



# University of Toronto TORONTO ONTARIO M5S 1A1

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OFFICE OF THE VICE-PRESIDENT AND PROVOST

TO: Planning and Budget Committee

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AGENDA ITEM:

## **ITEM IDENTIFICATION:**

A New Financial Model for the Canada Research Chairs (CRC) Program

## **JURISDICTIONAL INFORMATION:**

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

## **DESCRIPTION:**

The purpose of the CRCF was to provide funding in support of clusters of academic activity established pursuant to the federal government's Canada Research Chairs program. The terms of reference of the CRCF are attached.

The CRC program and its financial model at the UofT has existed from FY2000-01 for Faculties other than the Faculty of Medicine. A new funding arrangement is being proposed effective May 1, 2005 with the objective of simplifying administration and will be consistent with the approach used within the Faculty of Medicine. The new model also addresses the fact that the CRC awards are not indexed by the government.

Under the new model, the central CRCF will be dismantled. Cumulative transfers to the faculties that have been made since the beginning of the program will be returned to divisional base budgets, as shown in Table 1. Going forward, a CRC award will be administered as a research account, in the name of the appropriate faculty member, against which eligible costs can be charged. Funding for Central Overhead will continue. The annual amount set up in each research account will be the value of a Tier 1 or Tier 2 CRC grant less the standard university-wide costs, approximately \$177,000 for Tier 1 Chairs and \$88,000 for Tier 2 Chairs. In the absence of indexation of the CRC award by the government, the Centre will provide annual salary and benefit increases (in the same way as for non-CRC faculty). The Centre will also provide the annual \$10,000 research allowance.

**FINANCIAL IMPLICATIONS:**

The existing CRC funding model has served us well during the start-up period of the program. Going forward, it is not possible for the CRCF to continue to provide salary and benefit increases, because the CRC grant is not indexed. This ongoing cost to the university's operating budget will continue to be about \$600,000 annually. The new financial model provides a clear basis for the sharing of costs between the Center and the divisions.

**RECOMMENDATION:**

It is recommended that the Planning & Budget Committee recommend to the Academic Board:

That the new funding model for Canada Research Chairs as described above be approved.

**Table 1**

**New Financial Model - Non Med. CRCs**

<b>Faculty</b>	<b>Salary &amp; Benefit Top-up BASE (1)</b>	<b>Salary &amp; Benefit Recovery BASE (2)</b>	<b>Return to BASE (3)</b>
	<i>A</i>	<i>B</i>	<i>B - A</i>
A&S	\$1,470,079	\$2,279,857	\$1,013,758
APSc & Engineering	\$900,770	\$1,100,831	\$200,061
Dentistry	\$172,266	\$284,366	\$112,099
OISE	\$169,963	\$568,741	\$398,778
Pharmacy	\$58,287	\$172,386	\$114,099
SGS	\$38,530	\$126,751	\$88,221
UT Mississauga	\$33,616	\$141,313	\$107,697
UT Scarborough	\$164,961	\$305,993	\$141,032
Architecture	\$41,917	\$113,345	\$71,428
Social Work	\$71,428	\$90,563	\$19,135
Information Studies	\$142,856	\$229,425	\$86,569
Law	\$96,120	\$140,423	\$44,303
<b>Total</b>	<b>\$3,360,794</b>	<b>\$5,553,994</b>	<b>\$2,397,180</b>

Notations:

1/ Extent to which the total salary and benefits exceed the funding available from the CRC grant

2/ Amount recovered from Divisions for internal CRC appointments

3/ Amount to be returned to Divisions

## 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.