

THE CHINESE UNIVERSITY OF HONG KONG

Submission to Panel on Education for meeting on 11 July 2011

Allocation of Research Funding

1. With a view to allocating research funding on a more competitive basis for the promotion of research excellence among the institutions, the UGC has initiated a number of improvement measures and changes to the current funding methodology, which include:
 - introducing a new indirect/on-costs element in the research portion of the Block Grant and to allocate it according to the institutions' success in obtaining RGC Earmarked Research Grants. To this end, 12.5% (i.e. \$1.35 billion) of the Block Grant (or almost half of its research portion) will be transferred to the RGC for disbursement as indirect/on-costs on a competitive basis over a period of 9 years;
 - devising a new Research Assessment Exercise (RAE) to sharpen the measurement of research input and output to form the basis of the distribution of the research element of the Block Grant; and
 - continue to allocate research postgraduate places on a competitive basis so that within 5 years from 2012-13, half of the total number of places will be allocated on a competitive basis.
2. CUHK fully supports the principle that UGC funding and resources should be competitively allocated in order to ensure accountability and foster research excellence. Nonetheless, we did express concern about the impact of the changes on research, particularly in the humanities and social science (HSS) disciplines. We pointed out that HSS researchers might not require research funds to generate good research output, and that success in grant applications is not necessarily the only reliable measurement of research excellence or the sole indicator to inform research funding allocation. We are very glad that the UGC has been receptive to the institutions' views and feedback. The introduction of a time-limited HSS premium, the expansion of the scope and duration of teaching relief in the HSS General Research Fund projects, and the launching of a new fellowship scheme for outstanding investigators of HSS disciplines are welcome by us as positive measures to ensure that HSS research will not be disadvantaged in the new funding regime. We also appreciate that the UGC has demonstrated its continual commitment to support and enhance research in the HSS disciplines.
3. It is anticipated that there will be uncertainties and fluctuations in terms of research funding allocated to the University under the new funding methodology. We therefore welcome the UGC's decision to phase in the changes over a period of 9 years. It has taken into consideration the institutions' ability to cope with the pace and magnitude of change and ensures that the institutions will not be destabilized in the process of change. We believe that the UGC will continue to be open and receptive when it reviews the elements of the new scheme related to the indirect/on-costs for the research portion of the Block Grant by the end of the 2012-15 triennium.

4. On the other hand, with the value attached to the institutions' success in obtaining RGC Earmarked Research Grants in distributing half of the research portion of the Block Grant and in allocating RPg places, a fair review mechanism is vital to the successful implementation of the new funding allocation schemes. We see a need to increase the proportion of overseas members on the RGC panels so as to ensure that there will not be perceived biases in the peer review process for awarding the RGC Earmarked Grants.
5. In the meantime, we would like to suggest to the UGC/RGC the possibility of advancing the annual funding exercise for the RGC General Research Fund so that the results can be released much earlier, instead of on the last day of June each year. This would greatly facilitate the funding deployment and recruitment of research students by the researchers. The advancement of the funding exercise is particularly important in view of the new mechanism of distributing the research portion of the Block Grant in the form of direct/on-costs based on the institutions' RGC-funded research projects, meaning that planning cannot be consolidated until the grant results are known.
6. While the University agrees that the research funding and resources should be allocated competitively on merit basis in order to foster research excellence, we also see the need to conduct another RAE to assess research output, which serves as the basis for the distribution of the research element of the Block Grant. Although the UGC has decided that the next RAE should be able to reward research excellence and differentiate researchers at the top end, much remains to be worked out for this new and upcoming RAE. We look forward to discussing with the UGC about the details of the exercise when more information is available.
7. One last remark on research funding allocation is that compared with other parts of the world, the funding source and funding model for research in Hong Kong is less diversified. Though other sources of research funding are available, the RGC Earmarked Research Grants are predominantly the most important funding source for the academics in Hong Kong. In addition, academic publications are emphasized as the major research output. Under this peculiar situation, the direction of research in some of the disciplines and the nature of research activities would inevitably be restricted in order to satisfy the requirements of the funding agency.

Allocation of undergraduate student places

8. The responsibility of the UGC includes the determination of recurrent funding to the institutions, which it does by means of a triennial planning cycle whereby student numbers are allocated to institutions, following evaluation of their Academic Development Proposals (ADPs). Within this framework, the UGC has always used the triennial planning exercise to redistribute some student numbers among the institutions; otherwise, no institution would be able to grow, or new initiatives could never be realized.
9. In recent years, the UGC has included an element of competitive allocation of FYFD places in the ADP process, not only to make the mechanism for redistributing student numbers more transparent, but also to enhance each institution's international competitiveness and performance according to role (since the ADP has incorporated the erstwhile Performance and Role-related Funding Scheme). CUHK has no objection to the competitive allocation mechanism, provided that the rules are set out clearly.

10. In the ADP process for the 2012-15 triennium, the UGC had conducted wide consultations with the institutions and stakeholders on the evaluation criteria for the competitive allocation mechanism, and (as we understand it) has also listened to concern raised by the academic community so that the scale of the top-slice has as a result been reduced to 6%. The UGC has taken great care to ensure that the ADP would be assessed objectively by not involving those UGC members who are local academics and might be perceived as having a conflict of interest.
11. By the time the Start Letter for the triennial academic planning was issued, CUHK was well prepared as we had already conducted our own internal consultation and preparation processes. We found that the Start Letter clearly stated the objectives of the exercise and the evaluation criteria for the competitive allocation mechanism. Although the timeframe between the issue of the Start Letter and the submission of the ADP was on the tight side, we were able to consolidate the previous internal discussions, draft the ADP, and have it endorsed by our Senate and approved by the Council, for submission to the UGC by their deadline. The timeline for the exercise was not a great problem for us.
12. After submission of the ADP, CUHK's senior management was invited to meet the ADP Group, when we had the opportunity to present our ADP and other strategic initiatives to the panel. We had a useful discussion when we not only responded to questions from the panel but also exchanged ideas on various aspects of our academic strategy and development. The ADP Group had an unenviable task, but we were convinced that they undertook it with dedication and fairness.
13. Although the ADP process is still ongoing, the UGC has recently issued the Advisory Letter which sets out its decisions on the student number allocations and comments on our academic development for the 2012-15 triennium. We have found the feedback most useful and it will serve as a guidance as we implement our proposals for new and existing programmes. We are also satisfied with the outcome of the competitive allocation exercise, and believe that it has been a fair and transparent exercise. We look forward to the ADP process being brought to conclusion when the Allocation Letter is issued.
14. We do acknowledge that the competitive allocation mechanism has caused concern and anxiety among some stakeholders. However, given the important function which the UGC has to discharge in allocating recurrent funding to the institutions, which inevitably has to involve some redistribution of student numbers, we have found the present exercise in order. Having said that, we are happy to continue to work with the UGC and see if there can be a better mechanism which enables the redistribution of student places in a zero-sum game.