Rationale for award projections for 2011-2012

In 2010-2011, we continued to feel the impacts of budget constraints at the federal and provincial levels as governments cope with budgetary pressures in a difficult economic climate. However, we started to see early signs of recovery in our private sector funding, increased activity with private sector partners, as well as indications that the federal government is likely to continue viewing R&D investment as essential to maintaining Canada’s longer term economic and competitive position.

Our rationale for next year is:

**Tri-Council funding (NSERC, SSHRC and CIHR):** The funding environment continues to be extremely competitive and new, incremental federal funding will likely be targeted towards specific collaborative initiatives. We believe that our researchers are competing well in the full range of Tri-Council programs, with improving success rates at CIHR, increased participation rates and the award of a new Strategic Network at NSERC, and securing of major projects at SSHRC. With possibilities of new private sector partnerships increasing, we believe we will be well positioned to compete in both existing and new targeted initiatives. As such, we are projecting about 5% growth at the Tri-Councils but this will be offset by a scheduled reduction in Tri-Council support of the Canadian Stroke Network – a federal Network of Centers of Excellence housed here.

**Canada Foundation for Innovation (CFI):** We continue to have good success in the CFI Leaders Opportunity competitions and, in addition, two major awards in previous years to Dr. Ian Clark in the Department of Earth Sciences (Accelerator Mass Spectrometry facility) and Dr. Paul Corkum in the Department of Physics (Sub-wavelength science) are progressing well. We therefore expect CFI funding to be stable for the coming year.

**Canada Research Chairs:** Our allocation of Canada Research Chairs has been increased from 71 to 73 for 2011-2012. We also expect an increase Canada Research chair funding in the coming fiscal year as several currently unfilled Chairs are taken up.

**Government of Canada:** After a period of declining research funding from federal government sources for reasons of fiscal restraint, we are now projecting a slight upwards trend in our federal research funding for 2010-2011. We expect this trend to continue into 2011-2012.

**Province of Ontario:** Total funding from the Province of Ontario is intrinsically linked to CFI funding because the Province matches, but lags behind, CFI funding in most cases. In general, we expect the situation to be stable for the coming year but that our revenues will be lower than those projected for 2010-2011 due primarily to timing of receipt of the provincial funding on CFI-related projects.

**Private Sector:** We are seeing signs of better than expected resiliency in our private sector funding as well increased activity with private sector partners as our researchers respond enthusiastically to new Tri-Council funding programs which offer “seed” funding
for new collaborations and which, hopefully, set the stage for an intensification of collaborative research activities. We expect modest growth in an economic environment which is still challenging.

**Networks and Fourth Pillar Organizations:** “Fourth pillar” organizations are associations amongst industry, university and government organizations which promote and facilitate inter-sectoral research. These organizations are also very sensitive to the economic climate and to government funding priorities. We expect this situation to be stable over the coming year.

**Medical Research Foundations and Associations:** Many disease-oriented foundations and associations have experienced budgetary restrictions because the economic downturn had negatively affected their fund-raising programs – in one case this has resulted in the cancellation of a major funding competition. We believe that some of these foundations are turning the corner and that the availability of funds will stabilize. We continue to expect increased application rates in a highly competitive, financially constrained, environment as our researchers diversify their funding sources and, as such, we expect this situation to be reasonably stable in 2011-2012.

**Indirect Costs:** Indirect Costs are generated through a variety of sources including overhead recoveries on contract research and through federal and provincial indirect cost programs. At the federal level, our most important source of indirect cost revenues, the national envelope for the Federal Indirect Costs Program has been reduced somewhat but the University of Ottawa has slightly increased its share of the available national funding so we expect our funding to be approximately the same as last year. At the provincial level, one major program has been wound down and we project a smaller envelope leading to a reduction in UofO funding. This will be somewhat compensated by an increase in other sources and, overall, we expect a very small increase in indirect costs funding next year.