – in fact, I hope it does. But I worry that the compromises on size and program design made to get it to fruition may limit its popularity and effectiveness.

But then of course we come to the weird stuff. The internationalization program with the incredibly weird spending pattern. The Naylor backlash in research, which suggests that whatever governments say about their deep commitment to peer-reviewed basic research, they are addicted to niche/boutique one-off research expenditures. They need their fix. So much so that they want to have a dedicated fund for niche/boutique hits. It's bananas. David Naylor must be having conniptions.

And then there is the tom-foolery with interest rate relief in Canada Student Loans. The change to zero interest accumulation during the 6-month post-study grace period is 0% about policy and 100% about trolling the Ford government, which changed its own policy in the area in the opposite direction two months ago. And as for the reduction in student loan interest on all outstanding loans? Pure politics. There are dozens of ways to spend that money in education that would promote access, but this doesn't do that. This is fundamentally a transfer aimed at people with debt in their late 20s and early 30s, a key pro-Trudeau demographic in 2015 whose enthusiasm for the Prime Minister has waned over time. It's a bribe, and an expensive one: in fact, its net cost is roughly the same as the next two largest education-related investments (CTB and indigenous education) combined. There were other ways to spend that money. Opportunity costs matter.

Overall, this budget probably deserves a B to a B plus. Good thoughts, less than entirely joined-up thinking. From this government, that's the usual.

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