

# CvB stukken voor agenda Universiteitsraad

Overlegvergadering d.d. : 29 juni 2016  
Commissievergadering : FPB  
Agendapunt : Spring memorandum 2017-2020  
Bijgevoegde stukken : Spring memorandum 2017-2020

Betrokken concerndirectie: FEZ  
Secretaris: Van Keulen  
Portefeuillehouder: Bult-Spiering

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## 1. Status agendapunt:

Rol URaad:

- Ter informatie
- Ter advisering
- Ter instemming
- Anders:

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## 2. Eerder behandeld in:

### 3. Toelichting/samenvatting:

We present to you the Spring Memorandum 2017-2020. This memorandum describes the administrative and financial framework for the drafting of the Budget 2017-2020, which will be presented to the Supervisory Board at the end of 2016.

We ask your approval on the key features in this Spring memorandum and your advice on the non-key features. We have for now adopted our mutual agreement from last year concerning the interpretation of the right of approval and right of advice, awaiting legal scrutiny in this matter.

The right of approval concerns amongst others the change of the allocation model for Government funding on research, as described below and in the Spring memorandum. We specifically ask for your approval on this systematic change.

In this memorandum we elaborate the composition and distribution of the "1<sup>e</sup> geldstroom" budget (government funding plus tuition fees) and the allocation to the various units within the UT for 2017 to 2020. The budgets for the year 2017 are a commitment from the board. For the years 2018 until 2020 these budgets are an indication of the expected budgets, but no guarantee.

For the first time, this memorandum (formally known as "Nota Kaderstelling") is written in English. This memorandum consists of six chapters. After an introduction, you will find the Key features, Administrative agenda, Available budget, Financial policy framework and finally instructions for the units how and when to draft their annual plans for 2017.

*Available budget*

#### **Government funding for Education**

The Government funding for Education amounts to M€ 91,9 in 2017, an increase of M€ 4,1 compared to the previous calculated budget for 2017 in the Budget 2016. The system for allocating education budgets has remained unchanged and is described in the memorandum.

## Mutations Government funding on Education compared to the Budget 2016-2018:

(amounts in M€)			
<b>Government funding Education</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Budget 2016-2019	88,9	87,8	88,2
Current Estimate 2017-2020	88,9	91,9	91,0
<b>difference Current Estimate -/- Budget</b>	-	<b>4,1</b>	<b>2,8</b>
Higher weighed number of registrations		0,7	0,7
Higher weighed number of degrees		1,7	0,4
Mutation because of "loon/prijsbijstelling 2015"		0,3	0,3
Expected "loon/prijsbijstelling 2016" because of "loonakkoord" and "referentieraming"		1,5	1,5
<b>total mutations</b>	-	<b>4,1</b>	<b>2,8</b>

After a decline in the total number of students in 2016, we now see a moderate increase. Notably the number of students in our technical faculties has risen, but the number of students in the BMS faculty has fallen as it has done so the last few years. The number of degrees issued has risen and thus the funding. Based on the provisional "bekostigingsfoto 2017" the budget for registrations will increase by M€ 0,7 and the budget for degrees by M€ 1,7.

The budget we receive for "prestatiemiddelen en zwaartepuntvorming" will most likely end in 2017. We have however maintained this budget as part of our funding, because we expect that this funding will continue after the legislation has ended. We expect to fully deliver on the agreement made with the Ministry on "prestatieafspraken en zwaartepuntvorming", which will be audited in 2016. Based on this expectation the assumption of continued funding seems legitimate.

In 2018 the financial consequences of the "Wet Studievoorschot (WSV)" will be incorporated in the government funding. We expect that extra funding will become available. It is however uncertain what the terms and amounts will be. For this reason we have not incorporated any extra budget on this basis.

### Government funding for Research

Government Research funding will amount to M€ 102,5 in 2017, an increase of M€ 0,3 compared to the previous calculated budget for 2017. The system for allocating research budgets has changed significantly in this memorandum:

From 2017 the way in which the PhD's and designers (PDeng's) are funded by the Government will change. Until 2017 the budget for PhD's and designers was subtracted from the overall National researchbudget, using a fixed price per PhD and designer. This has led to a sharp increase of this component. From 2017 the available budget for PhD's and designers will be maximized to 20% of the National research budget. Because of the ever increasing numbers of PhD's the price per PhD will fall subsequently. In 2017 the price per PhD will decrease from k€ 96 to k€ 74 and the price for the designers from k€ 80 to k€ 62.

The way of funding PhD's and designers until 2016 has led to an ever decreasing research budget for the UT and the other two technical universities. Because of the deduction of ever increasing amounts from the research funding in which the UT had a share of 6,5% and the lesser share (approximately 5%) of the UT in PhD's, budget was leaking away to other universities who grew faster in the number of PhD's. In this Spring Memorandum we have calculated a scenario that the Ministry of education has sent us to comment on. The maximization of the PhD budget will lead to a budget of M€ 17,4 instead of the M€ 23,6 we had expected for 2017 in the budget 2016. The difference between the two (M€ 5,1) will be allocated to the UT as "profleringsmiddelen onderzoek".

Until 2016 we have subtracted the budget for Twente Graduate School (M€ 0,6) from the PhD budget, thereby reducing the price per PhD. From 2017 we will subtract the TGS budget from the "profleringsmiddelen onderzoek", thus funding the units with the National price per PhD.

The remaining "profleringsmiddelen onderzoek" ad M€ 4,5 will be partially used to compensate the faculties for the sudden drop in PhD budget. The compensation per PhD bonus is k€ 14,4 in 2017, thus supplementing the PhD bonus to k€ 89,1 (the price for 2017 in the Budget 2016 was k€ 92,9). This compensation will decrease over the coming years. The remainder of this budget will be allocated as additional research budget, awaiting the outcome of the discussions about the future of the research institutes. The additional research budget for 2017 will be allocated in the fall of 2017, in time to

incorporate this into the annual plans for 2017. The additional research budget for 2018 and further will be allocated in the spring of 2017 under the supervision of the new rector.

Because of the way the Ministry suggests to pay for the transition in the National funding model, the UT will lose approximately M€ 0,4 base funding in the process. Although we strongly disagree with this calculation method, we have incorporated this decrease into this Spring Memorandum as a precaution. This is the reason that the budget for the institutes has fallen from M€ 60,2 to M€ 59,8. This includes the expected indexation adjustment of the government research funding in 2016.

*Mutations Government funding on research compared to the Budget 2016-2018:*

(amounts in M€)

<i>Government funding Research</i>	2016	2017	2018
Budget 2016-2019	103,8	102,2	102,0
Current Estimate 2017-2020	103,8	102,5	103,0
<b>difference Current Estimate -/- Budget</b>	-	<b>0,3</b>	<b>1,0</b>
Mutation promotionfees bc of maximization		-4,9	-3,8
Mutation designersfees because of numbers of designers and maximization		-0,1	-0,4
"profileringsbudget onderzoek" because of maximization		5,1	5,1
Mutation "bedragendeel" bc of maximization		-2,0	-2,0
Expected "loon/prijstijelling 2016" because of "loonakkoord"		1,6	1,6
Mutation numbers and prices degrees		0,5	0,4
<b>total mutations</b>	-	<b>0,3</b>	<b>1,0</b>

The research funding has been reasonably stable, although slightly decreasing over the last years. From 2017 the composition of research funding will change significantly. A considerable amount has moved in 2017 from PhD's to "profileringsbudget onderzoek".

#### **Housing rates from 2019 onward**

As already mentioned in the Budget 2016-2018 we will use the M€ 3 decrease in interest costs to lower the housing costs of our units. We will also adjust the calculation system of our rates (RT-codes) by using actual maintenance and legal costs. All RT-tariffs will be lowered, except for RT7. This means that all the units, except Nanolab, will have to pay less for their housing costs. The Board has decided to compensate Nanolab for the increase in housing costs by adjusting its fixed annual contribution.

#### **Central Strategic Budget**

A separate paper in which the Central Strategic Budget is explained has been sent to the University Council. In this memorandum you will find the amounts mentioned in the separate paper.

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#### **4. (Voorgenomen) besluit CvB:**

*Gezien*

*Gehoord*

*Overwegende*

*Besluit het CvB: de concept Kaderstelling 2017-2020 vast te stellen, onder voorbehoud van het advies van de UR en de goedkeuring van de RvT.*

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#### **GRIFFIE URaad: (door griffie UR in te vullen)**

##### **Eerder in URaad aan de orde geweest?**

Nee.

Ja, op

Conclusie toen:

**Nadere toelichting:** (Voor als presidium/griffier vindt dat één van bovengenoemde punten nadere toelichting behoeft)

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