

University of Toronto

The Honourable Frank Jacobucci
Interim President

December 21, 2004

The Honourable Ralph Goodale, P.C., M.P.
Minister of Finance
Finance Canada
140 O'Connor, East Tower, 21st Floor
Ottawa, Ontario
K1A 0G5

Dear Minister:

I write to you with pleasure from the perspective of one of Canada's significant national institutions, the University of Toronto, during this time of pre-budget considerations.

As Canada's largest research and teaching university, our mission is fully aligned with the key goals of the federal government, as highlighted in the Speech from the Throne: building a strong economy; fostering the health of Canadians and the development of our children; and ensuring our Aboriginal population shares in Canada's prosperity; exercising environmental stewardship; strengthening our cities; and ensuring Canada's role in the world as one of pride and influence. It is from this perspective that we approach the choices to be made by the government in developing the 2005 Budget.

The University of Toronto is a national resource and a Canadian presence on the world stage. Our research and scholarship have a national and international impact. Our graduate students are drawn from across Canada and around the world. In undergraduate and professional education, we seek to provide an educational opportunity in Canada that ranks with the best in the world.

As a university, we have a major stake in Canada's success; and we believe our success is, in turn, key to the strength of the country. We account for over 15 percent of funding from the national granting councils. We are a major provider of highly qualified personnel: one in six professors at Canadian universities holds at least one degree from the University of Toronto. Our academic health science centre, including our nine affiliated teaching hospitals, is one of the five largest in North America as measured by numbers of faculty and the scope of the research enterprise. We account for over 15% of PhD enrolment in Canada. Overall, we rank second only to Harvard in numbers of scientific research publications (1998-2002). Our library ranks fourth among major North American research libraries, behind Harvard, Yale and Berkeley. Scholars

from across the province are able to access our library holdings twenty-four hours a day, seven days a week. We participate in 19 of the 21 federal Networks of Centres of Excellence, and all four programs of the provincial Networks here in Ontario.

We recognize that governments must live within their means and make choices that will realize the best value from their investments. As the Throne Speech emphasized, Canada's future lies in a robust, competitive and innovative economy, growing and thriving in a knowledge-based, technology driven and highly skilled world and rooted in fiscal policy that is prudent and disciplined. For this reason, I want to underscore the need for making choices not only across sectors but *within* them – in particular, ensuring that the dollars spent in postsecondary education are spent on those priorities that have the greatest effect. In this regard, I would like to make the following points:

Funding through the three federal granting councils has increased substantially and government has committed to doubling that support by 2010. **This funding is the bedrock of university based research, contributing in essential and often completely unpredictable ways to the knowledge economy, and must not only be maintained but further enhanced.**

Funding for the indirect costs of research has been a great step in the expansion of university research capacity. Prior to this program, we were spending 40 cents from our educational budget for every dollar received from the federal granting councils in research funding, to cover overhead costs. Now, government has begun to provide support for these indirect costs, currently at the level of just over 18 percent at the University of Toronto. **We urge the government to move as quickly as possible to provide the full indirect as well as the direct costs of research.**

The Canada Foundation for Innovation has awarded a total of \$307 million to U of T and its affiliated teaching hospitals, with which we have been able to leverage a further \$307 million from the Ontario Innovation Trust. This, together with the Canada Research Chairs program has enabled us to recruit and retain the very best research minds in Canada and beyond. These are leading scholars attracted to Canada from other countries (many are re-patriated Canadians), the best young graduates of Canadian PhD programs, or our best researchers retained at U of T. **For the quality of our universities to be maintained and the economic benefits to Canada realized, these programs must be continued and the operating costs they have created be addressed.**

The key area of underinvestment in postsecondary education in Canada, relative to international competitors, is in graduate education. This is where federal investments can have the greatest impact. The Canada Graduate Scholarships have made significant gains in universities' ability to attract and retain the best graduate students in Canada. But as an influential international research player Canada also needs to attract and support the best international graduate students and post-doctoral fellows. **I encourage you to review the current programs of support for graduate students and explore new programs to assist post-doctoral fellows, both domestic and international, in recognition of the national importance of graduate education.**

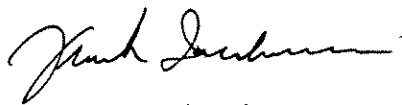
We need to ensure that universities have the operating capacity to ensure the best education possible. It is not enough to support students at levels that compare with the best universities internationally unless those students can receive a quality of education that ranks with the best anywhere. The current reviews of postsecondary education in Ontario and several other provinces may provide the opportunity of a generation to **renew the relationships between the provincial and federal governments** in this area which is so crucial to Canada's prosperity. We are eager to work with the governments of Canada and Ontario to develop the mechanisms necessary to this renewal.

Our researchers need the infrastructure support necessary to be able to participate in major international research projects (such as the Large Optical Telescope). **If Canada is to be an influential presence in international research communities, the federal government should demonstrate its commitment to big science and international collaborations.**

The programs established by the Government of Canada in the past eight years, together with the appointment of the National Science Advisor, form a solid foundation for research and are mutually reinforcing. Building upon the success of these programs and developing broader coherence to move forward to the next level is critical. The nations with whom we deal internationally are not standing still.

I apologize for going on at some length, but I must say that in returning to the University, the most impressive and important change I have seen has been the tremendous support and momentum that have been established for the research mission of our universities. In this respect, the University of Toronto looks forward to continuing to work with your government to find the most effective ways for the federal government, within the federal-provincial context, to invest in Canadian universities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Jacobucci', with a stylized, cursive script.

Frank Jacobucci

cc Massimo Pacetti, MP – Chair, Standing Committee on Finance

FI/lf