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 and expense 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 2015-2016. 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 2014-2015, 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 a strong CFI performance for infrastructure. However, in terms of operating grants, competition continues to remain fierce. 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, we project a nearly 17% increase in total awards for 2015-2016. This offsets moderate declines in recent years.

Substantial increases to research space, such as the addition of the Advanced Research Complex (ARC), and the recruitment of a significant number of professors (60 in total) at uOttawa will also create opportunities for securing additional research funding.

The rationale is as follows:

**Tri-Council funding (NSERC, SSHRC and CIHR):** The funding environment continues to be extremely competitive for operating grants. In addition, competition will likely intensify over the short term in light of the federal deficit reduction plan, which constrains government program spending, and the upcoming federal election in the fall of 2015.

Overall, University researchers are competing well in the Tri-Council programs. Of particular note, success at SSHRC remains steady and NSERC is relatively strong. At CIHR, national success rates remain very low, and ongoing major changes to CIHR programs over the next year will continue to challenge 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 the status quo for Tri-Council awards in 2015-2016.

**Canada Foundation for Innovation (CFI):** 2015-2016 will be a very busy year for CFI projects. A group of scientists from the University of Ottawa and its affiliated institutes will share over $51.6 million from CFI and the Ontario Ministry of Research and Innovation in support of cutting-edge research in pediatric diseases, neurodegenerative disorders, stem cells, photonics and chemistry ($35M will be deferred revenue for future years).
The research funding was announced in March 2015 by CFI and is part of its inaugural Innovation Fund competition. A total of $339M was granted to institutions across Canada. The University of Ottawa is among the institutions with the highest success rates in the country. We believe that the Ontario Ministry of Research and Innovation will match the amount awarded from the Innovation Fund (MRI results are expected in May 2015).

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. In 2014-2015, we used over $10M of our CFI-JELF envelope to fill new faculty positions (more than 22 new recruits). This amount has not yet been included in the overall projection for 2015-2016. We anticipate this will represent approximately $3M in expenditures for these new JELF projects this year. For the next fiscal year, we anticipate a substantial increase in expenditures for JELF projects.

**Canada research chairs:** In the recent 2015 national re-allocation of Canada research chairs, the University lost one chair, bringing the total number of uOttawa chairs to 75. This loss reflects a decline in competitiveness in securing Tri-Council funding. Given that all chairs are not currently occupied, we project the status quo for 2015-2016.

**Government of Canada:** Federal government spending constraints have also had an impact on the level of departmental funds available for research contracts. In addition, a number of long-term government contracts at the University will be coming to an end in the next few years. uOttawa will explore opportunities with other federal programs, such as FedDev Ontario, to complement our research funding prospects. We expect status quo in 2015-2016.

**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. Consequently, we expect to spend more than $20M on research equipment and renovations. With respect to other provincial programs, the impact of government restraint is evident, with some programs being cancelled or suspended. We project a decrease in provincial funding for 2015-2016.

**Private sector:** While the overall economic climate remains lackluster, University researchers are responding enthusiastically to new Tri-Council 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 the status quo in this area for 2015-2016.

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

**Medical research foundations and associations:** Many disease-focused foundations and associations have experienced budgetary restrictions because the economic downturn negatively affected their fundraising programs. Nonetheless, university researchers are highly competitive; therefore we project status quo for 2015-2016.

**Research Support Fund:** The federal government’s Research Support Fund (previously called the Indirect Costs Program) is the main source of external funding to help offset a portion of the University’s expenses associated with research. We do not expect any changes to this funding in 2015 2016. Other sources of funds, such as overhead costs on some research contracts, also help offset the indirect costs of research.

It is important to note that these funds cover only a very small portion of the University’s indirect costs for research. Most of the costs are covered by the operating fund.