

For the Members of the Board

Executive Management
Direct phone: +45 7218 5072
E-mail: gigr@itu.dk
Journal no.: 2018-3118

November 21, 2019

Confidential Items are marked in grey and are only for the Board's own use. This applies to enclosures marked in grey as well.

The rest of this document and enclosures are Publicly Available Information.

Agenda for the IT University Board Meeting on Thursday, November 28, 2019, at 14:00 – 17:00, in Room 3A20/28, IT University of Copenhagen, Rued Langgaards Vej 7, 2300 Copenhagen S

Public items:

1. Approval of the Minutes from the Previous Meeting (decision)

2. The Accounting of Third Quarter and the Prediction of the Result of the Year 2019 (briefing)

Enclosure 1: Accounts of the ITU as per September 30, 2019

3. Fulfilment of Strategic Contract Targets 2019 (discussion)

Enclosure 2: Follow-up on Strategic Framework Contract Targets 2019 after third quarter 2019

4. Strategic Activities for 2020 (briefing)

Enclosure 3: Strategic Activities for 2020

5. Update on Intake, Autumn 2019, including "retskravets" influence (briefing)

Enclosure 4: MSc Admission and Transition from BSc to MSc 2015-2019

6. ITU and "Green Initiatives" (briefing)

Confidential item:

7.

Public item:

8. The Budget 2020 (decision)

Enclosure 5: Budget Proposal 2020

Confidential item:

9.

Public items:

10. Questions Regarding Mail-delivered Briefings (briefing)

11. Any Other Business

The Executive Management´s comments on the agenda

Public items:

Item 1: Approval of the Minutes from the Previous Meeting (decision)

A single comment to the minutes from the meeting on September 19, 2019, regarding a concrete more explicit formulation, has been received and been implemented.

Recommendation:

The Executive Management recommend that the minutes be approved.

Item 2: The Accounting of Third Quarter and the Prediction of the Result of the Year 2019 (briefing)

Enclosure 1: Accounts of the ITU as per September 30, 2019

We refer to the enclosure.

Item 3: Fulfilment of Strategic Contract Targets 2019 (discussion)

Enclosure 2: Follow-up on Strategic Framework Contract Targets 2019

We refer to the enclosure.

Item 4: Strategic Activities for 2020 (briefing)

Enclosure 3: Strategic Activities for 2020

We refer to the enclosure.

Item 5: Update on Intake, Autumn 2019, including "retskravets" influence (briefing)**Enclosure 4:** MSc Admission and Transition from BSc to MSc 2015-2019

Statistics on admission from 2015 to 2019 will be presented and discussed. Also, possible effects of the extended "retskrav" (from 1 to 3 years) will be discussed.

Item 6: ITU and "Green Initiatives" (briefing)

There is a general growing interest and consciousness on environmental and "green" issues also among both students and employees at the IT University, and it is important to Executive Management that the IT University continuously improves relevant installations, building construction parts and equipment in relation to optimizing the energy consumption. Through a determined and focused effort, the IT University has reduced its energy consumption with 63 % per user (defined as number of man-years + number of STÅ) from 2006 to 2018.

As a new initiative, the university directors of the eight Danish Universities are joining forces through the Universities Denmark organization by establishing a task force (with members from the IT University, the University of Copenhagen and the University of Southern Denmark) to share best practices on how to become more sustainable and discuss potential joint initiatives and common cross-university solutions.

Confidential item:**Item 7:****Public item:****Item 8: The Budget Proposal 2020 (decision)****Enclosure 5:** Budget Proposal 2020

We refer to the enclosure.

Recommendation: *Executive Management recommends that the Budget Proposal 2020 be approved.*

Confidential item:**Item 9:**

Public items:

Item 10: Questions Regarding Mail-delivered Briefings (briefing)

Enclosure X:

- 2019-11-14: Information on Postponed Opening of MSc Data Science
- 2019-11-06: Hearing Result: Choice of Language on BSc Data Science Programme
- 2019-10-25: Hearing: Choice of Language on BSc Data Science Programme
- 2019-20-24: Press Release Regarding University Director
- 2019-10-23: Information on Received Status from the Agency for Institutions and Educational Grants Regarding a Meeting with ITU on September 3, 2019
- 2019-10-17: Follow-up Information

Item 11: Any Other Business

- Goodbye to internal board members.

Yours sincerely,

Gitte Gramstrup
Assistant to the Executive Management

Enclosure 1

Accounts of the IT University of Copenhagen, as per September 30 2019

This report presents the third quarter actual accounts and the revised forecast of October 2019 including a cash flow forecast and revised assumptions and uncertainties.

Table 1: Overview of income, costs and equity

Financial items (DKKK)	Actual 2017	Actual 2018	FCST 2019 July	FCST 2019 October
Income	276,029	298,902	336,902	338,621
Personnel costs	-179,009	-193,057	-215,074	-214,434
Other operating costs	-102,372	-106,394	-117,709	-120,102
Profit from ordinary operations	-5,352	-549	4,119	4,085
Financial income and costs	3,285	-1,432	909	2,990
Profit, year-end	-2,066	-1,981	5,028	7,075
Equity, end-year	76,221	74,240	79,268	81,315
Equity/income ratio	0.28	0.25	0.24	0.24

Table 1 shows an overview of income, costs and equity over a three-year period. Executive Management expects an increase in the year-end result from DKK 5.0 M to DKK 7.1 M compared to FCST 2019 July. We elaborate on income and costs in the section *Third quarter financial follow-up*.

Table 2: Staff forecast

Staff Forecast (FTE)	FCST2019 July	Change	FCST 2019 October
Researchers, senior	64.1	0.9	65.0
Researchers	67.1	1.5	68.6
Academic staff, full-time	131.2	2.4	133.6
External lecturers	13.9	0.0	13.9
Other teachers	35.2	0.0	35.2
Academic staff, part-time	49.1	0.0	49.1
Academic staff, external funding	44.8	-2.2	42.6
Administrative staff	155.3	-3.4	151.9
Administrative staff, external funding	4.2	3.5	7.7
Administrative staff	159.5	0.1	159.6
Staff total	384.6	0.3	384.9

Table 2 shows the forecast on staff. Compared to the forecast from July, the head of academic departments expect to hire more full-time academic staff.

Please notice some changes in the layout. Previously, the staff forecast did not specify external funding of administrative staff. The new layout shows administrative staff, external funding from both research and other activities.

Third Quarter financial follow-up

In Table 3, we show the estimated income and costs compared to actual accounts at the end of the third quarter, and the latest Forecast from July. We elaborate on material deviations and changes for budget items in the following sections.

Table 3: Break down of income and costs

Budget items (KDKK)	Estimate per Sep 30	Actual per Sep 30	Deviation per Sep 30	FCST 2019 July	Change	FCST 2019 October
Study activity grants and tuition fees	95,156	95,025	-131	126,875	-175	126,700
Education, base grants	24,632	24,632	0	32,842	0	32,842
Research, base grants	100,232	100,232	0	133,643	0	133,643
Other government grants	74	74	0	98	0	98
External research funding	26,522	24,362	-2,160	34,341	1,022	35,363
Facilities subleasing	435	445	10	580	0	580
Other income Academic departments	620	837	217	104	722	826
Other income Administrative departments	6,427	6,570	143	8,419	150	8,569
Income	254,097	252,176	-1,921	336,902	1,719	338,621
Personnel costs	16,974	16,560	-414	21,978	654	22,632
Other operating costs	4,509	3,314	-1,195	5,838	174	6,012
External research	21,483	19,874	-1,609	27,816	828	28,644
Personnel costs	80,255	78,328	-1,926	107,006	0	107,006
Other operating costs	8,689	6,028	-2,660	11,850	-265	11,585
Academic departments	88,943	84,357	-4,587	118,856	-265	118,591
Personnel costs	63,597	61,749	-1,848	86,090	-1,294	84,796
Other operating costs	34,799	25,732	-9,067	39,447	6,952	46,399
Administrative departments	98,396	87,481	-10,915	125,537	5,658	131,195
Building	42,080	41,126	-954	58,631	-2,525	56,106
Management pools	0	0	0	1,943	-1,943	0
Ordinary operating net costs	250,902	232,838	-18,064	332,783	1,753	334,536
Profit from ordinary operations	3,195	19,338	16,143	4,119	-34	4,085
Financial income and costs	2,243	3,612	1,370	909	2,081	2,990
Profit	5,438	22,950	17,513	5,028	2,047	7,075

Academic departments consist of costs regarding Computer Science, Digital Design, Business IT, the Study Board, the PhD School and the Library.

Administrative departments consist of costs regarding Student Affairs and Programmes, Research Support and Learning Support, the Communication Department, the IT Department, Facilities Management, the Department of Finance and Personnel, Executive Management and finally provisions for strategic growth, holiday pay, parental leave, taxes and other company matters.

Building consist of rent including property taxes and other building costs according to the Danish Facilities Management Benchmark (DFM-benchmark). The DFM-benchmark includes costs for building maintenance, installations, utility companies, cleaning, security and other services.

Student activity grants and tuitions fees (-0.2 M)

Actual income is below the estimate as per September 30 by DKK 0.1 M.

As we show in table 4, the new forecast from October differs insignificantly from the previous forecast.

Table 4: Study activity forecast

Study Activity Forecast	FCST July 2019		Change		FCST October	
	units	KDKK	units	KDKK	units	KDKK
Students, BSc	706	46,853	2	133	708	46,986
Students, MSc	825	54,769	-4	-238	822	54,531
Students, guests and foreign scholarship students	41	4,008	-0	-9	40	3,999
Students, full-time (FTE)	1,572	105,630	-2	-114	1,570	105,516
Students, part-time (FTE)	68	7,747	-1	-88	67	7,659
Employment bonus	94%	5,427	0%	-6	94%	5,421
Excess study time bonus	100%	5,766	0%	-7	100%	5,759
Quality		869		-0		869
Bonuses		12,062		-13		12,049
Other student activity		1,436		40		1,476
Total income from study activity		126,875		-175		126,700

Base grants and other government grants (0.0 M)

Actual income from base grants and other government grants follow the estimate as per September 30.

External research funding (1.0 M)

Actual income is below the estimate as per September 30 by 2.2 M.

We expect activities to increase during the last quarter of the year as in previous years.

Facilities subleasing (0.0 M)

Actual income from facilities subleasing follows the estimate as per September 30.

Currently, we do not offer vacancies for subleasing. We expect the strategic growth in education will require additional space for students and staff and await the planned campus expansion, before subleasing facilities again.

Other income from Academic departments (0.7 M)

Actual income is above the estimate as per September 30 by DKK 0.2 M.

Income from Academic departments has been upward adjusted with DKK 0.7 M. The revenue is among other things related to the course Education in Informatics in collaboration with Aarhus University and IT Vest.

Other income from Administrative departments (0.2 M)

Income from Administrative departments has been upward adjusted slightly with DKK 0.2 M.

External research (0.8 M)

Actual personnel costs is below the estimate as per September 30 by DKK -0.4 M. We expect spending will catch up during the last three months of the year as in previous years.

Actual other operating costs (excluding overhead) is below the estimate as per September 30 by DKK -1.2 M. We expect spending will catch up during the last three months of the year as in previous years.

Finance estimates an average overhead of 23 percent.

Academic departments (-0.3 M)

The actual personnel cost is below the estimate as per September 30 by DKK 1.9 M.

We base the personnel forecast from October on the hiring plans from the departments. In previous years, the hiring plans from the department heads tend to be optimistic. Thus, the head of Finance reduces the overall personnel forecast by 2 per cent equivalent of approximately DKK 2.0 M.

The actual other operating costs are below the estimate as per September 30 by DKK 2.7 M. We expect activities will pick up during the rest of the year as in previous years.

Administrative departments (5.7 M)

The actual personnel cost is below the estimate as per September 30 by DKK 1.8 M. We expect costs to pick up in the last quarter of the year.

Actual other operating cost is significantly lower than the estimate as per June September by DKK 9.1 M. We expect costs to pick up in the last quarter of the year due to several approved budget requests regarding the expansion of campus, e.g. acquisitions regarding IT-infrastructure and inventory. Furthermore, Executive Management allocated additional funds for GDPR-initiatives.

Building (-2.5 M)

Actual cost is below the estimate as per September 30 by DKK 1.0 M. The strategic reserve regarding additional rent is nullified because the new contract does not affect 2019.

Management pools (-1.9 M)

Management pools have decreased by DKK 1.9 M that reflects transfers from management pools to other budget items in order to support strategic actions, e.g. GDPR-initiatives and acquisitions regarding the campus expansion.

Financial income and costs (2.1 M)

Financial income is above the estimate as per September 30 by DKK 1.4 M.

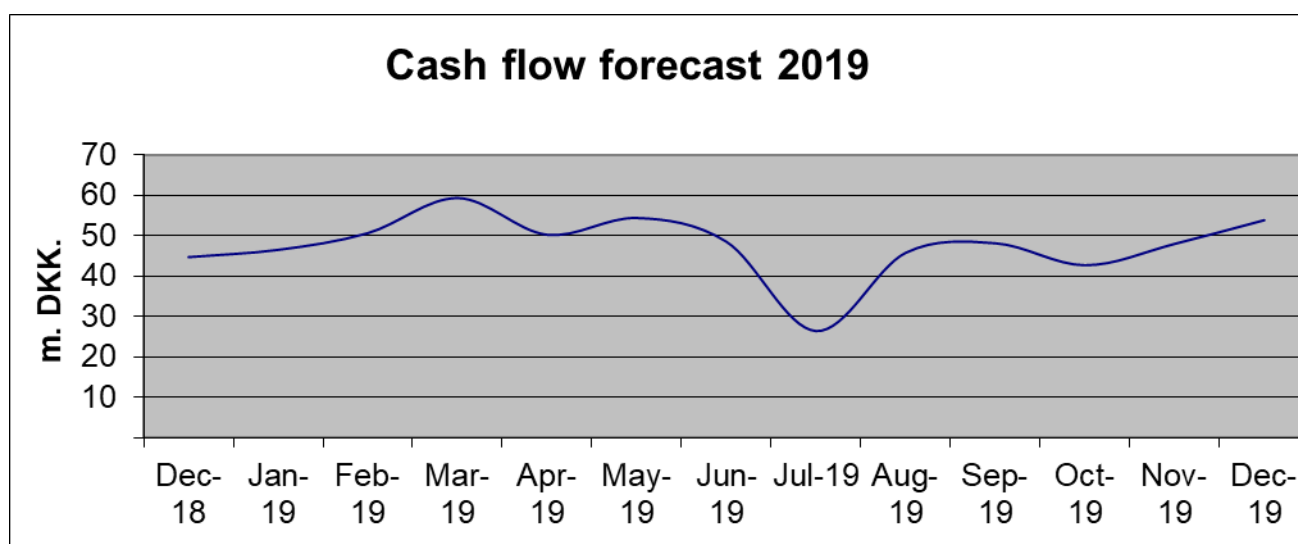
Due to improved conditions in the financial markets, we have adjusted income regarding financial income and costs upwards with DKK 3.0 M.

Cash flow forecast

The cash flow forecast below shows a positive cash flow throughout the year. Mainly, this is due to the monthly instalments of government grants and tuition.

The cash flow peaks low in April, July and October due to the quarterly payments of rent, in addition to the payments invested in Auditorium 5. By the end of the year, cash holdings increase in small proportion due to the latest payments of government grants.

The Department of Finance and Personnel is charged with monitoring the cash flow throughout the year, and will advise Executive Management to transfer funds from capital investments to cash holdings to avoid overdraft during the year, if necessary.



Uncertainties

In general, government grants are subject to the over-all inherent uncertainty of end year adjustments to government grants for education according to the Finance Act.

The external research-funding forecast includes a general assumption of delays in planned activities. Any further grants awarded this year are not expected to start significant spending until next year. Compared to previous years, we should expect spending of around 33 per cent of the year total in the fourth quarter. The current forecast from Research Support shows spending of 31 per cent in the fourth quarter, and thus seems adequately prudent.

We do not expect that the academic department's hiring plans will be 100 per cent fulfilled; hence, we have estimated that they will only use 98 pct. of their salaries budget. Historically, the underspending has been up to 6 per cent.

Academic and administrative departments used 55 per cent of their budget at the end of the third quarter, i.e. plan to spend 45 per cent of their budget during the fourth quarter. Though administrative departments

has significant purchases regarding the expanded campus during the fourth quarter, the forecast from department heads seems optimistic.

Building cost does not include acquisitions of new facilities.

Expected capital gain on investments is estimated at DKK 3.0 M since accounts currently show a very positive return on investments, whereas last year the capital gain on investments was negative. However, the capital markets are somewhat volatile, and the actual bond prices during the last quarter of the year might significantly influence the year-end result.

Enclosure 2

Follow-up on Strategic Framework Contract Targets 2019

The report stated in the chart below represents the results after the third quarter 2019.

Signature:



The time and activity schedule of the target has been kept.



The time and activity schedule of the target has not been kept. However, it is still estimated that the target can be reached within the period, as the delays are not critical.











The time and activity schedule of the target has not been kept, and if the present development continues, it will not be possible to reach the target within the time frame.









The time and activity schedule of the target has not yet launched, or data is not yet available.

Target	Description	Comments	Status
T1	The IT University admits at least 140 students on the Study Programme Bachelor in Software Development in 2019.	In 2019, 163 students are admitted on the Study Programme Bachelor in Software Development. The target is achieved in 2019.	
T2	The IT University admits at least 83 students on the Study Programme Bachelor in Data Science in 2019.	In 2019, 68 students are admitted on the Study Programme Bachelor in Data Science. The target is not achieved in 2019.	
T3	The number of female students admitted in 2019 on the Study Programme Bachelor in Software Development after early dropout is at least 36.	In 2019, 27 female students are admitted on the Study Programme Bachelor in Software Development. The target is not achieved in 2019.	

Target	Description	Comments	Status
T4	The dropout rate after first year of study among female students admitted in 2018 on the Study Programme Bachelor in Software Development is at most 20 per cent.	The dropout rate after the first year of study among female students admitted in 2018 on the Study Programme Bachelor in Software Development is 13 per cent. The target is achieved in 2019.	
T5	The number of female students admitted in 2019 on the Study Programme Bachelor in Data Science after early dropout is at least 23.	In 2019, 15 female students are admitted on the Study Programme Bachelor in Data Science. The target is not achieved in 2019.	
T6	The IT University will reduce the average exceedance of the standard study time for graduated BSc students and graduated MSc students compared with 2011 to a maximum of 8.8 months in 2018 and a maximum of 8.2 months in 2019. In both 2020 and 2021, the average exceedance of the standard study time is still a maximum of 8.2 months.	The average excess of study time (added for BSc and MSc) is 3.2 months in 2019. The target is achieved with a good margin.	
T7	The IT University's total VIP / DVIP ratio is at least 3.0 and no ITU study programme has a VIP / DVIP ratio of less than 2.4.	In the first semester of 2019, the VIP/DVIP ratio for the IT University is 5.7 and one of the study programmes has a VIP/DVIP ratio below the requested 2.4. In the second semester of 2019, the VIP/DVIP ratio is not yet available. There will be a follow-up after fourth quarter 2019.	
T8	The average score on answers to all the quantitative questions in the course evaluation posed in spring or in autumn 2019 is at least 4.75.	The average score on answers to all the quantitative questions in the course evaluation is 4.75 in the spring 2019. There will be a follow-up on the autumn course evaluation after fourth quarter 2019.	

Target	Description	Comments	Status
T9	In 2019, the weighted rolling average of graduate unemployment measured fourth to seventh quarter after the graduation of MSc students graduated from the IT University in 2014, 2015 and 2016 is less than or equal to the weighted rolling average of MSc unemployment measured fourth to seventh quarter after the graduation of all MSc students for a shared Danish MSc programme.	In 2019, the weighted rolling average of graduate unemployment measured fourth to seventh quarter after the graduation of MSc students graduated from the IT University in 2014, 2015 and 2016 is 9.8 per cent. The weighted rolling average of MSc unemployment measured fourth to seventh quarter after the graduation of all MSc students for a shared Danish MSc programme is 11.0 per cent. The target is achieved in 2019.	
T10	In each of the years during the term of the contract and for any IT University study programme, a labor-market ticket has been approved by the relevant Programme-Specific Employers' Panel within the last two years.	All employment tickets were re-approved in January 2019. Hence they are valid throughout 2019. The target is achieved in 2019.	
T11	During the contract period, the IT University establishes a competence center for public IT projects in collaboration with the Danish Agency for Digitisation and provides in this center research-based courses of short duration for public managers that can help them fulfill their role in digitalisation projects in the public sector. Target for 2019: The Research Centre for Government IT has staffed all research areas according to its approved 2019 work plan, namely IT project management ("it-projektstyring" and "it-projektledelse"), IT organization, software quality and metrics, and e-government and reference classes. Also, it has produced at least one concrete output (research publication, dissemination, ...) for each of these.	Before third quarter 2019, all research areas in the Research Centre for Government IT were staffed. It is not yet the case that there are concrete outputs from all research areas. The target is fairly likely to be achieved in 2019. There will be a follow-up after fourth quarter 2019.	

Target	Description	Comments	Status
T12	During 2019, the IT University will recruit at least two scientific staff at the level of Assistant Professor or higher in the field of Information Security.	In 2019, an Associate Professor and an Assistant Professor in the field of Information Security are employed. The target is achieved in 2019.	
T13	During 2019, the IT University will recruit at least two scientific staff at the level of Assistant Professor or higher in the field of Data Science.	In 2019, three Assistant Professors in the field of Data Science are employed. The target is achieved in 2019.	
T14	The IT University will teach at least 30 high school teachers who are to teach Informatics in High School.	The course for high school teachers is offered in collaboration with It-vest and Aarhus University. The number of participants are currently 29. There will be a follow-up after fourth quarter 2019.	
T15	The high school teachers course evaluations of the teaching provided by the IT University have an average score of at least 4.75.	It is too early to measure the achievement of this target. There will be a follow-up after fourth quarter 2019.	
T16	Dropout among students admitted in 2018 on BSc Software Development measured after their first year of study is at most 20 per cent.	In 2019, the dropout rate among students admitted in 2018 on the Study Programme Bachelor in Software Development is 17 per cent. The target is achieved in 2019.	
T17	Dropout among students admitted in 2018 on BSc Data Science measured after their first year of study is at most 20 per cent.	In 2019, the dropout rate among students admitted in 2018 on the Study Programme Bachelor in Data Science is 16 per cent. The target is achieved in 2019.	

Enclosure 3

Strategic activities for 2020

Executive Management

Executive Management has consolidated a list of strategic activities to be completed by the end of 2020. The list of activities supports the ITU Strategy and the Strategic Framework Contract, as well as the activities suggested in the Education Portfolio Report 2019.

The list will be used for preparing an action plan for 2020 to the Ministry and for drafting result contracts for managers for 2020.

Goals 1 to 6 are aligned with the goals in the Strategic Framework Contract, while goals 7 to 11 are specific for 2020.

The output from Strategy Seminar of the Board of Directors on September 19, 2019, is reflected in Goal 7 (new ITU strategy), Goal 8 (recruitment and retention of staff), and Goal 9 (strengthen IT security). Specifically, the political positioning of ITU and the identification of a major strategic goal will be part of Activity 7.1.

Reporting on the goals and activities to the Board of Directors will partly be made through the reporting to the Ministry, and partly at upcoming Board Meetings in 2020.

For each activity, we list a brief description of the activity and a role who is primarily responsible (in some cases secondary responsible managers are also listed). In many cases, the completion of an activity requires one or more management colleagues, who are not listed as responsible for the activity, to take responsibility for parts of the activity.

Goal 1: Increase the volume of research-based education of technically oriented it-specialists ***Øge kapaciteten af forskningsbaseret uddannelse af tekniske it-specialister***

Activity 1.1: Work to provide additional basic funding for growth
Arbejde for at tilvejebringe yderligere basismidler til vækst
[Executive Management]

Activity 1.2: Continue initiatives to recruit students to BSc SWU
Videreføre initiativer til at rekruttere studerende til BSc SWU
[Head of Communications]

Activity 1.3: Strengthen initiatives to recruit students to BSc DS and MSc CS
Styrke initiativer til at rekruttere studerende til BSc DS og MSc CS
[Head of Communications]

Activity 1.4: Continue initiatives to improve well-being among students
Videreføre initiativer i forhold til at forbedre studerendes trivsel
[Head of Studies / Heads of Academic Department]

Goal 2: Increase the number of female IT specialists

Flere kvindelige it-specialister

Activity 2.1: Strengthen initiatives to recruit female students to BSc SWU, BSc DS and MSc CS

Styrke initiativer til at rekruttere kvindelige studerende til BSc SWU, BSc DS og MSc CS

[Head of Communications]

Activity 2.2: Focus on developing an inclusive study environment on gender skewed education programmes

Fokus på udvikling af et inklusivt studiemiljø på kønsskæve uddannelser

[Head of Studies / Head of Department of Computer Science]

Goal 3: All students should achieve high learning outcomes

Alle studerende skal opnå et højt læringsudbytte

Activity 3.1: Implement new forms of learning

Implementere nye læringsformer

[Head of Studies / Heads of Academic Department]

Activity 3.2: Implement a model for continuous pedagogic/didactic competence development for VIP

Implementere model for løbende pædagogisk/didaktisk kompetenceudvikling for VIP

[Head of Research and Learning Support / Heads of Academic Department]

Goal 4: All graduates should have competences that result in good career opportunities

Alle dimittender skal have kompetencer, der giver gode karrieremuligheder

Activity 4.1: Strengthen relation to employers throughout the study on MSc DDIT and MSc GAMES

Styrke relation til fremtidige aftagere i løbet af hele studiet på MSc DDIT og MSc GAMES

[Head of Studies / Head of Department of Digital Design]

Activity 4.2: Adjustment of employers' panels activities and homogenization of employment tickets

Eftersyn af aftagerpanelernes aktiviteter og homogenisering af arbejdsmarkedsbilletter

[Head of Studies]

Goal 5: Strengthen IT research in areas that reflect societal needs

Styrkelse af it-forskningen inden for områder, der afspejler samfundsmæssige behov

Activity 5.1: Establish a systematic dialogue with main stakeholders in relation to research funding

Etablere en systematisk dialog med hovedinteressenter i forhold til forskningsfinansiering

[Executive Management]

Activity 5.2: Build a robust governance and evaluation model for research centres at ITU

Etablere en robust model for styring og evaluering af forskningscentre ved ITU

[Executive Management]

Goal 6: Collaboration and knowledge exchange in relation to strengthening of informatics education in public schools and high schools

Samarbejde og udveksling af viden med fokus på styrkelse af it-fag i folkeskolen og gymnasiet

Activity 6.1: Develop an ITU strategy for "Informatics for All"

Udarbejde en ITU strategi for "Informatics for All"

[Executive Management / Head of Communications]

Activity 6.2: Establish "Centre for Computing Education Research" at ITU

Etablere "Center for Computing Education Research" ved ITU

[Executive Management]

Activity 6.3: Build formal relations and collaboration with it-vest on further education

Opbygge formelle relationer og samarbejde med it-vest om efteruddannelse

[Head of Studies]

Goal 7: New ITU strategy for 2022-2025

Ny ITU strategi for 2022-2025

Activity 7.1: Prepare a process plan for developing a new strategy for ITU involving students and staff

Udarbejde procesplan for udarbejdelse af ny strategi, der inddrager medarbejdere og studerende

[Executive Management]

Goal 8: Recruitment and retention of staff

Rekruttering og fastholdelse af medarbejdere

Activity 8.1: Embed gender equality initiatives and make a gender equality plan

Forankre arbejdet med gender equality, samt udarbejde en gender equality plan

[Executive Management / Head of HR]

Activity 8.2: Implement new academic job structure (tenure track, pedagogic/didactic development)

Implementere ny VIP stillingsstruktur (tenure-track, pædagogisk/didaktisk kompetenceudvikling)

[Head of HR]

Activity 8.3: Initiate leadership development across ITU

Iværksætte ledelsesudvikling på tværs af ITU

[Executive Management / Head of HR]

Goal 9: Strengthen IT security
Styrke it-sikkerheden

Activity 9.1: Define an overall IT security policy
Udarbejd en ny overordnet it-sikkerhedspolitik for ITU
[Executive Management]

Activity 9.2: Improve ITU's IT security infrastructure
Forbedre ITU's it-sikkerhedsinfrastruktur
[Head of IT]

Goal 10: Extension of campus
Udvidelse af campus

Activity 10.1: Complete relocation process
Gennemføre flytteproces
[Executive Management / Head of Facilities Management / Head of IT]

Activity 10.2: Support cultural change in relation to extension of campus
Understøtte kulturforandring i forbindelse med udvidelse af campus
[Head of HR]

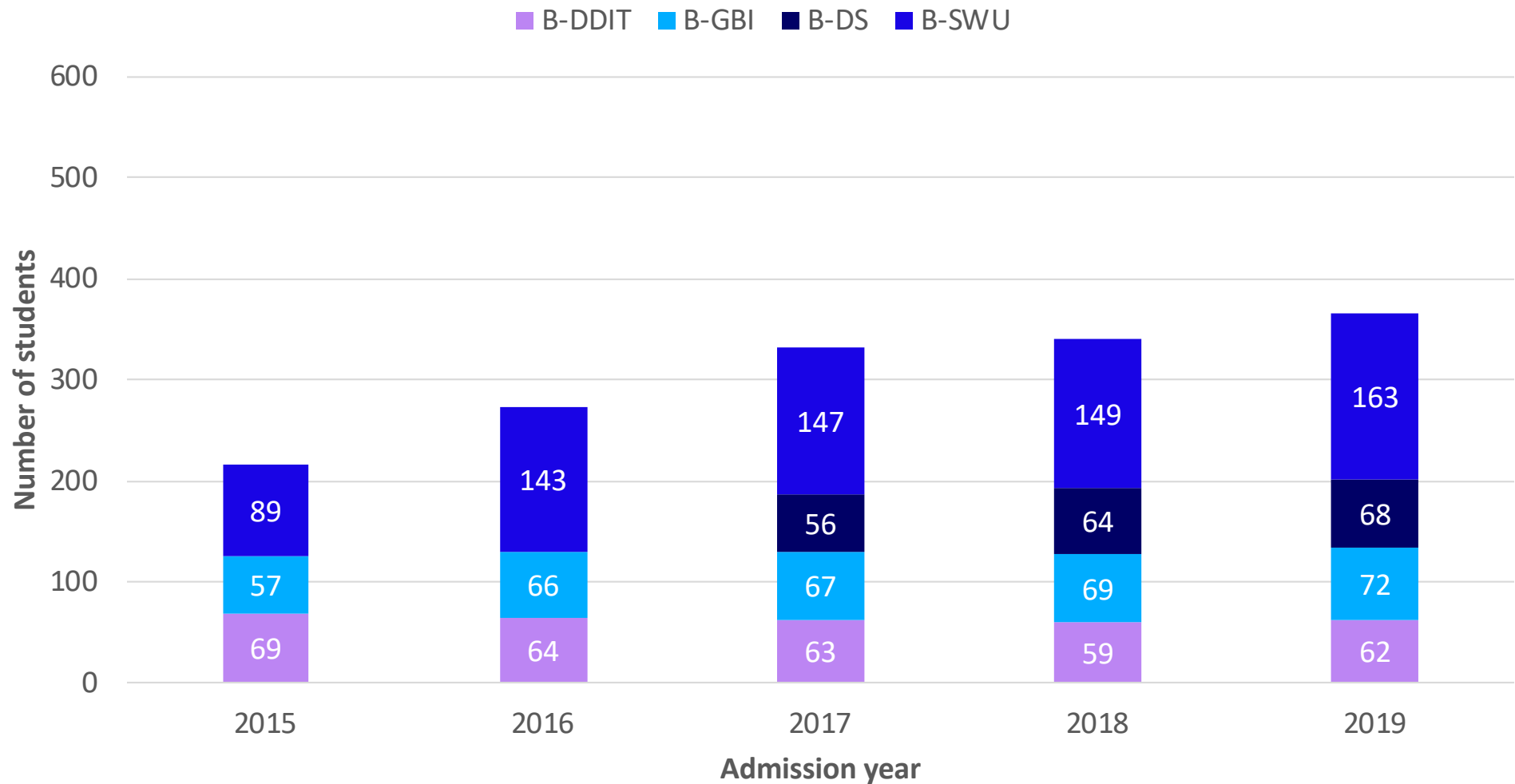
Goal 11: Contribute to national climate policy
Bidrage til den nationale klimapolitik

Activity 11.1: Prepare a climate strategy for ITU
Udarbejde en klimastrategi for ITU
[Executive Management]

Admitted students and transition from the IT University's BSc to MSc study programmes

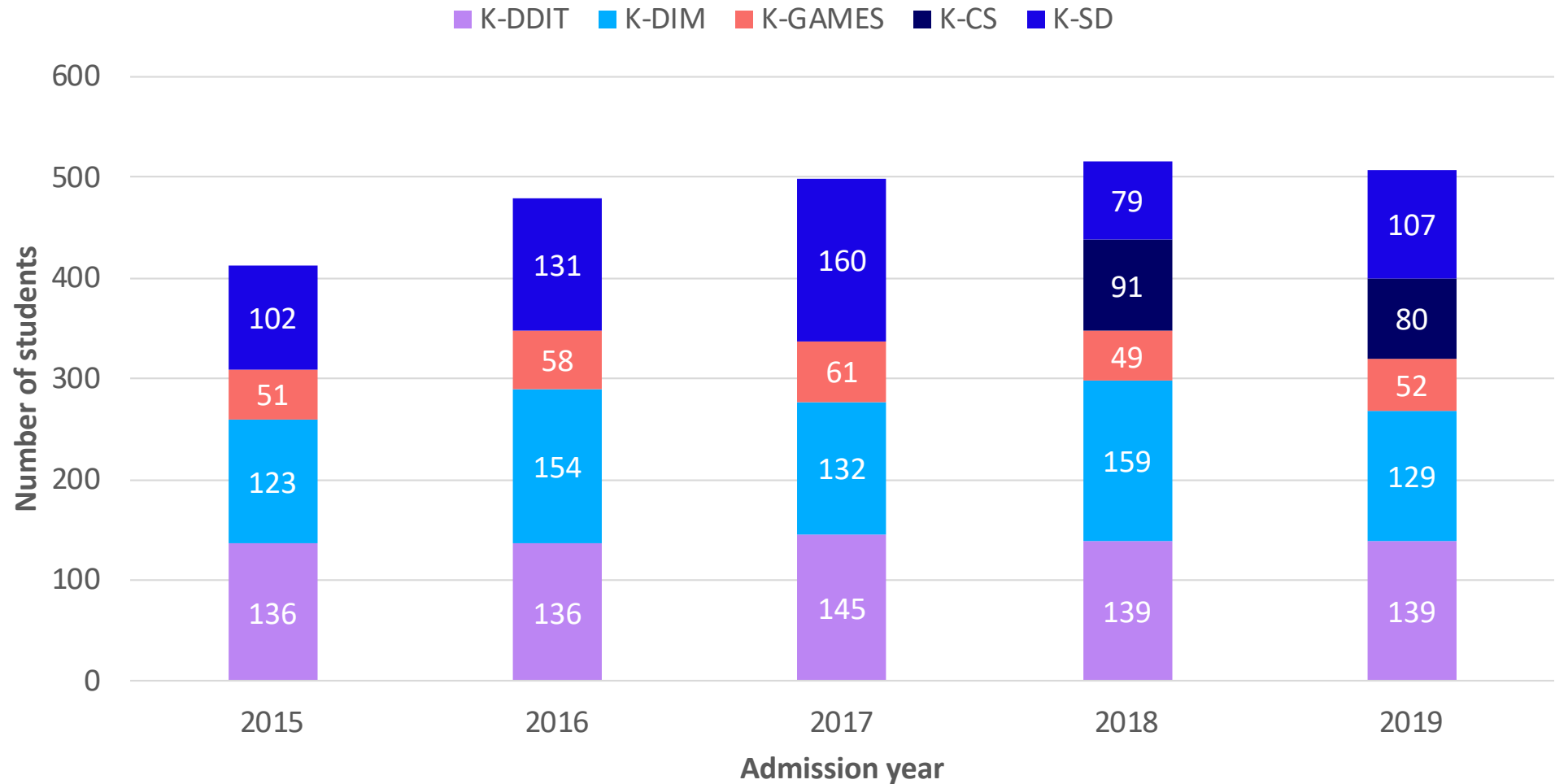
Admission of students at the BSc level

NUMBER OF STUDENTS ADMITTED PER 1 OCTOBER AT THE BSC LEVEL IN 2015-2019



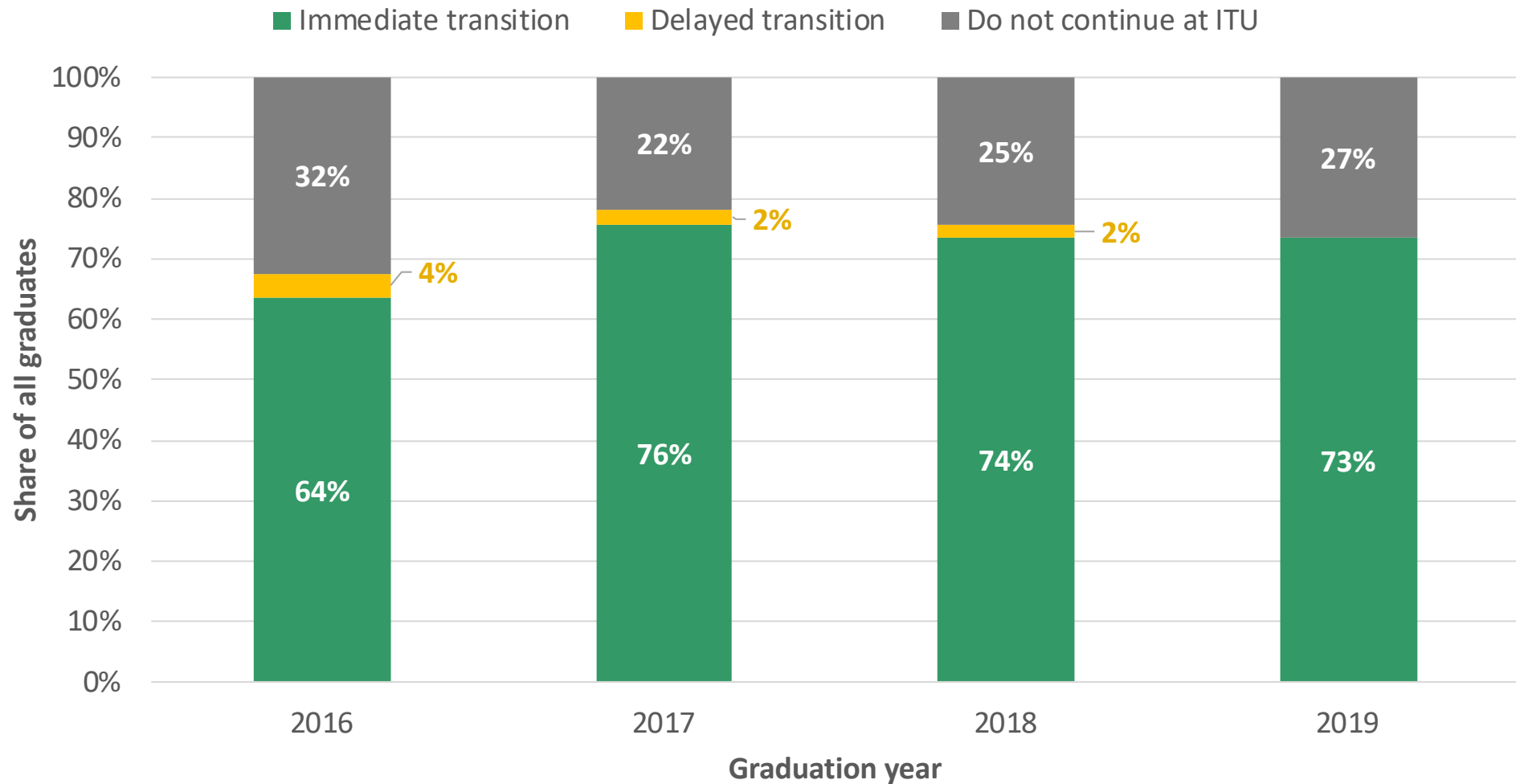
Admission of students at the MSc level

NUMBER OF STUDENTS ADMITTED PER 1 OCTOBER AT THE MSC LEVEL IN 2015-2019



Transition from BSc to MSc programmes at ITU

SHARE OF BSC GRADUATES ADMITTED TO A MSC PROGRAMME AT THE IT UNIVERSITY



Enclosure 5

Budget Proposal 2020

This presentation concerns Budget Proposal 2020.

Summary

Since the approval of Framework Budget at the September meeting, we have prepared the Budget Proposal 2020. The Budget Proposal 2020 shows a negative result of DKK - 20.6 M equivalent to the Framework Budget.

In 2020, the equity/income ratio is 0.18, which is equal to the preferred level of 0.18.

The budget proposal includes a management pool of DKK 1.9 M to sustain the ongoing strategic actions throughout 2020. Changes made to the Budget Proposal 2020 compared to the Framework Budget consist of a slight change in the price/wage-inflator from the Government, and transfers from the management pool to departments.

Executive Management recommends that the Board approve the submitted Budget Proposal 2020.

Management assumptions

Specifically, we base the budget proposal for 2020 on the following assumptions:

- Admission of students and student activity will be as shown in table 3 and table 4.
- The government's annual 2.0 per cent cut back is discontinued in 2020 and onwards as put forth by the Government in the Budget Proposal Act for 2020 (FFL 2020).
- We expect the extra government base grant of DKK 35 M to continue in 2020 and onwards as presented in the underlying documents to the Budget Proposal Act for 2020 (FFL 2020).
- Spending of external research funding follows the long-term forecast from August, which shows a continuous increase in external research funding per senior researcher FTE.
- Personnel cost follows a new long-term forecast on academic staff from the department heads as of October 2019. The forecast takes into account, that hiring of academic staff follows the strategic choice that ITU should stay close to the average of the Danish university sector in terms of teaching efficiency, measured as ECTS per teaching FTE. In 2020, we use 1,431 ECTS per teaching FTE in 2020, and from 2021 and onwards we adjust to 1,567 ECTS per teaching FTE.
- In previous years, the three academic departments did not use their full budget for personnel costs, and we assume that they will use 96 pct. in 2020.
- The forecast on administrative staff results in a TAP/VIP-ratio slightly below 1:1 in 2020.
- ITU expects to rent additional facilities to accommodate growth in students and staff. We estimate the yearly running cost to DKK 21.2 M with an additional relocation cost of DKK 5.0 M in 2020.

- We plan to sublease a gross area of 6,800 square meters in the two buildings from 2021 and onwards generating a yearly income of DKK 14.3 M. The area for subleasing corresponds to 24 pct. of the total area of approx. 28,400 square meters (ex. the basement in the ITU-building).
- Income from interest and return on the investment portfolio provide a return of DKK 0.9 M in 2020.

Income, costs and equity

We base the Budget Proposal on equity at the end of 2019 as expected in the accounts as per 30 September 2019. In 2020, we regulate Government grants with a +1.4 pct. average price/wage inflator, as stated in the Government's initiative. We regulate personnel costs and other operating costs with +1.8 pct. and +1.5 pct. in 2020, respectively.

In table 1, we compare the income, costs and equity of the Framework Budget with the Budget Proposal 2020.

We elaborate on other budget items compared to the Framework Budget in the following sections.

Table 1: Budget Proposal 2020

Budget items (KDKK)	Budget 2019	Framework 2020	Change	Budget 2020
Study activity grants and tuition fees	123,057	132,064	-324	131,740
Education, base grants	33,091	33,687	-155	33,532
Research, base grants	133,643	135,560	-654	134,906
Other government grants	287	292	-2	290
External research funding	34,008	33,436	0	33,436
Facilities subleasing	0	641	-2	639
Other income Academic departments	0	0	0	0
Other income Administrative departments	10,049	9,296	-27	9,269
Income	334,135	344,977	-1,165	343,812
Personnel costs	21,765	21,827	-43	21,784
Other operating costs	5,781	5,775	-6	5,769
External research	27,546	27,602	-49	27,553
Personnel costs	108,889	113,880	-585	113,295
Other operating costs	12,036	10,929	27	10,956
Academic departments	120,925	124,809	-558	124,251
Personnel costs	80,739	86,803	1,013	87,816
Other operating costs	39,015	39,954	1,045	40,999
Administrative departments	119,754	126,757	2,058	128,815
Building	58,631	82,870	-80	82,790
Management pools	4,500	4,500	-2,552	1,948
Ordinary operating net costs	331,357	366,538	-1,180	365,357
Profit from ordinary operations	2,778	-21,561	16	-21,545
Financial income and costs	909	909	0	909
Profit	3,687	-20,652	16	-20,636
Equity, end-year	81,315	60,663	16	60,679
Equity/income ratio	0.24	0.18	0.00	0.18

Note: Equity end-year 2019 is based on 3rd quarter forecast

Departments consists of costs regarding Computer Science, Digital Design, Business IT, the Study Board, the PhD School and the Library.

Technical and administrative departments consists of costs regarding Student Affairs and Programmes, Research Support and Learning Support, the Communication Department, the IT Department, Facilities Management, the Department of Finance and Personnel, Executive Management and finally provisions for strategic growth, holiday pay, parental leave, taxes and other company matters.

Building consists of rent including property taxes and other building costs according to the Danish Facilities Management Benchmark (DFM-benchmark). The DFM-benchmark includes costs for building maintenance, installations, utility companies, cleaning, security and other services.

In table 1, we show income, cost and equity 2020 including an equity/income ratio of 0.18, which is equal to the preferred level of 0.18.

The Budget Proposal shows a negative result of DKK -20.6 M in 2020. This includes a management pool of DKK 1.9 M to sustain ongoing strategic actions.

As in the Framework Budget, building costs rises significantly due the campus expansion. We estimate the net cost to reach DKK 26.2 M, i.e. the result would be positive by DKK 5.5 M in 2020, if you exclude the campus expansion. We elaborate on the new facilities in the section Uncertainties regarding Budget Proposal 2020.

Table 2: Staff forecast

Staff Forecast (FTE)	Budget 2019	Framework 2020	Change	Budget 2020
Researchers, senior	69.8	77.7	-7.5	70.2
Researchers	65.5	58.3	8.6	66.9
Academic staff, full-time	135.3	136.0	1.1	137.1
External lecturers	18.2	18.9	0.0	18.9
Other teachers	35.2	36.9	-0.5	36.4
Academic staff, part-time	53.4	55.8	-0.5	55.3
Academic staff, external funding	44.3	39.9	0.0	39.9
Administrative staff	151.1	156.9	0.0	156.9
Administrative staff, external funding	4.2	7.5	0.0	7.5
Administrative staff	155.3	164.4	0.0	164.4
Staff total	388.3	396.1	0.6	396.7

Table 2 shows the changes in academic and administrative staff. The heads of department have planned faculty staffing in compliance with the Quality Policy for education and PP-model.

Full-time academic staff has increased by 1.1 FTE. Head of Departments have adjusted their long-term hiring plans to the change of the ECTS norm from 1,431 ECTS per teaching FTE in 2020 to 1,567 ECTS per teaching FTE in 2021. The adjustments lead to a slight increase in the number of both senior researchers and researchers compared to Budget 2019. Compared to the staff forecast in the Q3 accounts as per September 30 2019 (enclosure 1), the increase is even bigger.

There is no changes in the number of externally funded academic staff and administrative staff.

Government grants and tuition fees

In table 3, we show the student activity forecast from October in students numbers and income, which we base on the admission forecast in table 4 and rates from the Budget Proposal Act in table 5.

Table 3: Student activity forecast

Study Activity Forecast	Budget 2019		Framework 2020		Change		Budget 2020	
	units	KDKK	units	KDKK	units	KDKK	units	KDKK
Students, BSc	691	45,831	760	51,331	8	266	768	51,597
Students, MSc	807	53,562	829	55,992	13	593	842	56,585
Students, guests	29	1,911	32	2,141	0	-10	32	2,131
Students, full-time (FTE)	1,527	101,304	1,621	109,464	20	849	1,641	110,313
Students, part-time (FTE)	64	7,313	59	6,768	2	154	61	6,922
Employment bonus	69%	3,911	85%	5,176	0%	40	85%	5,216
Excess study time bonus	100%	5,633	100%	6,087	0%	46	100%	6,133
Quality		869		885		-16		869
Bonuses		10,413		12,147		71		12,218
Other student activity		4,027		3,686		-1,399		2,287
Total income from study activity		123,057		132,064		-324		131,740

The new forecast shows minor changes compared to the Framework Budget. The minor decrease of DKK 0.3 M is primarily due to a decrease in the number of foreign self-financing students and foreign scholarships (included in other student activity), while there is a slight increase in the number of full-time and part-time students FTE, mainly because a few more students have been admitted than expected in the Framework Budget.

Table 4: Student admission forecast

Admission (Number of students)	Actual 2017	Actual Admitted 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023
B-SWU	147	149	162	140	140	140	140
B-DDIT	63	59	62	59	59	59	59
B-GBI	67	69	72	60	60	60	60
B-DS	56	64	68	100	100	100	100
BSc	333	341	364	359	359	359	359
K-DDIT	145	139	139	130	130	130	130
K-DIM	132	159	129	130	130	130	130
K-SDT	160	0	0	0	0	0	0
K-SD	0	79	107	109	120	120	120
K-CS	0	91	80	111	117	117	117
K-GAMES	61	49	52	50	50	50	50
MSc	498	517	507	530	547	547	547
M-ILM	48	40	42	40	40	40	40
M-IND	0	0	0	0	0	0	0
M-SEN	4	0	0	0	0	0	0
Master	52	40	42	40	40	40	40
Total	883	898	913	929	946	946	946

Table 4 shows the admission forecast for each study programme.

Table 5: Student activity rates

Student activities rates (DKK)	2020	2021	2022	2023
Government Grant, BSc (FTE)	67,227	67,227	67,227	67,227
Government Grant, MSc (FTE)	67,227	67,227	67,227	67,227
Government Grant, Guest students (FTE)	67,227	67,227	67,227	67,227
Employment rate target	94.6%	94.6%	94.6%	94.6%
Excess study time target months	3.8	3.8	3.8	3.8
Government Grant, part-time SEN (FTE)	40,164	40,164	40,164	40,164
Government Grant, part-time IND (FTE)	40,164	40,164	40,164	40,164
Government Grant, part-time ILM (FTE)	28,983	28,983	28,983	28,983
Tuition fee, part-time students	85,000	85,000	85,000	85,000

Table 5 shows the student activity rates from Budget Proposal Act for 2020. The government grants for student FTEs remain stable throughout the years.

Education and research base grants

Putting a slightly new p/w-indicator aside, the income from education and research base grants is unchanged compared to the Framework Budget.

External research funding

Putting a slightly new p/w indicator aside, income from external research funding is unchanged compared to the Framework Budget.

Facilities subleasing

Putting a slightly new p/w indicator aside, income from facilities subleasing is unchanged compared to the Framework Budget.

Other income from Academic and Administrative departments

Putting a slightly new p/w indicator aside, other income from academic and administrative departments is unchanged compared to the Framework Budget.

Academic departments

Academic departments show a decrease in costs by DKK 0.6 M compared to Framework Budget. Head of Departments have adjusted their manning plans to the change in the ECTS norm, see table 2.

Administrative departments

Administrative departments show an increase in cost of DKK 2.0 M. Putting a slightly new p/w-inflator aside, the change is due to transfers from the management pool regarding strategic actions such as investment in MS Environment (cloud solutions), GDPR-initiatives and resources for Facilities Management to accommodate the campus expansion.

Another and most important transfer from the management pool is the co-financing of the new Center for Digital Welfare with DKK 1.1 M per year. To be clear, we handle the co-financing as a reserve, which we transfer to the center as research activities progress.

Building

Putting a slightly new p/w indicator aside, building costs is unchanged compared to the Framework Budget. We elaborate on the campus expansion in the section on uncertainties regarding the Budget Proposal.

Management pools

Management pools has decreased by DKK 2.6 M that reflects transfers to other budget items to support strategic actions, i.e. Center for Digital Welfare and additional resources for the IT Department and Facilities Management.

Financial income and costs

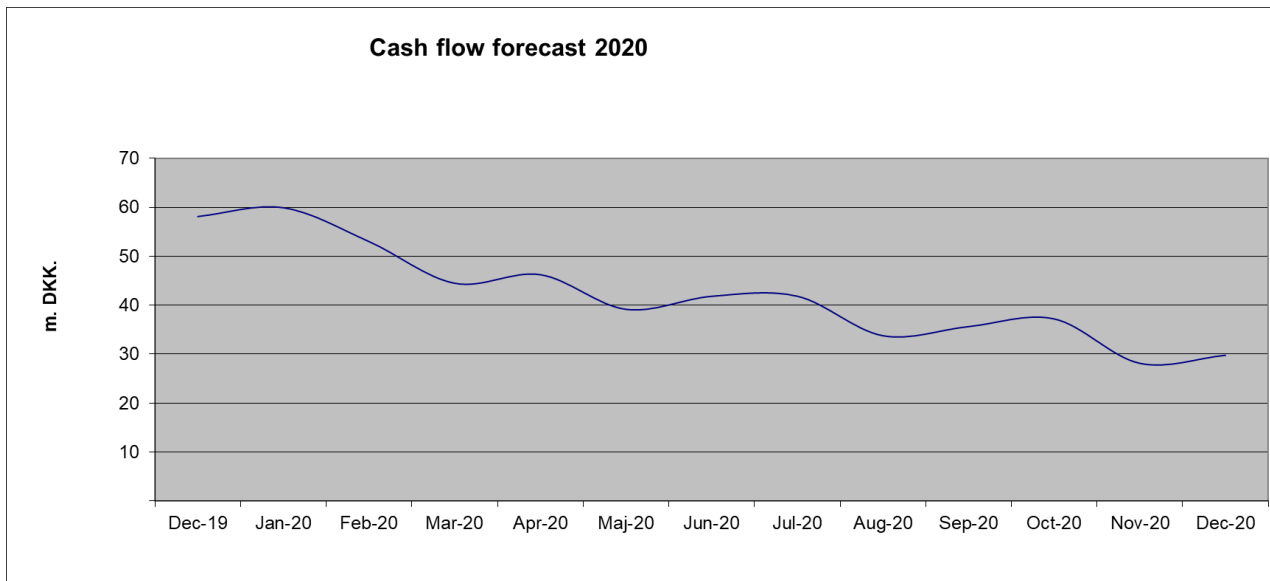
Financial income and costs is unchanged compared to the Framework budget.

Cash Flow forecast 2020

The cash flow forecast below shows cash holdings to be positive throughout the year 2020. Mainly, this is due to the monthly instalments of government grants and tuition.

The cash flow peaks low in March, May, August and November due to the quarterly payment of rent. Besides that, in March 2020 a security deposit of DKK 10.0 M is also payed for additional facilities. At the end of the year, cash holdings are DKK 30 M.

The Department of Finance and Personnel is charged with monitoring the cash flow throughout the year, and will advise Executive Management to transfer funds from capital investments to cash holdings to avoid overdraft during the year, if necessary.



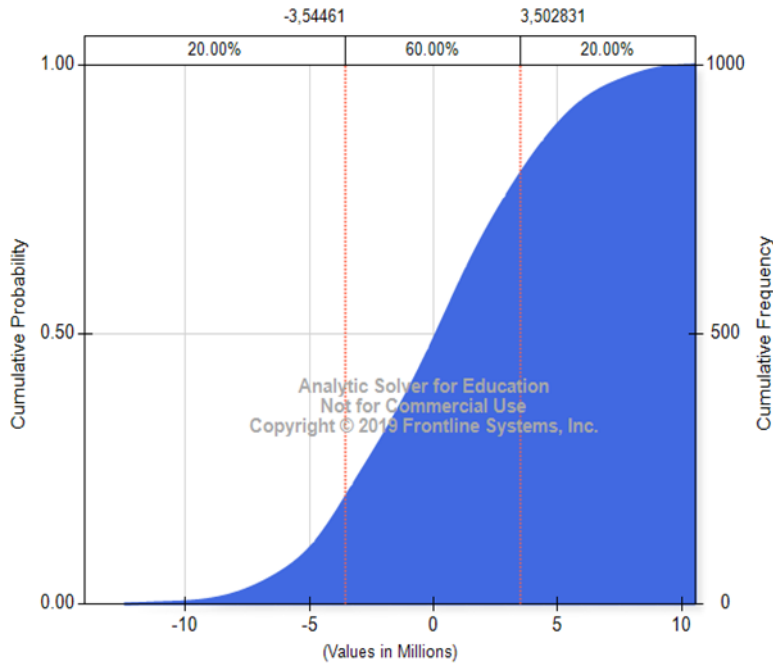
Uncertainties regarding Budget Proposal 2020

We base the budget proposal on the Budget Proposal Act, and we assume that Parliament pass the final Budget Act without substantial changes.

The ordinary operating uncertainties, which could affect the budget proposal, includes production of full-time and part-time student FTE, external research funding, self-insurance.

Expected capital gain on investments is estimated to DKK 0.9 M. However, the capital markets are somewhat volatile, and the actual bond prices might significantly influence the year-end result.

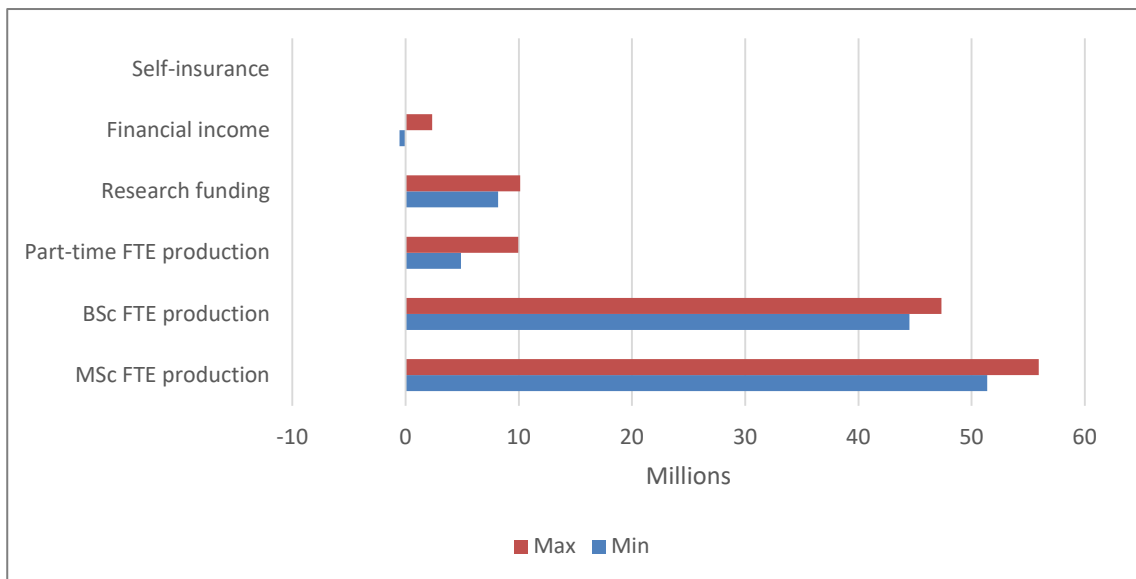
Figure 1: Operating risk simulation regarding budget year 2020



The simulation in figure 1 indicates that the probability of the actual result being at least DKK 3.5 M less than the budgeted result of DKK -20.6 M is approx. 20 pct. Equally, the probability of the actual result being at least DKK 3.5 M more than the budgeted result of DKK -20.6 M is approx. 20 pct.

Figure 2 displays a sensitivity impact analysis regarding the ordinary operating risks, which affect the end year result 2020. Here, the red bar shows the maximum income from a given factor, while the blue bar shows the minimum income from a given factor. The larger the difference is between the red and blue, the greater sensitivity.

Figure 2: Sensitivity impact analysis



Specific operating risks

The specific operating risks are not included in the risk simulation. Instead, we elaborate on the specific operating risks below.

Additional facilities including subleasing

We estimate net costs of new facilities after subleasing to be DKK 7.0 M from 2021 onwards. Currently, the estimated area for subleasing is 6,800 square meters at a price of app. DKK 1,600 per square meter. We await the finalization of the contract and a relocation plan, which may influence the area move net costs either forward or backward.

We include the net costs shown below in the framework budget.

	2020	2021	2022	2023
Rent	14,5	14,5	14,5	14,5
Facilities management	5,7	5,7	5,7	5,7
IT-infrastructure	1,0	1,0	1,0	1,0
One-time expences regarding relocation	5,0	0,0	0,0	0,0
Costs	26,2	21,2	21,2	21,2
-Subleasing	0,0	10,7	10,7	10,7
-Contribution to facilites management	0,0	3,6	3,6	3,6
Net costs	26,2	7,0	7,0	7,0

If the opportunity arises, we will start subleasing in 2020.

Holiday pay obligation

A New Holiday Act may imply recalculating the holiday pay obligation using new accounting principles. Information on the matter from the Agency for Modernisation is scarce, but based on a preliminary statement from the University of Copenhagen, we estimate that new accounting principles results in a potential one-time cost of approximately DKK 3.0 M in 2020 for ITU.

We do not include the above estimate in the Budget Proposal.