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OFFICE OF THE VICE-PRESIDENT AND PROVOST

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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.