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OFFICE OF THE VICE-PRESIDENT AND PROVOST

TO: Planning and Budget Committee

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AGENDA ITEM: 9

## **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. In October 2002, the Planning and Budget Committee approved an allocation of \$2.6 million from the CRCF to cover salaries, benefits, research allowances and cluster support for thirteen Chairholders approved in the September 2001 and December 2001 CRC competition. Last year, the Planning & Budget Committee recommended for approval \$4.4m be allocated from the Canada Research Chair Fund to cover the salaries, benefits, research allowances and cluster support for twenty-four Chairholders approved in the April 2002 competitions.

From October 2003 to July 2004 the university awarded 19 new Chairs. Table 1A lists the nineteen Chairholders most recently approved and set-up as of July 2004.

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

The total cost of the nineteen Chairs is \$4.1m: \$2.8m covers salaries and benefits and provides each Chairholder with a \$10,000 research allowance; \$1m provides research cluster support; and \$.3m drops to the University's bottom line to cover university-wide costs. Cluster support averaged \$51,500 and ranged from \$30,000 to \$70,000. At least one-third of cluster support is earmarked for graduate student support.

The revenue from the government for the nineteen Chairs (ten Tier I and nine Tier II) is \$2.9m, requiring a University contribution of \$1.2m to cover the total \$4.1m cost. Five of the nineteen Chairs were filled with internal candidates, and four were an upgrade allowing the CRCF to recover \$1.1m in salaries and benefits, therefore leaving a \$.1m net use of the CRCF related to these nineteen Chairs.

Of the \$4.1m expense for the nineteen Chairs, \$.3m flows to the University to support the University's central indirect costs, which are 16% of salaries and benefits. \$4.0m was required as an allocation from the CRCF to cover salaries, benefits, research, and cluster support of the Chairholders.

Table 2 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.

## **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.

In October 2002 the Planning and Budget Committee approved an allocation of \$.7m to the Faculty of Medicine in support of seven campus-based Chairholders that were approved in the September 2001 competition. In October 2002, the Planning and Budget Committee approved an allocation of \$1.3m to the Faculty of Medicine in support of nine Chairholders in Hospital and Research Institutions that were approved in the September 2001 competition.

In October 2003 the Planning & Budget Committee approved an allocation of \$.7m to the Faculty of Medicine in support of the seven campus based Chairholders that were awarded in 2003. In 2003 The Faculty of Medicine was also approved an allocation of \$2.2m in support of the nine Chairholders based in Hospital and Research Institutes.

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

Twenty-one additional Chair nominations submitted in last year's competition were awarded bringing the total number of Medicine Chairs to eighty-nine. The University received \$3.2m for eleven Tier I and ten Tier II Chairs. Nine of the Chairs are campus based and twelve are Hospital/Research Institute based.

Table 1B lists the new twenty-one Chairholders awarded in 2004.

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.

### **RECOMMENDATION:**

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

That \$3.8m be allocated from the Canada Research Chair Fund to cover salaries, benefits, research allowances and cluster support for the nineteen Chairholders approved during the 2003 competitions.

That \$1.24m (\$1.4m less \$.16m indirect cost of 16% of salaries and benefits) be allocated to the Faculty of Medicine in support of nine campus based Chairholders that were awarded in 2004.

That \$1.627m (\$1.7m less \$72,857 indirect cost of 6% of salaries and benefits) be allocated to the Faculty of Medicine in support of the twelve Chairholders based in Hospital and Research Institutes that were awarded in 2004.

## **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.