University of Ottawa
Research and trust funds
Key highlights and assumptions
2016-2017 Budget

Projections for research revenues and expenses are based on multi-year grants, contracts already awarded and possible new contracts and awards. As a result, budgeting exercises are difficult, but experience and close relationships with granting agencies allow us to make reasonably accurate assumptions and estimates.

For financial planning and reporting purposes, revenues generally correspond to expenses because revenues are recognized only when expenses are incurred. The University uses deferred revenues to account for the difference between revenue projections and award projections.

An analysis of actual and projected research and trust-fund revenues is provided in Table D-3, which indicates both the value of awards received by the University over the past three years and the awards projected for 2016-2017. As noted, research awards fluctuate from year to year based on economic conditions, funding announcements for major research and infrastructure programs as well as new government priorities.

In 2015-2016, the University continued to experience the impact of federal and provincial budget constraints as governments cope with budgetary pressures in a difficult economic climate. Nonetheless, the University has managed well overall, particularly with an exceptional CFI performance for infrastructure ($59.8M), one-time funding that increased overall research revenues by more than $31M from the previous year.

While competition continues to remain fierce for grants, we project moderate increases. As well, existing and new sources of research revenue are being actively explored through increased activity with potential partners, including the private sector, through industry-sponsored research and increased enrollment of industrial research chairs. Overall, in 2016-2017, we project a modest decrease from 2015-2016.

Substantial increases to research space, such as the addition of the Advanced Research Complex (ARC), and the ongoing recruitment of a significant number of professors (60 in total) at uOttawa over the next few years will create opportunities for seeking and obtaining additional research funding.

The rationale is as follows:

**Tri-Agency funding (NSERC, SSHRC and CIHR):** The funding environment continues to be extremely competitive for operating grants. This will be eased slightly by the federal budget’s modest increases for the Tri-Agency. The government also announced a comprehensive review of federal support for research over the next year. This is largely prompted by the growing concern that Canada is less competitive internationally due to several years of stagnation and real declines in government investment in research.
Overall, University researchers are competing well in the Tri-Agency programs. Of particular note, performance at NSERC remains strong and efforts are focussed on improving SSHRC success rates. National success rates at CIHR remain very low and are expected to decrease further due to major changes to CIHR programs. This creates a high degree of uncertainty for uOttawa researchers. As researchers increasingly focus on developing (traditional and non-traditional) partnerships, including internationally and with the private sector, the University and affiliated institutions will be better positioned to compete in existing and new targeted initiatives.

Overall, we project a modest increase in Tri-Agency awards in 2016-2017.

**Canada Foundation for Innovation (CFI):** 2016-2017 will be a very busy year for CFI-related projects. The projects funded through the 2015 Innovation Fund competition in 2015-2016 (representing over $51.6M from the CFI and the Ontario Ministry of Research and Innovation) will begin being implemented in 2016-2017, with construction, renovation and acquisition of the infrastructure being progressively rolled out. In parallel, the CFI launched their largest Innovation Fund competition to date (Innovation Fund 2017), where the University of Ottawa’s allocation for this competition is $121M, double the allocation for the 2015 Innovation Fund competition. Funding applications, aligned with uOttawa’s research priorities in support of Destination 2020, are being prepared for the October 11, 2016, deadline. Results for the Innovation Fund 2017 are scheduled to be announced in June 2017.

The uOttawa Canada Foundation for Innovation-John R. Evans Leaders Fund (CFI-JELF) allocation has been used strategically to help attract the very best of today’s and tomorrow’s researchers. We will use the remaining JELF allocation granted to uOttawa for the June 2016 competition, thus completing our strategy of investments in the attraction of new researchers. We anticipate a substantial increase in uOttawa’s JELF envelope for 2017-2020, due primarily to the CFI budget increase of 25% for the JELF envelope. Use of this new envelope will again be aligned with uOttawa’s strategic research priorities (attraction of new candidates vs. retention of existing researchers).

**Canada Research chairs:** The University’s allocation of Canada Research chairs is 75, and recruitment efforts are ongoing to select excellent candidates in the University’s strategic areas of research. Given recruitment time lags, we project the status quo for 2016-2017.

**Government of Canada:** Federal government spending constraints have also had an impact on the level of departmental funds available for research contracts. uOttawa will be seeking opportunities under other federal programs, such as FedDev Ontario, to complement our research funding prospects. We project a modest increase in 2016-2017.

**Province of Ontario:** Total funding from the Province of Ontario is intrinsically linked to CFI funding because, in most cases, the province matches CFI funding. Therefore, we expect a large increase for 2016-2017 as matching funds for the 2015 Innovation Fund competition are received. On the other hand, the impact of government restraint continues, with other provincial programs being cancelled or suspended. In all, we project a sizeable increase in provincial funding for 2016-2017.
**Private sector:** While the overall economic climate remains lackluster, University researchers are responding enthusiastically to new Tri-Agency funding programs that offer “seed” funding for new collaborations, which may ultimately set the stage for more intensive collaborative research activities with private sector firms. uOttawa will continue to pursue industry-sponsored research opportunities, maximizing provincial and federal leveraging. We project a slight increase in this area for 2016-2017.

**Networks and fourth pillar organizations:** “Fourth pillar” organizations are associations within industry, university and government organizations that promote and facilitate intersectorial research. These organizations are very sensitive to the economic climate and to government funding priorities. We expect a moderate increase in the coming year.

**Medical research foundations and associations:** Many disease-oriented foundations and associations have experienced budgetary restrictions because the economic downturn negatively affected their fundraising programs. Nonetheless, due to the competitiveness of university researchers, we project a moderate increase in funding for 2016-2017.

**Funding for indirect costs of research:** Funding is generated through a variety of sources, including overhead recoveries on contract research and through the Research Support Fund (formerly the Federal Indirect Costs Program.) The Research Support Fund is the largest source of revenue at the federal level, with a total grant of $12.6M, shared with our affiliated institutions. Of this amount, $7.3M is transferred to our operating fund to partially offset the indirect costs of research. We project the status quo for 2016-2017.