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## MAY 2003 ADVOCACY REPORT

Dr. Bruce H. Sells, FRS(C)

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### INTRODUCTION

During this year's visits to decision-makers the representatives of the Canadian Council of Biology Chairs (CCUBC) and the various Societies of CFBS focused on the following major issues:

1. A suggestion, related to the Government's allocation of funds to Granting Councils: Currently, the Granting Councils must spend their annual budgetary allocations by the end of the fiscal year. No carry-overs are permitted. We have proposed that allowing a carry-over of up to 10% would assist the Councils in their forward planning and permit a more even annual distribution of funds to grantees. An even better solution, we have argued, would be to provide the Granting Bodies with a budget reflecting a 3-year rolling average. This latter scenario would allow greater flexibility in forward planning and create a more even playing field for grantees applying for funds.
2. Comments related to "indirect-costs" of research in an effort to ensure greater transparency in the use of funds: The rationale was to ensure both the Government and the researchers that the funds were being employed in manner for which they were designed. We have suggested a "template" listing the legitimate items that could be verified and monitored every 3-5 years. Following the monitoring exercise funds would be awarded for the next 3-5 years.
3. Canada's need for highly qualified personnel (HQP) represent a high priority given the high rate of retirement in academe, government and industrial laboratories during the next decade. This issue has focused on i) student debt loads and the impact that debt has on students entering graduate studies following their Bachelor degrees and ii the need for greater coordination between the federal and provincial governments to ensure that Canada has the strongest post secondary institutions to meet the demands of the innovation strategy.
4. Environmental concerns were discussed regarding progress following passage of Species at Risk legislation and ratification of the Kyoto Protocol.

This year in our discussion with "decision-makers" we employed an approach that we hoped would be helpful in furthering the goals that we were trying to achieve. Since we proposed to the MPs, that we spoke with, that the mechanism of Federal Budget allocations to the Granting Councils be modified we felt it important to determine whether these suggestions would be acceptable to the major bureaucratic departments of Government. Consequently, we met with officials both in Finance and the Auditor General's office.

With regard to the allocation of "indirect costs" of research, the Life Sciences Community indicated its strong support for this initiative and wished to develop a process that was not only transparent but also reflected the effective use of these funds. Consequently, a monitoring system was proposed that would identify legitimate items to be covered under "indirect costs".

The issue concerning the supply of highly qualified personnel was addressed by suggesting that the Federal Government establish a separate envelop for post secondary education (PSE) similar to the one established for Health. In this way funds provided for the development of HQP could be more effectively tracked.

## **MEMBERS OF PARLIAMENT**

### **1. Peter Adams**

**- Caucus Chair of Post Secondary Education and Research**

- **Budgets for CIHR & NSERC**

In our discussion with Peter Adams we discussed both budget carry-overs and longer than one year budgetary commitments. He explained the difficulties, from the Government's perspective, regarding long term commitments. He liked the proviso that researchers are aware that if the financial situation of Government deteriorates, the Government is not the only one to take the heat. If long-term funding guidance were to be enacted, Government would like to know that the "Councils" would also carry some of the responsibility if retrenchment were necessary. It was pointed out that although all granting councils would benefit from modification to the allocation mechanism, CIHR has a particular problem in that, with its enlarged mandate without long-term funding guidance, difficulties arise regard forward planning. We had indicated to Peter Adams that we would be meeting with both Finance and the Auditor General's office to determine whether the suggestions regarding carry-overs and/or long-term commitments were acceptable. We have since informed him of their reply.

- **HQP**

Meeting Canada's future personnel needs was discussed and the difficulty faced by the Federal Government in that there is no Federal Minister of Education. The need for a separate Post Secondary Education transfer was emphasized and understood. In passing, the comment was made by researchers that 60 % of research grant's operating budgets go to support the training of highly qualified personnel.

- **Indirect-Costs of Research**

While Peter Adams agreed that there needed to be both transparency and accountability in the use of funds from this program, at the same time, the Government does not want to micro-manage the universities with respect to the use of these funds. Parliament-all parties- agreed that it was up to the university faculties to ensure that adequate guidelines exist.

### **2. Libby Davies**

**- NDP; MP Vancouver-East**

Our meeting was prematurely interrupted since Ms Davies was called to the House. In our discussions with her legislative assistant we initiated a discussion regarding access to higher education and the impact of rising tuition costs on student debt and the resultant impact on students' decision to enter graduate school. In this interchange we suggested that a separate envelope of funds for postsecondary education- (along the lines of the Canada Health Act) should have a positive impact since it would allow funds provided for PSE to be more effectively

monitored. We learned also that the NDP were unhappy with the Canada Student Loans Program which they felt was "poorly managed, under-funded and made life difficult for students".

Subsequent to our meeting with Libby Davies' assistant, Ms Davies contacted our office and provided our office with statements made in the House. The points made in these statements reflect the effective that rising tuition costs are having on students from families with lower incomes. They also maintain that "we are facing the lowest levels of federal support for post secondary education in 30 years". Coupled with the drop in funding from many of the Provincial Governments, CFBS would like to see the creation of a Federal/Provincial partnership which would ensure that Canada is able to respond effectively to the demands of the "innovation strategy".

**3. James Rajotte**  
**- Alliance; MP- Edmonton Southwest**

Mr. Rajotte is a member of the Parliamentary committee on Industry, Science, Research and Development that is interested in issues surrounding telecommunications and implementation of the Kyoto protocol.

Mr. Rajotte agreed that multi-year funding would be desirable. He also pointed out that he thinks too many ministers and agencies are responsible for science funding and policy and "one-window funding" would make more sense. He would favour splitting Science away from the Industry portfolio, where it now sits. He concurred with an effective process of accountability for the ways in which universities use funds allocated for the "indirect costs of research". He was wary of a PSE Act because of constitutional problems.

In his riding, tuition costs for Post Secondary Education (PSE) were an issue and he suggested that scholarships should be increased to improve access. He also acknowledged that student debt is a major issue and felt that an income-contingency repayment scheme is worth considering.

**4. Ray Pagtakhan, Secretary of State for Science & Technology**  
**- Liberal; MP; Winnipeg North-St. Paul**

In Dr. Pagtakhan's office we spoke with his Communications Advisors (Daphne Guerrero & Darcy Ross). She was interested in the comments made by the Life Science representatives that the new initiatives related to the "innovation strategy" had lured many researchers back to Canada. In response to her interest we have asked CIHR and others to provide specific examples.

In our discussion mention was made of an Institute of Learning, which we believed would be a welcome development and provide for a healthy exchange between federal and provincial representatives.

## **RESEARCH AGENCIES**

**1. Carmen Charette, Senior Vice President**  
**- Canadian Foundation for Innovation (CFI)**

While all present acknowledged that CFI funding has been an important initiative, there was discussion concerning the future life of CFI beyond 2010 and that some funding for overhead costs will end before then. Some discomfort was also expressed regarding matching funds.

Ms Charette was optimistic that CFI funding would continue beyond 2010. She stressed that progress reports containing facts and figures of tangible differences that funds have made are important items for CFI to pass on to politicians especially when they demonstrate employment

opportunities. She also pointed out that the matching fund is very popular with politicians and will probably continue.

## **2. Mark Bisby, Vice President, Research - Canadian Institutes for Health Research (CIHR)**

In addition to how Federal Budgets are allocated to granting councils, CIHR had 2 additional concerns: 1) Overhead: Agreements need to be in place so that overhead allocations can be transferred from responsible universities to the institutes. And 2) Canada Graduate Scholarships: The distribution of recently announced high value scholarships was a matter of concern since the percentage of scholarships awarded to health research was low in comparison to the number of graduate students trained by the health research community. Apparently in developing the allocations, students in programs not requiring research were included (e.g. MBA) in the calculations.

## **3. Natural Sciences and Engineering Research Council (NSERC)**

Nigel Lloyd, Exec. Vice-President, Denis Croux, Director, Operations, Canada Research Chairs; Isabelle Blain, VP, Research Grants & Scholarships; Barney Laciak, Senior Planning Analyst (International Programs)

- **Indirect Costs**  
It was pointed out to us by the Director of Operations for Canada Research Chairs that the money committed to "indirect costs" of research had been enshrined in the federal budget at \$ 225 million per year for three years (not indexed). If a case is to be made for increasing this funding it would have to occur in 2005 prior to the run-up to the 2006 budget.
- **Multiyear Funding**  
In discussions of multiyear funding, we were advised that if multi-year funding were to be established it may have drawbacks-less able to take advantage of end of year funds and stuck with a funding level in inflationary times etc.
- **Reallocation Exercises**  
There was considerable debate in which members of the biological sciences departments expressed unhappiness with the reallocation process. The NSERC approach was defended by the NSERC staff and indicated that NSERC was working on a better allocation procedure and promised to be broadly consultative.
- **New Initiatives**  
We were encouraged to monitor the NSERC website for details of Special Research Opportunities. The newly announced Canada Graduate Scholarships (without consultation with NSERC) do not mesh well with the current NSERC Scholarships. Problems were foreseen, also, by University departments during the transition phase.

## **GOVERNMENT DEPARTMENTS**

### **1. Department of Finance - John Connell (Senior Chief Finance Officer, Industry and knowledge Economics section)**

We were informed that medical research is "smack in the middle of the government's paradigm". There was a clear understanding of the trajectory of the CIHR budget and the concept of a "soft landing" that would result in a relative even disbursement of grant funds each year. From the

perspective of the Finance Department, greater accountability is required. In addition, indicators of excellence are required to ensure the government that value for investment is obtained.

The Government would like to see stronger commercialization of science. We indicated that because of the nature of research and the time taken for parts of the scientific community to develop an entrepreneurial spirit it will take time to produce dividends. A major difficulty in Canada regarding commercialization is the absence of sufficient venture capital. Finance was receptive to these arguments.

## **2. Auditor General's Office**

**- Richard Flagole, R.G. Robert Taylor, Reno Cyr, Assistant Auditor General, Science & Technology**

The role of the Auditor's office is to advise Government on possible improvements of program implementation, but do not advise on programs. They also ensure that programs are in place to measure the effectiveness of program spending.

Multi-year budgets: They did not have much problem with this and gave existing examples where such situations now occur. Regarding carry over of budgets, they did not seem to have a problem with this as long as it was limited to 5-10% of the budget. Instances in which carry-overs were currently allowed were quoted. New Government accounting procedures (when they are implemented) would provide more flexibility in carry-over.

## **3. Environment Canada (EC)**

**- Karen Brown, ADM**

This was a productive meeting with a major emphasis on the Kyoto Protocol and the Species at Risk Legislation (SARA). EC has been in the pre-implementation phase for the past 3 years. This is associated with the "flag-ship" program COSEWIC that has active university input and interest even from the U.S. (does not have a similar program). Ms Brown feels that COSWEWIC is the engine that will drive legislation and EC is putting funds and time into developing and strengthening COSEWIC. She also believes that the implementation side is okay but the recovery side is where there is little science and knowledge as how to proceed. Ms Brown is strongly supportive of an environmental sciences agenda (ESA) through the granting councils and would like to see greater involvement of these agencies, especially NSERC that has not embraced this issue at this time.

In terms of fish species management (eg; cod stocks), Ms Brown indicated that it is clear that SARA, which was developed for land-based species, within the marine environment will require extensive interactive discussions with stakeholders. On the issues of plants we were reassured that COSEWIC is investing in the plant side and will continue to do so. There is, however, little interaction between EC and Ag Canada. Her conclusion was "that EC is a small voice in the wilderness" and the ESA must be pushed hard if it is to come to the fore in the minds of Government and citizens.

Candice Ford (Special Assistant to Minister Anderson) indicated that Minister Anderson wants SARA to be a vehicle to foster new attitudes towards the environment.

Finally, in response to a request for advice Ms Brown suggested the following:

1. Push ESA as the biggest payoff; with SSHRC on side it should be easy to get NSERC on side.
2. It will be important to network and set environmental priorities; this will be the key to the success of ESA. Ms Brown urged organizations represented by CFBS to actively assist in developing new initiatives and communicate them to EC.

#### **4. Industry Canada**

**- Andre Sulzenko (Senior Assistant Deputy Minister)**

The discussion centred on the suggestion that Government consider three-year rolling averages and/or budget carry-overs. The argument being that this would allow granting agencies a greater ability to forward plan. This notion was not well received and the point made by Ms. Tobin (Senior Policy Assistant) was that some of the problems faced by agencies such as CIHR were the result of effective management. She felt that statistics on the use of money were not as well done as for SSHRC and NSERC and that such statistics are important.

On the question of "indirect costs" there was concern expressed by IC about possible claw-backs by the provinces of the federal money allocated.

Ian McKay, Special Policy Advisor; Michele Boutin, Manager, Science Policy

This discussion focused on "indirect costs" of research and the concerns that faculty members had in monitoring how these funds were spent. We were advised that the Government did not wish to "micromanage" the universities since it was felt this would be politically unwise.

### **CANADIAN COUNCIL FOR ANIMAL CARE (CCAC)**

***Clement Gauthier, Executive Director;***

***Gilly Griffin, Director of Guidelines Development***

Issues were raised, by members of the Canadian Council of University Biology Chairs (CCUBC), concerning CCAC guidelines and how they were applied locally in addition to problems inherent in using CCAC guidelines (developed mainly for laboratory science) in a wildlife research setting. Dr. Gauthier provided to the CCUBC members copies of recently prepared guidelines for wildlife research and indicated that new guidelines for fish and farm animal research are in preparation. CCUBC indicated that it could assist CCAC in identifying individuals to work on guideline development.

The problem of increasing costs of handling and housing animals was discussed and would require additional funding from granting councils to assist researchers to comply fully with CCAC expectations. In response to the difficulty encountered with "unnecessarily bureaucratic" actions of local Animal Care Committees, Dr. Gauthier responded by indicating that CCAC encourages a decentralized system in which there can be considerable variation. It is therefore the responsibility of the individual university to monitor its animal care committee.

### **POST SCRIPT**

A positive outcome of this year's meetings was the decision by the Caucus on Post Secondary Education and Research to discuss our proposal concerning allocation of the Government Funds to Granting Councils. These discussions by the Caucus were scheduled for their Annual meeting in August. This action was taken since both the office of Finance and the Auditor General's office indicated that these were precedents for the proposal we presented.