

2020-21 VAC SUPPLEMENTARY ESTIMATES (B)

- Veterans Affairs Supplementary Estimates (B) reflect this government's continued commitment to ensuring there is sufficient funding in VAC's programs and services to support all eligible Veterans and their families who may come forward.
- Over 90% of the Department's budget represents payments to Veterans, their families and other program recipients.
- Increases to the Department's budget reflect the historic steps we have taken to ensure Canadian Veterans and their families are treated with care, compassion and respect.

BACKGROUND – 2020-21 VAC SUPPLEMENTARY ESTIMATES (B)2020-21 Supplementary Estimates (B)

VAC's budget will increase by \$33.4 million through Supplementary Estimates (B), representing a 0.6% increase over current budget.

- VAC's budget increased from \$5,237.7 million (\$5.24 billion) to \$5,325.4 million (\$5.32 billion) in Supplementary Estimates (A).
- The Department then received \$12.5 million for the 2019-20 Operating Budget Carry forward, bringing the budget to \$5,337.9.
- Through these Supplementary Estimates (B), the budget will increase from \$5,337.9 million (\$5.34 billion) to \$5,371.3 million (\$5.37 billion) in relation to the following:

New funding – \$8.7M:

- **\$4.6M for an Afghanistan Monument**
 - As announced in Budget 2014, this funding will support the Government's commitment to commemorate Canada's mission in Afghanistan.
 - Funding will be used to construct a national monument in the national capital region.
 - VAC will provide the funding received to the National Capital Commission. They along with Heritage Canada, will work collectively to complete the Monument over a 3 year period.
- **\$4.1M for funding related to government advertising programs** (horizontal item – Omnibus)
 - As highlighted in the Speech from the Throne (2019), the government intends to recognize its solemn duty to those who choose to serve in the Canadian Armed Forces and build upon investments in previous mandates to deliver better outcomes for Canada's Veterans.

-In response to this announcement, VAC has developed two advertising campaigns: (1) Remembrance and (2) Mental Health Service for Veterans and Their Families.

-For the campaign on Mental Health Services for Veterans and their Families, funding will be used for advertising with the objective of increasing awareness among Canada's Veteran's, Canadian Armed Forces (CAF) and RCMP members and their Families of the mental health services available to them.

-For the campaign on Remembrance, funding will be used to honour the Canadians who served our country during times of war, military conflict and peace and to engage Canadians in remembering past and present sacrifices.

-This funding is from the central fund that was created for funding advertising related to Government of Canada priorities.

Transfers from Other Organizations - \$390k:

- **\$377 thousand from the Canadian Institutes of Health Research (CIHR)**
 - This transfer is to adjust funding previously provided to support research on the potential therapeutic benefits and harms associated with cannabis use.
 - Funding was originally transferred to CIHR for two cannabis team grants, however only one grant was funded due to delays.
 - This transfer represents the unspent funds to be returned in 2020-21.
- **\$13 thousand from the Department of Foreign Affairs, Trade and Development**
 - This transfer is to adjust funding previously provided for departmental staff located at missions abroad.
 - This transfer represent unspent funds due to exchange rate fluctuations

Transfers to Other Organizations - \$4.7M:

- **\$4.5 million to the National Capital Commission and \$29 thousand to Canadian Heritage for the construction of the Afghanistan Memorial**
 - Money received for the Afghanistan Monument will be transferred to these departments who in partnership with VAC, will carry out the project.
- **\$169 thousand to Treasury Board Secretariat to support the Government of Canada Financial Material Management Solution Project (GCFM)**

- This transfer is VAC's costs associated with the Gov't of Canada Financial and Material Management project (GCFM).
- The Department has committed a total of \$336K over 3 fiscal years for this initiative (\$143K in 2019-20, \$169K in 20-21, \$24K in 21-22).

Increases to Grants from Contributions:

- **Increase of \$450K to the Grant for Commemorative Partnerships**
 - This transfer will help support the high number of grant applications received annually under the CPP.
 - An increasing number of applicants under the program are smaller, more local community-led initiatives. They bring minimal risk when administering funding, and therefore could be issued as Grants.

Reprofiles - \$9M

- **Funding of \$9M to continue payments for the Toth class action settlement agreement.**
 - This funding, which has been reprofiled from 2019-20, will be used to make the remaining compensation payments to Veterans and/or their families and transfer residue amounts as per the terms of the Toth Class Action Final Settlement Agreement.
 - This class action sought compensation for deductions (offsets) of disability benefits paid by VAC, and was certified by the Federal Court in March 2016.
 - The final settlement agreement requires VAC to make the compensation payments in the amount of \$100 million.

Increases to Statutory Items - \$20M

- Due to the introduction of Bill C-2 in Parliament, An Act relating to economic recovery in response to COVID-19, VAC's Supplementary Estimates B contains \$20M for Statutory payments to support Veterans' Organizations.

Funding to authorize the listing and adjustment of grants in vote 5

- \$1 - in situations where no new appropriated funding is being requested, the inclusion of a \$1 amount is required as a technical adjustment in order to provide the opportunity to seek the requisite Parliamentary approval.