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OFFICE OF THE VICE-PRESIDENT AND PROVOST

## **Docs Open 22961**

TO: Planning and Budget Committee

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DATE: September 26, 2002 for October 15, 2002

AGENDA ITEM:

## **ITEM IDENTIFICATION:**

Allocations from the Canada Research Chairs Fund

## **JURISDICTIONAL INFORMATION:**

The Planning and Budget Committee is responsible for approving allocations from the Canada Research Chairs Fund (CRCF). Terms of Reference of the Fund are attached.

## **Canada Research Chairs - excluding Medicine**

## **HIGHLIGHTS:**

In January 2001, the Planning and Budget Committee recommended for approval an allocation of \$3.4m from the CRCF to cover the salaries and benefits, research allowance and cluster support for 17 Chairholders approved in the first round of CRC competitions in September 2000. In January 2002, the Planning and Budget Committee recommended for approval an allocation of \$1.8m for ten Chairs awarded in three subsequent competitions held in December 2000, March 2001 and June 2001. The University submitted thirteen nominations in the next two competitions held in September and December 2001, all of which were awarded. Approval for a recommendation regarding these thirteen Chairs is being sought.

## **FINANCIAL AND/OR PLANNING IMPLICATIONS:**

The total cost of the thirteen Chairs is \$2.9m: \$1.9m covers salaries and benefits and provides each Chairholder with a \$10,000 research allowance; \$.7m provides research cluster support; and \$.2m drops to the University's bottom line to cover university-wide costs. Cluster support averaged \$57,150 and ranged from \$20,000 to \$90,000. At least one-third of cluster support is earmarked for graduate student support.

The revenue from the government for the thirteen Chairs (seven Tier I and six Tier II) is \$2.0m, requiring a University contribution of \$.9m to cover the total \$2.9m cost. Six of the thirteen Chairs were filled with internal candidates, and one was an upgrade allowing the CRCF to recover \$1.0m in salaries, and contributing \$.1m to the Fund's surplus.

Of the \$2.9m expense for the ten Chairs, \$.2m flows to the University to support the University's central indirect costs, which are 16% of salaries and benefits. \$2.6m is recommended as an allocation from the CRCF to cover salaries, benefits, research, and cluster support of the Chairholders.

Table 1 shows the revenue and expense model as approved in *A Framework for Allocating Canada Research Chairs* as well as the results of competitions to date. The surplus in the CRCF results from the large number of internal appointments (25 out of 40.) As more external appointments are made, the unallocated balance will be required to top-up the government funding.

Table 2A lists the thirteen Chairholders most recently approved.

## **Canada Research Chairs - Faculty of Medicine**

### **HIGHLIGHTS:**

The University's Financial Model created a separate pool within the CRCF to support Chairs established in the Faculty of Medicine and its affiliated teaching hospitals and research institutes. The Medicine pool contains only the government funding. There is no salary recovery at the University level for internal appointments. In accordance with the University's Financial Model, the University recovers a central indirect cost of 16% of the Chair's salary and benefits for campus-based Chairs. For Chairs based in affiliated teaching hospitals and research institutes, the comparable rate is 6%.

In April 2001, the Planning and Budget Committee recommended for approval an allocation of \$1.07m from the CRCF to the Faculty of Medicine in support of seven campus-based Chairholders and an allocation of \$2.2m in support of 16 Chairholders based in Hospital/Research Institutes. In January 2002, the Planning and Budget Committee recommended for approval an allocation of \$1.2m in support of eight Chairholders based in Hospital/Research Institutes that were approved in the March 2001 competition.

### **FINANCIAL AND/OR PLANNING IMPLICATIONS:**

Sixteen additional Chair nominations submitted in the September 2001 competition were awarded. The University received \$2.2m for six Tier I and ten Tier II Chairs. Seven of the Chairs are campus based and nine are Hospital/Research Institute based.

In accordance with the University's approved Financial Model, for campus-based Chairs, the University recovers a central indirect cost of 16% of the salary and benefits of the Chair. For Chairs based in the affiliated teaching hospitals and research institutes, the comparable rate is six percent. It is recommended that \$2.0m, which is the grant less the cost recovery, be allocated to the Faculty of Medicine.

Table 2B lists the sixteen Chairholders approved in the September 2001 competition.

### **RECOMMENDATION:**

It is recommended that the Planning and Budget Committee recommend for approval to the Academic Board:

That \$2.6m be allocated from the Canada Research Chair Fund to cover the salaries, benefits, research allowances and cluster support for thirteen Chairholders approved in the September 2001 and December 2001 CRC competitions.

That \$.7m (\$.8m less \$77,000 indirect cost of 16% of salaries and benefits) be allocated to the Faculty of Medicine in support of seven campus based Chairholders that were approved in the September 2001 competition.

That \$1.3m (\$1.4m less \$74,000 indirect cost of 6% of salaries and benefits) be allocated to the Faculty of Medicine in support of nine Chairholders based in Hospital and Research Institutes that were approved in the September 2001 competition.

**Table 1**

A Framework for Allocating Canada Research Chairs  
Canada Research Chairs Financial Model  
(\$ millions)

**Canada Research Chairs Fund (CRCF) for University Chairs excluding Medicine**

Revenue	
Government Grant for 121 Chairs	\$18.2
Recovery for internally awarded Chairs	5.3 *
Recovery for unfilled funded positions	2.5 *
Total	\$26.0
Expense	
Salary, benefits and research allowances for Chairs	\$20.2
Support for research clusters	3.7
University-wide cost	2.1
Total	\$26.0

\* The University is contributing \$7.8m to the CRCF to meet the cost of the Chairs Program.

**Results of Competitions for Canada Research Chairs excluding Medicine**

Revenue and Expense are on an annualized basis at time of appointment

	Sep 2000 Competition	Dec 2000 Mar 2001 Jun 2001 Competitions	Sep 2001 Dec 2001 Competitions	Total Competitions
Number of Tier I Chairs Awarded	12	5	7	24
Number of Tier II Chairs Awarded	5	5	6	16
Annualized Revenue				
Government Grant	\$2.9	\$1.5	\$2.0	\$6.4
Recovery for internally awarded Chairs	1.8	0.8	0.9	3.5
Recovery for unfilled funded positions	0.1	0.0	0.1	0.2
Total	\$4.8	\$2.3	\$3.0	\$10.1
Annualized Expense				
Salary, benefits and research allowances for Chairs	\$2.5	\$1.3	\$1.9	\$5.7
Support for research clusters	0.9	0.5	0.7	2.2
University-wide cost	0.3	0.2	0.2	0.7
Total	\$3.7	\$2.0	\$2.9	\$8.6
Unallocated balance of CRC Fund (revenue less expense)	\$1.1	\$0.3	\$0.1	\$1.5
Contribution from the University (expense less Govt. Grant)	\$0.8	\$0.5	\$0.9	\$2.2

1 The Planning and Budget Committee recommended an allocation of \$3.4m from the CRCF in January 2001 and an allocation of \$1.8m in January 2002.

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TABLE 2A

List of Chairholders approved in the September 2001 and December 2001 Competitions  
Funded from the CRC Fund for University Chairs excluding Medicine

Cluster	Name	Competition	Tier	Budget Type (Internal=I) (Upgrade=U) (External=E)
Advanced Manufacturing with New Materials	Mostaghimi, J.	Sep. 2001	I	I
Advanced Manufacturing with New Materials	Park, C.	Sep. 2001	I	I
Advanced Materials	Kee, H.	Sep. 2001	II	E
Advanced Materials	Kim, Y.	Sep. 2001	II	E
Advanced Materials	Kumacheva, E.	Dec. 2001	II	I
Astronomy & Astrophysics	Yee, H.	Dec. 2001	I	I
Biomaterials, Tissue Engineering & Regeneration	Stanford, W.	Dec. 2001	II	E
Computational Technology	Hinton, G.	Dec. 2001	I	I
Health & Public Policy	Sreenivasan, G.	Sep. 2001	II	E
Information Processing Algorithms & Technologies	Aarabi, P.	Sep. 2001	II	E
Literature Culture & Discourse	Lahusen, T.	Sep. 2001	I	E
Mathematical Foundations	Lyubich, M.	Dec. 2001	I	U
Nanoscience and Photonics	Miller, D.	Sep. 2001	I	I

TABLE 2B

List of Chairholders approved in the September 2001 Competition  
Funded from the CRC Fund for University Chairs allocated to the Faculty of Medicine

Cluster	Name	Competition	Tier	Budget Type (Internal=I) (Upgrade=U) (External=E)
Health Systems & Knowledge Transfer	Bombardier, C.	Sep. 2001	I	I
Health Systems & Knowledge Transfer	Feldman, B.	Sep. 2001	II	I
Health Systems & Knowledge Transfer	Jadad, A.	Sep. 2001	I	I
Imaging Technology in Human Disease and Preclinical Models	Bazett-Jones, D.	Sep. 2001	I	E
Imaging Technology in Human Disease and Preclinical Models	Roberts, T.	Sep. 2001	II	E
Inflammation, Infection, Trauma & Repair	Kaul, R.	Sep. 2001	II	E
Molecular Medicine	Kain, K.	Sep. 2001	I	I
Molecular Medicine	Ohh, M.	Sep. 2001	II	E
Molecular Medicine	Taylor, C.	Sep. 2001	II	I
Neurobiology	McIlroy, W.	Sep. 2001	II	I
Neurobiology	Sugita, S.	Sep. 2001	II	E
Population Health	Jha, P.	Sep. 2001	II	E
Population Health	Lipshitz, H.	Sep. 2001	I	I
Proteomics, Bioinformatics & Functional Genomics	Hughes, T.	Sep. 2001	II	E
Proteomics, Bioinformatics & Functional Genomics	Pai, E.	Sep. 2001	I	I
Proteomics, Bioinformatics & Functional Genomics	Wilde, A.	Sep. 2001	II	E

## CANADA RESEARCH CHAIRS FUND (Revised, March 2001)

### Terms of Reference

The purpose of the Canada Research Chairs Fund (CRCF) is to provide funding in support of clusters of academic activity established pursuant to the federal government's Canada Research Chairs program. Allocations to the University under the Canada Research Chair program (net of University central indirect costs as described below) will flow into the CRCF. Within the CRCF there will be a separate pool for funds that will support Chairs established in the Faculty of Medicine and its affiliated teaching hospitals and research institutes. Separate reports on expenditures from both pools within the CRCF will be brought forward to the Planning and Budget Committee for approval.

### Source of Funds for the CRCF

The Canada Research Chairs Fund will be assembled as follows:

1. Government grants in support of Chairs at the University net of the University's central indirect cost, which is 16% of the salary and benefits of the Chair. (For example, the average \$150,000 per Chair breaks down as \$107,143 for salaries and benefits, \$25,714 as support for clusters and \$17,143 as University central indirect cost.)
2. Government grants in support of Chairs at the affiliated teaching hospitals and research institutes net of the University's central indirect cost of 6%.
3. Recovery of actual salary and benefits of existing university faculty members outside of the Faculty of Medicine who are appointed to Chairs.
4. Recovery of the nominal starting salaries of unfilled university positions outside of the Faculty of Medicine (\$65,000 plus standard benefits) which are converted to Chairs.

### Allocations from the CRCF

#### Chairs established at the University

1. Allocations from the CRCF will be made on the basis of approved budgets for each cluster of Chairs and related activities. Examples of eligible costs include salaries and benefits of the Chairholders and technical and administrative staff in the cluster, graduate student support, equipment, specialized library resources, datasets and other research resources, travel, publication and other expenses related to dissemination, and departmental and divisional administrative costs. An estimate of the amount of graduate student aid available from the CRCF is presented in the budget projections and will be evaluated as we develop new Long-Range Budget Guidelines.
2. Funding for each Chair will include a research stipend of \$10,000, to be used at the discretion of the Chairholder for purposes such as the dissemination of research results and collegial interaction.

#### Chairs established at the affiliated teaching hospitals and research institutes

1. Funding in support of Chairs at the affiliated teaching hospitals and research institutes, net of the 6% for central university indirect costs, will be transferred to the affiliated teaching hospitals and research institutes.

