



University of Toronto

OFFICE OF THE VICE-PROVOST, PLANNING AND BUDGET

Appendix "E" to Report 123 of AB

TO: Planning and Budget Committee

SPONSOR: Shirley Neuman, Vice-President and Provost

CONTACT INFO: Phone: (416) 978-2122 e-mail: provost@utoronto.ca

DATE: October 10, 2003 for October 21, 2003

AGENDA ITEM: #5

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. The University submitted twenty-four nominations in the next competition held in April 2002, all of which were awarded. Approval for a recommendation regarding these twenty-four Chairs is being sought.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The total cost of the twenty-four Chairs is \$4.8m: \$3.2m covers salaries and benefits and provides each Chairholder with a \$10,000 research allowance; \$1.2m provides research cluster support; and \$.4m drops to the University's bottom line to cover university-wide costs. Cluster support averaged

\$49,083 and ranged from \$25,000 to \$80,000. At least one-third of cluster support is earmarked for graduate student support.

The revenue from the government for the twenty-four Chairs (eight Tier I and sixteen Tier II) is \$3.2m, requiring a University contribution of \$1.6m to cover the total \$4.8m cost. Six of the twenty-four Chairs were filled with internal candidates, and three were an upgrade allowing the CRCF to recover \$1.2m in salaries and benefits, therefore leaving a \$.4m net use of the CRCF related to these twenty-four Chairs.

Of the \$4.8m expense for the twenty-four Chairs, \$.4m flows to the University to support the University's central indirect costs, which are 16% of salaries and benefits. \$4.4m was required 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 stands at \$1.1m a slight drop from the \$1.5m reported last year due to the large number of external candidates over internal appointments (9 out of 24.) As more external appointments are made, the unallocated balance will be required to top-up the government funding.

Table 2A lists the twenty-four 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.

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.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

Twenty-two additional Chair nominations submitted in last year's competition were awarded bringing the total number of Medicine Chairs to sixty-seven. The University received \$3.1m for

nine Tier I and thirteen Tier II Chairs. Seven of the Chairs are campus based and fifteen 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 \$2.9m, which is the grant less the cost recovery, be allocated to the Faculty of Medicine.

Table 2B lists the twenty-two Chairholders awarded in 2003.

RECOMMENDATION:

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

THAT \$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.

THAT \$.7m (\$.8m less \$91,428 indirect cost of 16% of salaries and benefits) be allocated to the Faculty of Medicine in support of seven campus based Chairholders that were awarded in 2003.

THAT \$2.2m (\$2.3m less \$98,571 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 awarded in 2003.

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.

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	April 2002 Competitions	Total Competitions
Number of Tier I Chairs Awarded	12	5	7	8	32
Number of Tier II Chairs Awarded	5	5	6	16	32
Annualized Revenue					
Government Grant	\$2.9	\$1.5	\$2.0	\$3.2	\$9.6
Recovery for internally awarded Chairs	1.8	0.8	0.9	0.8	4.3
Recovery for unfilled funded positions	0.1	0.0	0.1	0.4	0.6
	Total	\$4.8	\$2.3	\$3.0	\$4.4
			\$3.0	\$4.4	\$14.5
Annualized Expense					
Salary, benefits and research allowances for Chairs	\$2.5	\$1.3	\$1.9	\$3.2	\$9.0
Support for research clusters	0.9	0.5	0.7	1.2	3.3
University-wide cost	0.3	0.2	0.2	0.4	1.1
	Total	\$3.7 ¹	\$2.0	\$2.9	\$4.8
			\$2.9	\$4.8	\$13.4
Unallocated balance of CRC Fund (revenue less expense)	\$1.1	\$0.3	\$0.1	-\$0.4	\$1.1
Contribution from the University (expense less Govt. Grant)	\$0.8	\$0.5	\$0.9	\$1.6	\$3.8

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 Jan. 2002

Revenue					
Number of Tier I Chairs Awarded	12	5	7	8	32
Number of Tier II Chairs Awarded	5	5	6	16	32
Government Grant	2,900,000	1,500,000	2,000,000	3,200,000	9,600,000
Recovery for internally awarded Chairs	1,776,026	824,044	898,683	815,698	4,314,451
Recovery for unfilled funded positions	128,008	0	82,431	362,085	572,524
Total	4,804,034	2,324,044	2,981,114	4,377,783	14,486,975
Expense					
Salary, benefits and research allowances for Chairs	2,496,538	1,341,806	1,902,826	3,225,562	8,966,732
Support for research clusters	902,000	515,000	742,771	1,178,000	3,337,771
University-wide cost	322,674	165,796	223,562	361,649	1,073,681
Total	3,721,212	2,022,602	2,869,159	4,765,211	13,378,184
Contribution from the University (expense less Govt. Grant)	821,212	522,602	869,159	1,565,211	3,778,184
Unallocated balance of CRC Fund (revenue less expense)	1,082,822	301,442	111,955	-387,428	1,108,791

TABLE 2A

List of Chairholders approved in the April 2002 Competition
 Funded from the CRC Fund for University Chairs excluding Medicine

Cluster	Name	Competition	Tier	Budget Type (Internal=I) (Upgrade=U) (External=E)
Comparative & Evolutionary Genomics	McCourt, P.	Apr. 2002	I	I
Literature, Culture & Discourse	Rice, K.	Apr. 2002	I	I
Human Development & Life Cycle	Stanovich, K.	Apr. 2002	I	I
Global Development, Health & Prosperity	Pauly, L.	Apr. 2002	I	I
Global Development, Health & Prosperity	Shi, S.	Apr. 2002	I	E
Pain	Seltzer, Z.	Apr. 2002	I	E
Human Development & Life Cycle	Moore, C.	Apr. 2002	I	U
Computational Technology	Neal, R.	Apr. 2002	I	I
Nanoscience & Photonics	Thywissen, J.	Apr. 2002	II	E
Astronomy & Astrophysics	Matzner	Apr. 2002	II	E
Computational Technology	Martins, J.	Apr. 2002	II	E
Information Processing Algorithms & Tech	Yu, W.	Apr. 2002	II	U
Literature, Culture & Discourse.	Nagel, A.	Apr. 2002	II	I
Transitions in Ancient Thought	Barney, R.	Apr. 2002	II	E
Molecular Biology	Chang, B.	Apr. 2002	II	E
Music in Medieval Society	Haines, J.	Apr. 2002	II	E
Social Justice, Diversity & Equity	Walcott, R.	Apr. 2002	II	E
Education Policy	Mundy, K.	Apr. 2002	II	U
Neurobiology	Stewart, B.	Apr. 2002	II	E
Nanoengineering & Photonics	Lo, H.	Apr. 2002	II	E
Global Develop., Health & Prosperity	Birn, A.	Apr. 2002	II	E
Comparative & Evolutionary Genomics	Andolfatto, P.	Apr. 2002	II	E
Neurobiology	Andersen, A.	Apr. 2002	II	E
Information Processing Algorithms & Technologies	Chan, C. A	Apr. 2002	II	E

TABLE 2B

**List of Chairholders awarded in 2003
Funded from the CRC Fund for University Chairs allocated to the Faculty of Medicine**

Faculty Research Cluster	Name	Department	Tier	Base Type (Campus=C) (Hospital=H)
Brain and Behaviour	George, S.	Medicine	I	H
Brain and Behaviour	Bassett, A.	Psychiatry	I	H
Membrane Biology	Clarke, D.	Medicine	I	C
Inflammation, Infection, Trauma & Repair	Mogridge, J.	LMP	II	C
Brain and Behaviour	Roy, P.	Med.Gen.	II	C
Molecular Medicine	El-Sohemy	Nutr.Sci.	II	C
Improvement in Function, Participation & Well-being	Lou, W.	PHS	II	C
Molecular Medicine	Heximer, S.	Physiology	II	C
Population Health	Jha, P.	Pub.Hlth.Sci.	II	C
Brain and Behaviour	Kaplan, D.	Med.Gen.	I	H
Vascular & Metabolic Biology	Bruneau, B.	Med.Gen.	II	H
Molecular Medicine	Irwin, M.	Paediatrics	II	H
Improvement in Function, Participation & Well-being	Paterson, A.	PHS	II	H
Brain and Behaviour	Wang, L.-Y.	Physiology	II	H
Improvement in Health & Function	Redelmeier, D.	Medicine	I	H
Molecular Medicine	Narod, S.	PHS	I	H
Inflammation, Infection, Trauma & Repair	Dick, J.	Med.Gen.	I	H
Health Systems & Knowledge Transfer	Bombardier, C.	Medicine	I	H
Molecular Medicine	Vaziri, H.	Med.Biophysics	II	H
Molecular Medicine	Stambolic, V.	Med.Biophysics	II	H
Membrane Biology	Volchuk, A.	Biochemistry	II	H
Brain and Behaviour	Roder, J.	Immunology	I	H

