

For the Members of the Board

Executive Management
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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 25, 2021, 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. News From ITU (briefing)

3. The Accounting of Third Quarter and the Prediction of the Result of the year 2021 (briefing)

Enclosure 1: Accounts of the ITU as per September 30, 2021

4. Fulfilment of Strategic Contract Targets 2021 (discussion)

Enclosure 2: Follow-up on Strategic Framework Contract Targets 2021 after third Quarter

5. Strategic Activities for 2022 (briefing)

6. The Budget 2022 (decision)

Enclosure 3: Budget Proposal 2022

Confidential items:

7.

8.

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 Ordinary Meeting (decision)**

One addition from Mircea Lungu to item 7 (Framework Budget 2022-2025) in the minutes from the ordinary meeting on September 23 have been received and added.

Recommendation:

Executive Management recommends that the minutes be approved.

Item 2: News from ITU (briefing)

- Status on Action Plan for ITU Strategy 2022 – 2025
- Subletting Status
- Status on ITU Framework Contract 2022 – 2025
- Kopernikus

Item 3: The Accounting of Third Quarter and the Prediction of the Year 2021 (briefing)

Enclosure 1: Accounts of the ITU as per September 30, 2021

We refer to the enclosure.

Item 4: Fulfilment of Strategic Contract Targets 2021 (discussion)

Enclosure 2: Follow-up on Strategic Framework Contract Targets 2021 after third quarter

Most of the strategic contract targets for 2021 have been fulfilled. Notable exceptions are T5 (Admission of female students to BSc SWU) and T8 (Dropout for female students on BSc SWU).

Item 5: Strategic Activities for 2022 (briefing)

In the light of our effort to establish ITU Vejle, the final negotiations on the strategic framework contract have been postponed to the beginning of 2022. Therefore, Executive Management would like to return to the Board with the plan for Strategic Activities for 2022 at the extraordinary meeting in January 2022.

Item 6: The Budget 2022 (decision)

Enclosure 3: Budget Proposal 2022

We refer to the enclosure.

Recommendation:

Executive Management recommends that the Budget Proposal 2022 be approved by the Board.

Confidential items:

Item 7:

Item 8:

Item 9:

Public items:

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

Item 11: Any Other Business

Yours sincerely,

Gitte Gramstrup
Assistant to the Executive Management

Enclosure 1

Accounts of the IT University of Copenhagen, as per September 30, 2021

This report presents the third quarter actual accounts and the revised forecast of October 2021 including a cash flow forecast and revised assumptions and uncertainties.

Table 1: Overview of income, costs and equity

Financial items (DKKK)	Budget 2021	FCST 2021 July	FCST 2021 October
Income	355,607	378,101	376,946
Personnel costs	-240,607	-257,255	-260,321
Other operating costs	-123,408	-125,944	-118,030
Profit from ordinary operations	-8,408	-5,098	-1,405
Financial income and costs	909	-909	-909
Profit, year-end	-7,499	-4,189	-496
Equity, end-year*	63,853	75,977	79,670
Equity/income ratio	0.18	0.20	0.21

*Budget 2021 based on Accounts as per October 31 2020.

Forecast 2021 are based on actual accounts as per December 31 2020.

Table 1 shows an overview of income, costs and equity. Executive Management expects the year-end result to increase from DKK -4.2 M to DKK -0.5 M compared to the July forecast. The main reason for the increase in the year-end result, is due activities that has been cancelled or moved to next year.

We elaborate on income and costs in the section *Third quarter financial follow-up*.

Table 2: Staff forecast

Staff Forecast (FTE)	FCST 2021 July	Change	FCST 2021 October
Researchers, senior	81.0	-0.8	80.2
Researchers	70.3	4.1	74.3
Researchers, external funding	75.5	2.2	77.7
Academic staff, full-time	226.8	5.4	232.2
External lecturers	10.3	1.3	11.7
Other part-time teachers and external examiners	40.1	0.0	40.1
Academic staff, part-time	50.4	1.3	51.8
Academic staff	277.2	6.8	284.0
Administrative staff	165.5	7.0	172.6
Administrative staff, external funding	7.3	1.2	8.5
Administrative staff	172.8	8.2	181.1
Staff total	450.0	15.0	465.0
Administrative/academic staff ratio	0.62	0.01	0.64

Table 2 shows the forecast on staff. Compared to previous forecast, department heads expect to hire more Researchers and Researchers on external funding. We elaborate on the forecast on external funding in the section about *external research grants*.

Administrative staff has increased significantly, as we are currently adjusting the administrative departments to a bigger organisation and we expect a rapid hiring pace to fill both vacancies and new positions. As discussed during the board meeting in September, the IT University aims for administrative/academic staff ratio near 0.70, which is well below the sector average of 0.75 FTE, all staff included.

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 second quarter. In general, the estimate per September 30 is equal to 3/4 of Forecast October 2021. We elaborate on significant deviations and changes for budget items in the following sections.

Table 3: Break down of income and costs

Budget items (DKK)	Estimate per 30 Sep	Actual per 30 Sep	Deviation per 30 Sep	FCST 2021 July	Change	FCST 2021 October
Study activity grants and tuition fees	110,189	110,189	0	149,928	-3,010	146,918
Education, base grants	25,338	25,338	0	33,784	0	33,784
Research, base grants	101,823	101,823	0	135,764	0	135,764
Other government grants	-7,448	-7,448	0	-9,930	0	-9,930
External research grants	44,112	37,913	-6,199	56,451	2,365	58,816
External grants other	3,287	3,023	-264	4,383	0	4,383
Facilities subleasing	1,500	950	-550	2,000	0	2,000
Other income Academic departments	245	311	66	227	100	327
Other income Administrative departments	3,663	3,938	275	5,494	-610	4,884
Income	282,710	276,037	-6,673	378,101	-1,155	376,946
Personnel costs	30,808	25,287	-5,521	39,422	1,655	41,077
Other operating costs	4,401	3,242	-1,159	5,632	236	5,868
External research	35,209	28,529	-6,679	45,054	1,891	46,945
Personnel costs	92,093	92,530	437	124,841	-2,050	122,791
Other operating costs	8,885	3,772	-5,113	11,722	125	11,847
Academic departments	100,979	96,303	-4,676	136,563	-1,925	134,638
Personnel costs	72,340	71,654	-686	92,992	3,461	96,453
Other operating costs	32,327	28,204	-4,122	47,033	-3,931	43,102
Administrative departments	104,666	99,858	-4,808	140,025	-470	139,555
Building	42,275	43,190	915	59,807	-3,441	56,366
Management pools	0	0	0	1,750	-903	847
Ordinary operating net costs	283,128	267,880	-15,248	383,199	-4,848	378,351
Profit from ordinary operations	-419	8,156	8,575	-5,098	3,693	-1,405
Financial income and costs	682	1,012	330	909	0	909
Profit	263	9,168	8,905	-4,189	3,693	-496

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

Administrative departments consist of costs regarding Student Affairs and Programmes, Research and Learning Support, the Communication Department, the IT Department, Facilities Management, the Department of Finance, HR, Executive Management and finally provisions for 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.

Student activity grants and tuitions fees (-3.0 M)

Actual income follows the estimate per September 30. The new forecast is DKK 3.0 M below July forecast.

As we show in table 4, we expect income from study activity to decrease with DKK 3.0 M. The main reason for a decrease in income from study activity, is due to part-time students regarding the newly revised Master in IT Management, where activities such as a foreign study trip, which amounts to DKK 1.4 M has been postponed until next year.

The FTEs earnings for full-time study programmes is 14.0 FTEs lower compared to previous forecast, corresponding to a decrease of DKK 0.8 M in income from study activity, mainly due to a decrease in MSc students of 12 FTEs. Due to the Covid-19 effects, some study programmes have had a lower and others had a higher dropout than usual - especially during the first years of the study programme, which disturbs the forecast on students FTEs. But compared with Budget 2021, the FTEs earnings is still higher.

Study Activity Forecast	FCST July 2021		Change		FCST October 2021	
	units	KDKK	units	KDKK	units	KDKK
Students, BSc	869	58,818	-1	-27	868	58,791
Students, MSc	971	65,750	-12	-853	959	64,897
Students, guests and foreign scholarship students	33	2,856	-1	32	32	2,888
Students, full-time (FTE)	1,873	127,424	-14	-848	1,859	126,576
Students, part-time (FTE)	51	7,780	-5	-2,063	46	5,717
Employment bonus	85%	6,009	0%	-46	85%	5,963
Excess study time bonus	100%	7,034	0%	-54	100%	6,980
Quality		869		-0		869
Bonuses		13,912		-100		13,812
Other student activity		812		1		813
Total income from study activity		149,928		-3,010		146,918

Base grants and other government grants

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

Recent forecast is unchanged.

External research grants (+2.4 M)

The most recent external research funding forecast from Research and Learning Support shows an increase of DKK 2.4 M. Last forecast we included a cautious delay of 10 pct, equivalently to DKK 5.0 M. During the third quarter spending has picked up pace and reached a level similar to previous years by the end of the third quarter. Thus, we have reduced the expected delay, and include only a 3 pct. delay equivalently to DKK 2.0 M.

Actual income is below the estimate as per September 30 by DKK 6.2 M. As in previous years, we expect activities to pick up, during the last quarter of the year.

Still, 2021 seems to be another record-breaking year in terms of realizing external research funds.

External grants other

Compared to previous forecast, the budget is unchanged.

Actual income is slightly below the estimate as per September 30 by DKK 0.3 M

Facilities subleasing

Compared to previous forecast, the budget is unchanged.

Actual income from facilities subleasing is below the estimate with DKK 0.6 M as per September 30.

Other income from Academic departments (+0.1 M)

Actual income is above the estimate as per September 30 by DKK 0.1 M. The forecast has been adjusted upwards by DKK 0.1 M regarding income from conferences.

Other income from Administrative departments (-0.6 M)

Income from Administrative departments is above the estimate as per September 30 by DKK 0.3 M.

October forecast shows a decrease in income by DKK 0.6 M, as we have adjusted income from ITU professional courses downwards.

External research spending (+1.9 M)

We adjusted the forecast upwards to match the changes, elaborated in the section about External Research Grants.

Actual personnel costs are below the estimate as per September 30 by DKK 5.5 M. As in previous years, we expect spending to pick up during the last quarter.

Actual other operating costs (excluding overhead) is below the estimate as per September 30 by DKK 1.2 M. As in previous years, we expect spending to pick up during the last quarter.

Finance estimates an average overhead of 25 percent.

Academic departments (-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 we reduce the personnel forecast for the departments. We have reduced the personnel forecast by an average of 3 pct., total equivalent of approximately DKK 3.2 M. i.e., an adjustment of DKK 1.9 M downwards compared to July forecast.

The actual personnel cost is slightly above the estimate as per September 30 by DKK 0.4 M.

The actual costs for other operations are below the estimate as per September 30 by DKK 5.0 M. We expect activities will pick up in the last quarter, like previous years.

Administrative departments (-0.5 M)

As mentioned earlier, the administrative staff has increased, but administrative/academic staff ratio is still well below the sector average of 0.75 FTE, all staff included. The forecast shows an increase in personnel costs by DKK 3.5 M, as we are currently adjusting the administrative departments to a bigger organisation and we expect a rapid hiring pace to fill both vacancies and new positions.

The actual personnel cost is below the estimate as per September 30 by DKK 0.7 M.

The actual cost for other operations is lower than the estimate as per September 30 by DKK 3.7 M. We have adjusted October forecast downwards by DKK 4.5 M, which includes DKK 2.4 M, regarding costs for the revised Master in IT and Management, such as DKK 1.0 M as we have admitted 15 students less, than original forecasted, and DKK 1.4 M because the study trip has been postponed to next year. We have also adjusted cost regarding ITU Professional Courses downwards with DKK 0.7 M, and cancelled activities like Culture night and international educational activities equivalently to DKK 0.5 M. We have also adjusted budget downwards with DKK 0.9 M, regarding IT hardware and systems that we have fully depreciated during 2021. Lastly, we have transferred DKK 0.7 M from Management Pools to IT regarding HPC storage replacement, prolonged the external help for salary administration and recruiting procedures.

Building (-3.4 M)

We have adjusted October forecast down by DKK 3.4 M, due to a reimbursement of DKK 1.8 M regarding electricity at Emil Holms Kanal, due to a lower consumption on electricity during Covid-19 lockdown, and a reimbursement of DKK 0.2 M regarding property taxes at Rued Langgaards Vej. We have also adjusted budget downwards by DKK 1.4 M, regarding unspent reserves for the campus expansion and refurbishment at Rued Langgaards Vej.

Actual cost is above the estimate as per September 30 by DKK 0.9 M.

Management pools (-0.9 M)

Management pools have decreased by DKK 0.9 M and reflects transfers from management pools to other budget items in order to support strategic actions, such as hiring an additional employee in Research and Learning Support, HPC storage replacement and external help for the HR department.

Financial income and costs

Financial income is above the estimate as per September 30 by DKK 0.3 M.

The forecast is unchanged as capital markets are somewhat volatile, and the actual bond prices during the year might significantly influence the year-end result.

Cash flow forecast

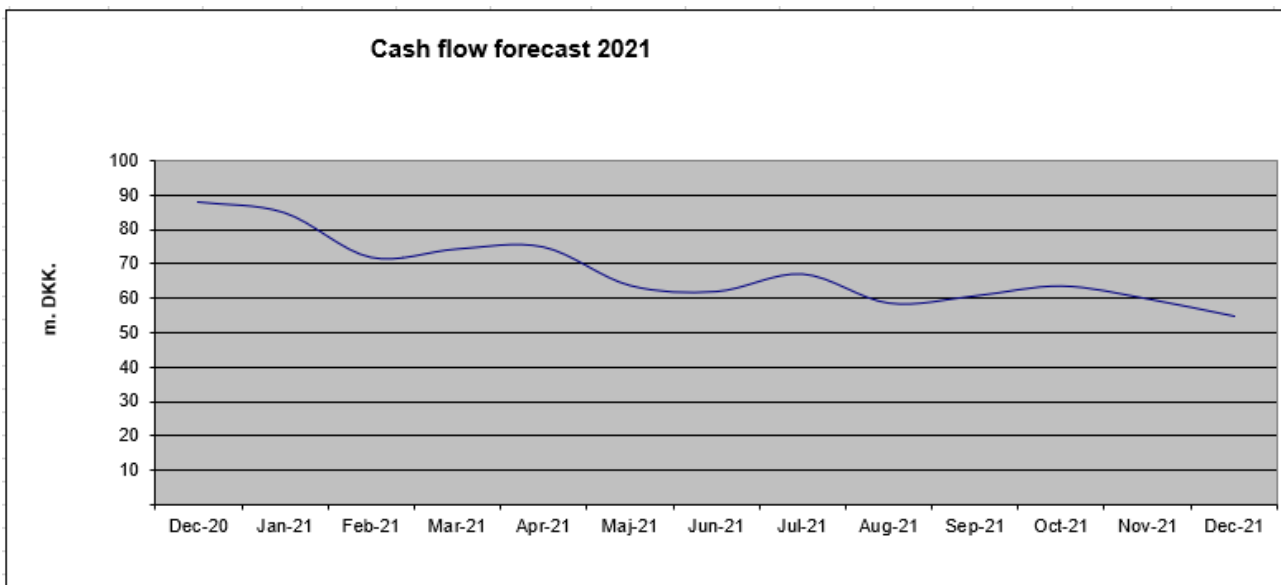
The cash flow forecast below shows cash holdings to be positive throughout the year 2021. Mainly, this is due to the monthly instalments of government grants and tuition.

From the start of the year, cash holdings are unusually high due to prepayment of external research funds in 2020. Throughout 2021, ITU draw on these prepayments for the planned spending of external research funds.

The cash flow drops from 88 M to 54 M. This is mainly due to the spending of prepaid external funds and forwarding prepaid funds to our partners on EU research projects. The accumulated effect is a steady cash flow drop through the year of approximately DKK 34 M. Furthermore, the cash flow drops in February, May, August and November, due to the quarterly payments of rent. In December, the drop is due to the annual payment of DKK 2 M to the National Library.

ITU may have to pay out frozen holiday funds of approximately DKK 18 M during 2021. Either the full amount or a partly payment. The payment is not yet included in the cash flow forecast, but well within the expected cash holdings of DKK 54 M by the end of the year.

The Department of Finance 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

Covid-19 still lingers. Thus, many activities are postponed, delayed or might never happen, which has a short-term positive effect on the result.

We are unable to include such effect in the forecast but will monitor budgets closely throughout the year.

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.

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 97 pct. of their salaries budget. In previous years, the underspending has been up to 4 pct.

Regarding administrative departments we assume a rapid hiring pace to fill vacancies and new positions. Hence, we have adjusted the forecast from department heads upwards by DKK 3.3 M.

We assume the same holiday pattern for employees as usual, but Covid-19 restrictions and the new holiday act may impact the holiday patterns somewhat. As the provisions for holiday pay amount to around DKK 34 M even small changes in the holiday pattern may affect the year-end balance and thus the year-end result.

Enclosure 2

Follow-up on Internal Strategic Targets for 2021 (Strategic Framework Contract Targets)

The report stated in the chart below represents the results as of 1 October 2021.

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 obtains additional basic funding or other kinds of funding for increasing the number of admitted students in 2021/2022.	Political negotiations are going on about funding for a new IT University Campus in Vejle. The Political negotiations are expected to be finished by the end of 2021. There will be a follow-up after fourth quarter 2021.	
T2	The IT University admits at least 240 students in total on the Study Programme BSc in Software Development and the Study Programme BSc in Data Science in 2021.	In 2021, the IT University admits 242 students in total on the Study Programme BSc in Software Development and the Study Programme BSc in Data Science. The target is achieved in 2021.	



T3	The IT University admits at least 130 students in total on the Study Programme MSc in Computer Science and the Study Programme MSc in Data Science in 2021.	The IT University admits 133 students in total on the Study Programme MSc in Computer Science and the Study Programme MSc in Data Science. The target is achieved in 2021.	
T4	In 2021, the dropout rate after the first year of study is at most 20 per cent among students admitted in 2020 on each of the study programmes BSc in Software Development and BSc in Data Science.	In 2021, the dropout rate after the first year of study among students admitted in 2020 on the Study Programme BSc in Software Development is 16 per cent and on the Study Programme BSc in Data Science it is 19 per cent. The target is achieved in 2021.	
T5	In 2021, the IT University admits at least 23 per cent female students on the Study Programme BSc in Software Development.	The IT University admits 21 per cent female students on the Study Programme BSc in Software Development. The target is not achieved in 2021.	
T6	In 2021, the IT University admits at least 25 per cent female students on the Study Programme BSc in Data Science.	The IT University admits 34 per cent female students on the Study Programme BSc in Data Science. The target is achieved in 2021.	
T7	In 2021, the IT University admits at least 20 per cent female students on the Study Programme MSc in Computer Science.	The IT University admits 21 per cent female students on the Study Programme MSc in Computer Science. The target is achieved in 2021.	
T8	In 2021, the dropout rate after the first year of study is at most 20 per cent among female students admitted in 2020 on each of the study programmes BSc in Software Development and BSc in Data Science.	In 2021, the dropout rate after the first year of study among female students admitted in 2020 on the Study Programme BSc in Software Development is 22 per cent and on the Study Programme BSc in Data Science it is 16 per cent. The target is not achieved in 2021.	

T9	The online learning in the autumn of 2020 is for each study programme evaluated and the evaluation forms the basis for experimenting with new learning formats in 2021.	<p>The qualitative evaluation by Learning Support formed the basis for experiments planned by Learning Support and selected teachers. The experiments are currently being carried out and documented in the format of short case descriptions at the latest during December 2021. The target is expected to be achieved.</p> <p>There will be a follow-up after fourth quarter 2021.</p>	
T10	In 2021, the evaluation and experiments in target T9 will be used as a significant contribution to the formulation of principles and values for the future new technology in teaching at the IT University.	<p>In 2021, the evaluation and experiments in target T9 will be used as a significant contribution to the formulation of strategic principles and values of "balanced learning" (See strategy for a thriving learning environment), which includes the use of new technology in teaching. In autumn 2021, a process of elaborating and specifying the principles and values of technology use in teaching at the IT University is taking place in close collaboration with Learning Support, Facilities Management and other internal stakeholders.</p> <p>There will be a follow-up after fourth quarter 2021.</p>	
T11	In 2021, a model for continuous pedagogic/didactic competence development for permanently employed academic staff (VIP) will be developed and implemented.	<p>The development of the pedagogic/didactic competence model has been completed. The model is expected to be implemented at department level, but the implementation is not expected to be finished in 2021. The target is not expected to be achieved in 2021.</p> <p>There will be a follow-up after fourth quarter 2021.</p>	

T12	The IT University's total VIP/DVIP ratio is at least 3.0 and no study programme has a VIP/DVIP ratio of less than 2.4 in 2021.	The IT University's total VIP/DVIP ratio is 5.1 in 2021 and one study programme has a VIP/DVIP ratio less than 2.4. The study programme Master in IT Management has a VIP/DVIP ratio of 2.3. There will be a follow-up after fourth quarter 2021.	
T14	In 2021, the weighted rolling average of graduate unemployment measured fourth to seventh quarter after the graduation of MSc students graduated from the IT University in 2016, 2017 and 2018 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 from a shared Danish MSc programme.	In 2021, the weighted rolling average of graduate unemployment measured fourth to seventh quarter after the graduation of MSc students graduated from the IT University in 2016, 2017 and 2018 is 7.8 per cent. The weighted rolling average of MSc unemployment measured fourth to seventh quarter after the graduation of all MSc students from a shared Danish MSc programme is 11.3 per cent. The target is achieved in 2021.	
T15	In 2021, the IT University will homogenize all employment tickets and implements the new concept in 2021.	The shared template for the Employability profiling tools will be presented for and approved at the Executive Employer's Panel at their meeting primo December 2021 and, if possible, in relation to meeting schedule, for the programme-specific Employer's Panels at their meetings in October. There will be a follow-up after fourth quarter 2021.	
T16	In each of the years during the term of the Strategic Framework Contract and for any IT University study programme, an employment ticket has been approved by the relevant Programme-Specific Employers' Panel.	Programme-Specific Employers' Panels have approved employment tickets for all study programmes in spring 2021.	

T17	The IT University establishes a systematic dialogue with at least a total of four relevant private or public funds in 2021.	In 2021, there has been initiated a systematic dialogue with four relevant private and public funds. The target has been achieved. There will be a follow-up after fourth quarter 2021.	
T18	In 2021, the IT University establishes a systematic dialogue with at least two major Danish companies with at least 250 employees each.	The IT University has established a systematic dialogue with two major Danish companies. The target is achieved in 2021.	
T19	The IT University enters into a collaboration agreement with one or more companies in 2021, leading to at least three research and development activities.	The IT University has entered into a collaboration agreement with companies, which is expected to lead to at least three research and development activities. It is likely that the target will be achieved. There will be a follow-up after fourth quarter 2021.	
T20	The IT University implements the new Governance Model for all existing research centers in 2021.	All existing research centers are now in the process of implementing the new Governance Model, except for the Center for Computer Games Research, which will implement the new Governance Model in autumn 2021. There will be a follow up after fourth quarter.	
T21	In 2021, the Research Centre for Government IT will offer research-based short courses for public leaders, which can help them fulfill their role in digitalisation projects in the public sector. Courses can be offered through ITU Professional Courses.	There has not yet been designed any courses, but the recruitment of Bent Flyvbjerg in a Villum Kann Rasmussen professorship makes it likely that such courses will be offered no later than 2022 (also see target T22). There will be a follow-up after fourth quarter 2021.	

T21-1	In 2021, there is a plan for a possible continuation of the Research Centre for Government IT beyond 2021, including educational activities.	The new institute to be headed by Professor Bent Flyvbjerg will be the continuation of the Research Centre for Government IT. There will be a follow-up after fourth quarter 2021.	
T22	In 2021, the number of scientific staff in the field of information security remains at least at the same level as in 2020.	After third quarter 2021 the number of scientific staff in the field of information security remains at the same level as in 2020. There will be a follow-up after fourth quarter 2021.	
T23	In 2021, the number of scientific staff in the field of data science remains at least at the same level as in 2020.	Four new scientific staff in the field of data science have been hired since 1 January 2021, and one more has accepted an offer of employment to start 1 November 2021. There will be a follow-up after fourth quarter 2021.	
T24	In 2021, the IT University will engage in capacity building in relation to the subject "Technology understanding" in the primary and lower secondary school, especially in relation to political support, funding, a knowledge center across universities and university colleges etc.	The IT University has engaged in capacity building in relation to the subject "Technology Understanding" as the IT University is part of a collaboration between Universities Denmark and the University Colleges Denmark about the topic. The target is achieved in 2021.	
T25	In 2021, the IT University will sign a collaboration agreement with the other partners in the Study Programme Master of Informatics Teaching, including a clarification of how the IT University contributes to the study programme.	The IT University has signed a collaboration agreement with the other partners in the Study Programme Master of Informatics Teaching. The collaboration agreement has description of how the IT University is contributing to teaching on the study programme. The target is achieved in 2021.	

T26	In 2021, the IT University will teach at least 30 high school teachers who are to teach Informatics in High School.	<p>A course has been created and offered for high school teachers in Autumn 2021. Only five participants signed up for the course and therefore it has been cancelled.</p> <p>The target will not be achieved in 2021.</p>	
T27	The high school teachers course evaluations of the teaching provided by the IT University have an average score of at least 4.75 in 2021.	<p>The course has been cancelled and therefore is has not been possible to evaluate.</p> <p>The target will not be achieved in 2021.</p>	

Enclosure 3

Budget Proposal 2022

This presentation concerns the ITU Budget Proposal 2022.

Summary

Since the approval of the Framework Budget at the September meeting, we have prepared Budget Proposal 2022. Budget Proposal 2022 shows a negative result of DKK 8.8 M in 2022 and is unchanged compared to the Framework Budget. There are a few changes to Budget 2022, since the approval of the Framework Budget. Most important, an increase in study activity grants and tuition fees, which is due to an increase in employment bonus. We also expect an increase in Facilities subleasing, as we are in negotiation with two potential tenants for Emil Holms Kanal. Management Pools is unchanged to sustain strategic actions.

In 2022, the equity/income ratio is unchanged and is 0.18, which is at the preferred level.

The Budget Proposal 2022 includes a management pool of DKK 5.0 M in 2022 to sustain strategic actions.

Executive Management recommends that the Board approves the submitted Budget Proposal 2022.

General assumptions

The Budget Proposal 2022 does not include effects of the political agreement on reducing student admissions in major cities towards 2030. Nor does the Budget Proposal include any effects of establishing a new campus in Vejle.

Furthermore, we base the Budget Proposal on equity at the end of 2021 as expected in the accounts as per September 2021 from October 2021.

We regulate government grants with a +1.1 pct. average price/wage inflator, as stated in the Budget proposal act. We regulate personnel costs and other operating costs with +0.9 pct. and +1.4 pct. in 2022, respectively.

Equity and equity/income ratio

Table 1 shows equity and the equity/income ratio. Note that the equity end-year 2021 is based on 3rd quarter forecast 2021. In 2022 the equity ratio is exactly at the preferred level of 0.18.

Table 1: Equity

Budget items (KDKK)	Forecast 2021 Q3	Framework 2022	Change	Forecast 2022
Equity, end-year	79,670	70,886	0	70,887
Equity/income ratio	0.21	0.18	0.00	0.18

Income and costs

In table 2, we compare the income, costs and equity of the Framework Budget with the Budget Proposal 2022. We elaborate on assumptions about income and costs compared to the Framework Budget in the sections below.

Table 2: Budget Proposal 2022

Budget items (KDKK)	Budget 2021	Framework 2022	Change	Forecast 2022
Study activity grants and tuition fees	142,247	148,669	2,612	151,281
Education, base grants	33,784	34,142	-27	34,115
Research, base grants	135,764	135,646	-109	135,537
Other government grants	-10,486	-10,570	-52	-10,622
External research grants	40,331	68,094	0	68,094
Facilities subleasing	5,430	6,199	351	6,550
Other commercial activities and grants	8,537	10,714	0	10,714
Income	355,607	392,894	2,775	395,669
Personnel costs	25,812	46,741	0	46,741
Other operating costs	6,856	8,236	0	8,236
External research	32,668	54,977	0	54,977
Personnel costs	123,038	122,404	1	122,405
Other operating costs	13,168	13,600	203	13,803
Academic departments	136,206	136,004	204	136,208
Personnel costs	91,757	102,055	22	102,077
Other operating costs	36,501	43,906	2,548	46,454
Administrative departments	128,258	145,962	2,569	148,531
Building	61,130	60,644	1	60,645
Management pools	5,753	5,000	0	5,000
Ordinary operating net costs	364,015	402,586	-2,775	405,361
Profit from ordinary operations	-8,408	-9,692	0	-9,692
Financial income and costs	909	909	0	909
Profit	-7,499	-8,783	0	-8,783

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

Administrative departments consist of costs regarding Student Affairs and Programmes, Research and Learning Support, the Communication Department, the IT Department, Facilities Management, the Department of Finance, HR, Executive Management and finally provisions for 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.

Management pools includes a pool of DKK 5.0 M in 2022 to support strategic actions. Executive Management allocates the funds to the academic departments, the administrative departments or building costs.

The Budget Proposal shows a negative result of DKK 8.7 M in 2022.

Table 3: Staff forecast

Staff Forecast (FTE)	Budget 2021	Framework 2022	Change	Forecast 2022
Researchers, senior	78.9	84.0	0.0	84.0
Researchers	64.2	53.0	0.0	53.0
Researchers, external funding	49.3	88.8	-1.2	87.6
Academic staff, full-time	192.4	225.8	-1.2	224.6
External lecturers	18.4	19.3	0.0	19.3
Other part-time teachers and external examine	40.1	39.9	0.0	39.9
Academic staff, part-time	58.5	59.2	0.0	59.2
Academic staff	250.9	285.0	-1.2	283.8
Administrative staff	161.6	173.1	1.0	174.1
Administrative staff, external funding	7.1	9.9	0.2	10.1
Administrative staff	168.7	183.0	1.2	184.2
Staff total	419.6	468.0	0.0	468.0
Administrative/academic staff ratio	0.67	0.64	0.0	0.65

As shown in table 3, total staff is unchanged compared to the Framework Budget. There is an increase in administrative staff, as we have hired additional personnel for Research and Learning support, to support the increase in external research funding.

The administrative/academic staff-ratio has increased slightly compared to the Framework Budget, but is still below the average of the Danish university sector an administrative/academic staff ratio of 0.75 (2020-

level). An administrative/academic staff ratio of 0.65 may seem low, but follows the plan laid out in the Framework Budget. In the Framework Budget we keep a steady number of administrative staff in the upcoming years, while we adjust faculty slightly downwards, but still higher, than the 2021 level.

As discussed during the board meeting in September, the IT University aims for administrative/academic staff ratio near 0.70. The administrative staff include permanent positions in the academic departments such as the three heads of department, Dean of education, lab managers, research programmers and student workers assisting researchers.

We expect personnel costs for administrative staff equivalent of 10.1 FTEs are covered by external grants and increasing commercial activities such as ITU Professional Courses. This is an increase by 1.2 FTEs compared to the Framework Budget.

Student activity grants and tuition fees

In table 4, we show the student activity forecast in student FTEs and DKK, which we base on the admission forecast in table 5 and rates from the Budget Proposal Act in table 5.

Table 4: Student activity forecast

Study Activity Forecast	Budget 2021		Framework 2022		Change		Forecast 2022	
	units	KDKK	units	KDKK	units	KDKK	units	KDKK
Students, BSc	858	58,093	883	60,464	-7	-491	877	59,973
Students, MSc	895	60,598	901	61,696	7	452	909	62,148
Students, guests	20	1,361	26	1,779	-	-1	26	1,778
Students, foreign scholarships	8	1,699	6	1,302	1	201	7	1,503
Students, full-time (FTE)	1,781	121,751	1,817	125,242	2	160	1,818	125,402
Students, part-time (FTE)	54	6,214	49	10,110	0	1,251	50	11,361
Employment bonus	85%	5,702	76%	5,243	24%	1,646	100%	6,889
Excess study time bonus	100%	6,675	100%	6,891	0%	-2	100%	6,889
Quality		869		0	-0	0		0
Bonuses		13,246		12,134	-0	1,644		13,778
Other student activity		1,036		1,183	-0	-443		740
Total income from study activity		142,247		148,669		2,612		151,281

Generally, there is no significant difference between the forecasts for the full-time and part-time study programmes' FTEs for 2022. When it comes to each of the study programmes, there are some small differences:

- Among the BSc study programmes, there have been a slight decrease compared to the Framework Budget in the expected FTE earnings for 2022. This is because of an increase in dropouts for three BSc study programmes during the third quarter, which means lower expected FTE earnings in 2022.

- Among the MSc study programmes, there has been a small increase compared to the Framework Budget. The reason for this increase is a fine-tuning of the forecasts for the third and fourth semesters of 2022 because of a lower drop-out rate among graduate students admitted in the autumn of 2020. In addition, there has been a fine-tuning of the expected FTE earnings based on unfinished thesis that can be expected to be completed during the fifth semester of 2022.

Part-time study programmes have increased with DKK 1.3 M compared to the Framework Budget, due to the newly revised Master in IT Management, where activities such as a foreign study trip has been postponed from 2021 to 2022.

The actual employment rate for the IT University's full-time study programmes is very high, namely 95 pct. for the graduates in 2017, which the calculated employment bonus for 2022 is based on. Target employment rate put forth by the Government is 95.0 pct. in 2022 it corresponds to a target achievement of 100 pct. in 2022.

We expect to fulfill the excess study time bonus by 100 pct. in 2022.

Quality grants is included in the agreement about creating more and better education possibilities in Denmark and is therefore eliminated separately in 2022.

Table 5: Student admission forecast

Admission (Number of students)	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Budget 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
B-SWU	147	149	162	195	162	140	140	140	140
B-DDIT	63	59	62	55	59	59	59	59	59
B-GBI	67	69	72	95	98	60	60	60	60
B-DS	56	64	68	88	81	100	100	100	100
BSc	333	341	364	433	400	359	359	359	359
K-DDIT	145	139	139	133	106	115	115	115	115
K-DIM	132	159	129	128	138	130	130	130	130
K-SD	0	79	107	145	127	120	120	120	120
K-DS	0	0	0	0	37	30	30	30	30
K-CS	0	91	80	87	96	102	102	102	102
K-GAMES	61	49	52	43	54	50	50	50	50
MSc	338	517	507	536	558	547	547	547	547
M-ILM	48	40	42	41	26	40	40	40	40
Master	48	40	42	41	26	40	40	40	40
Total	719	898	913	1010	984	946	946	946	946

Table 5 shows the admission forecast for each study programme. The student admission forecast is unchanged compared to the Framework Budget.

Table 6: Student activity rates

Student activities rates (DKK)	2021 p/w 2021	2022 p/w 2022	2023 p/w 2022	2024 p/w 2022	2025 p/w 2022
Government Grant, BSc (FTE)	67.700	68.400	68.400	68.400	68.400
Government Grant, MSc (FTE)	67.700	68.400	68.400	68.400	68.400
Government Grant, Guest students (FTE)	67.700	68.000	68.000	68.400	68.400
Employment rate target	95,0%	95,0%	89,0%	89,0%	95,0%
Excess study time target months	4,1	4,1	4,1	4,1	4,1
Government Grant, part-time ILM (FTE)	29.200	29.500	29.500	29.500	29.500
Tuition fee, part-time students	85.000	85.000	85.000	85.000	85.000

Table 6 shows the student activity rates from Budget Proposal Act for 2021.

The government has decided to fix the target achievement rate to a 100 pct. for employment bonus in 2023 and 2024, and for excess study time in 2022 and 2023 due to COVID-19, i.e., disregarding the actual target achievement. The student activities rates are unchanged compared to the Framework Budget.

Base grants for education and research

Base grants for education and research have decreased with DKK 0.1 M compared to the Framework Budget.

Other government grants

Other government grants are negative by DKK 10.6 M in 2022, and have decreased with DKK 0.1 M compared to the Framework Budget.

The negative grant of DKK 16.6 M is a result of the SEA reform implemented in 2020 which lowered the rent on state buildings such as Ruud Langgaards Vej to the market level, thus making it less attractive for the universities to seek out other landlords. Simultaneously, the reform lowered government grants by the same amount.

Some minor short-term grants counter the negative grants in 2021 and 2022. The additional grant of DKK 4.1 M for BSc admissions 2020 is spread out evenly from 2020 to 2022, thus adding DKK 1.4 M in 2022. In 2021 ITU has received an additional government grant of DKK 7.8 M from the STEM-pool administered by the Minister of Higher Education and Research, which is spread out from 2021 to 2022, thus adding DKK 4.3 M in 2022.

External research grants

Income from external research grants is unchanged compared to the Framework Budget.

Facilities subleasing

Income from Facilities subleasing has increased by DKK 0.4 M compared to the Framework Budget. We expect vacancy to decrease from 40 pct. to 36 pct, as we are in negotiation with two potential tenants for Emil Holms Kanal.

Other commercial activities and grants

Other income from administrative departments is unchanged compared to the Framework Budget

Academic departments

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

Recruiting and hiring of academic staff follows the strategic choice that ITU should stay close to the average of the Danish university sector in terms on teaching efficiency, measured as ECTS per teaching FTE. In 2021 we use 1,567 ECTS per teaching FTE. We allocate resources to the academic departments according to the teaching efficiency.

In previous years, the three academic departments did not use their full budget for personnel costs, and we assume that they will use 98 pct. in 2022.

As the number of PhD students has increased, we have adjusted budget upwards by DKK 0.2 M for their DIMS account in 2022 compared to the Framework Budget.

Administrative departments

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

In general, we allocate additional resources to the administrative departments from management polls upon requests and within the average of the Danish university sector administrative/academic staff ratio of 0.75.

The ordinary operating costs in administrative departments has increased by DKK 2.5 M in 2022 compared to the Framework Budget. This is due to activities that have been postponed from 2021 to 2022 like the newly revised Master in IT Management foreign study trip. Furthermore, we have allocated additional funds to safely handle the transition to a new external salary administrator.

Building costs

Building costs 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.

Building costs in 2022 is unchanged compared to the Framework Budget.

Management pools

Executive Management allocates the funds to the academic departments, the administrative departments or building costs upon request.

Management Pools includes a pool of DKK 5.0 M in 2022 and is unchanged compared to the Framework Budget.

Financial income and costs

Financial income and cost are return on investment in the securities portfolio of the IT University. The IT University has a significant surplus operating cashflow, which we place in a security portfolio to secure a decent interest.

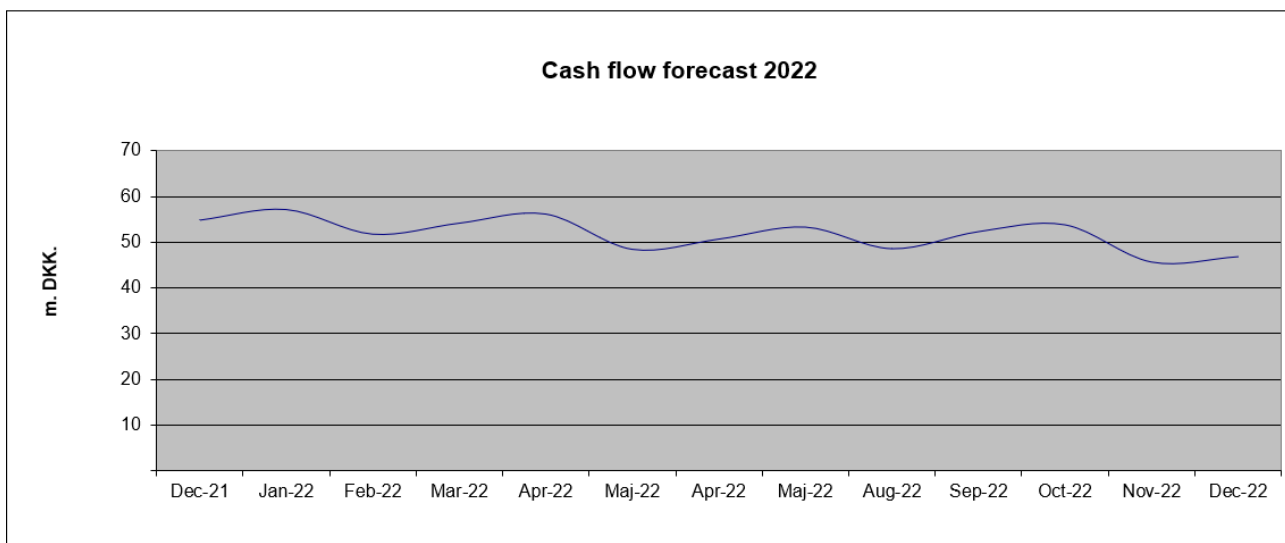
Financial income and costs in 2022 is unchanged compared to the Framework Budget.

Cash Flow forecast 2022

The cash flow forecast below shows cash holdings to be positive throughout the year 2022. Mainly, this is due to the monthly instalments of government grants and tuition.

The cash flow peaks low in February, May, August and November, due to the quarterly payments of rent. At the end of the year cash holdings are DKK 47 M.

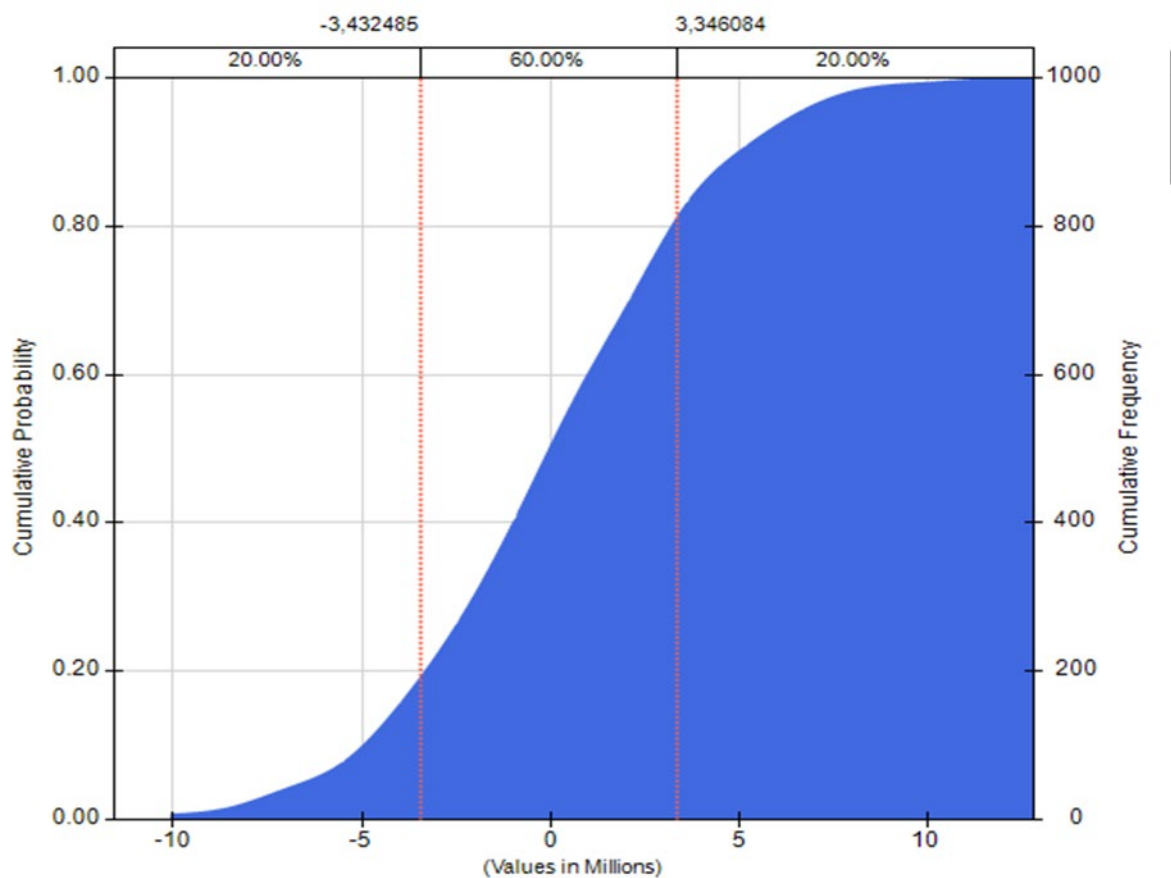
The Department of Finance and Personnel is charged with monitoring the cash flow throughout the year, and will advice Executive Management to transfer funds from capital investments to cash holdings to avoid overdraft during the year, if necessary.



Uncertainties regarding the Budget Proposal 2022

The ordinary operating uncertainties, which could affect Budget 2022, includes production of full-time and part-time student FTE, external research funding, self-insurance, financial income, Government regulation and educational reforms. Figure 1 displays a simulation where some of these uncertainties have been compared to the Budget Proposal 2022 result.

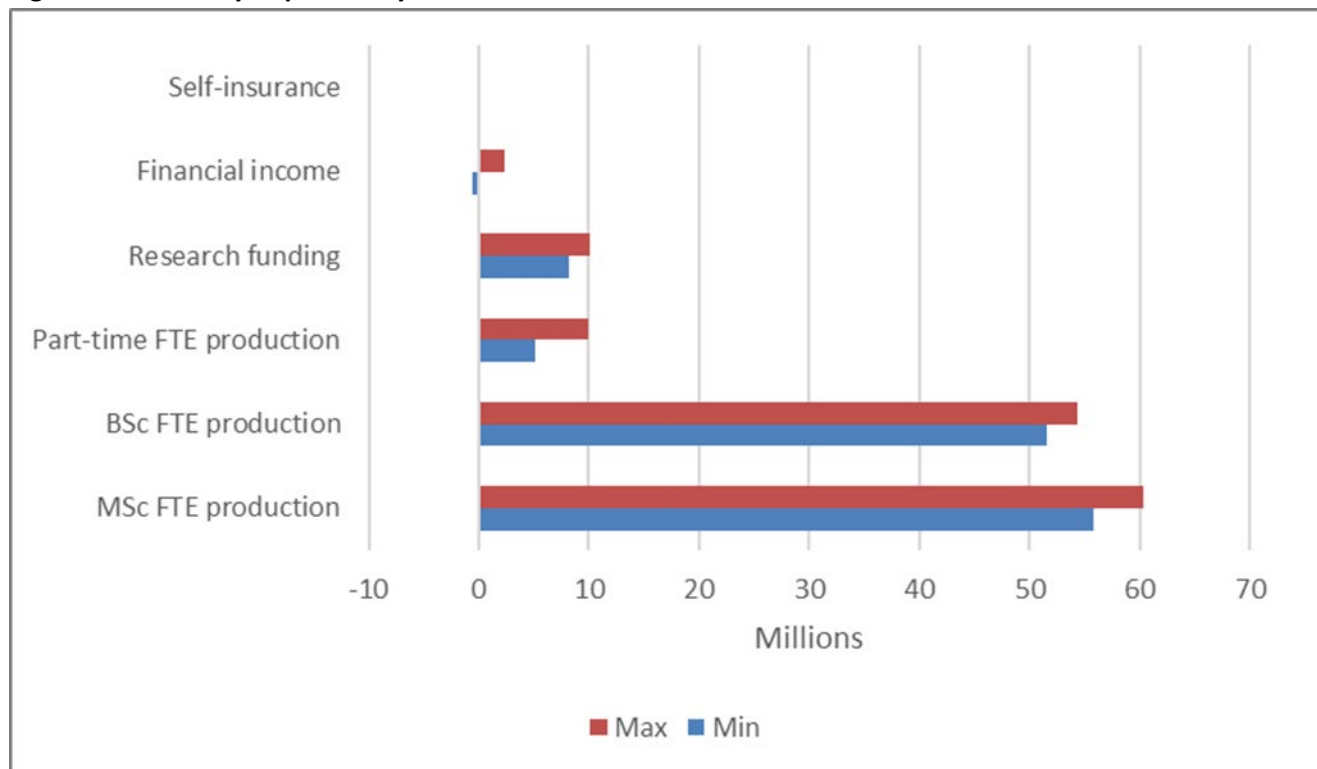
Figure 1: Operating uncertainties related to end year result 2022



The simulation in figure 1 indicates that the probability of the actual result being at least DKK 3.4 M less than the budgeted result of DKK -8.8 M is approx. 20 pct. Equally, the probability of the actual result being at least DKK 3.3 M more than the budgeted result of DKK -8.8 M is approx. 20 pct.

With the risk of fluctuations into consideration, the red bar in figure 2 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.

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

Subleasing excess office spaces

We have a total of 5,000 square meter available office spaces for subleasing. In 2022 we have estimated that we will be able to sublease 3,200 square meter, as we have included a 36 pct. vacancy. Currently we have subleased 1,500 square meter. We have estimated a 10 pct. vacancy from 2023 and onwards. If the vacancy increases to 50 pct. it will reduce our income from subleasing with DKK 5.1 M each year.

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

Villum Kann Rasmussen professorship

The new grant from the Villum Kann Rasmussen foundation comes with an obligation to establish a research center with increasing research and educational activities during a six-year period. Throughout the six-year period the research center plans to attract additional research grants, income from education and co-financing from academic departments at ITU.

In an ambitious scenario all costs are covered by the above sources of funding, that is a net cost of DKK 0 M. However, a more prudent scenario shows an average net cost of DKK 3.4 M/year in the six-year period.

We include the ambitious scenario in the Budget Proposal.

Holiday pay obligation

Both implementing the new holiday act and lingering COVID-19 travel restrictions may impact the holiday pattern of employees. If every employee with paid holiday uses one less holiday in 2021 than usual it will potentially affect the year-end result by DKK 1.0 M.

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