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2024 FRAMEWORK LETTER

We are 

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1 Introduction

The Framework Letter provides the basis for the 2024 budget and the long-term estimates for 2025-2027 for the faculties, service units and other organisational units. The Framework Letter sets out guidelines and provides tools to the organisational units for preparing the 2024 budget.

The Framework Letter has been drawn up on the basis of existing policy, which means that it is based on existing funding and existing price developments, with the Strategic Plan 'Inspiring Generations' likewise forming a key starting point.

The Strategic Plan (*Instellingsplan – IP*) forms the basis both for the UvA's actions and for the budget. Implementation of the Strategic Plan began in 2021, and 2023 will be the last year before the mid-term review of the Strategic Plan will take place. The funds are now being used for the theme-based approach to research, valorisation and interfaculty education through the financial instruments for the Strategic Plan.

In 2024, the UvA will continue to realise its ambitions, but the good starting position the UvA achieved in 2023 will come under pressure from external developments in 2024. Inflation is causing increasing pressure and is going to be felt at the UvA in 2024 as well. Despite the lower student growth that can be expected for the UvA and research universities in general, the sectoral improvement in teaching and research intensity is very unlikely to continue in 2024. In addition, the demands and expectations placed on higher education and research will continue to increase in 2024, as is visible in – for example – additional matching obligations. The Framework Letter includes actions to contain short-term and longer-term pressures.

In 2023, the UvA is in a good starting position and has more money to spend. This good starting position means that it will still be possible to make additional resources available for education and research in 2024. In the 2024 Framework Letter, the total allocation for education and research still increases in 2024 compared to 2023. Some of the funds earmarked in the 2023 budget are made available to faculties in the Framework Letter, for others, the Framework Letter contains more information on how the allocation will be arranged. In total, this still allows us to do more in 2024 than in 2023, and further realise our ambitions.

At the same time, inflation is clearly causing pressure on the UvA to increase. Energy and procurement prices have risen in recent months. All staff and students have been noticing this in their own pockets. At the same time, the scholarship creates more financial scope on the income side for students. In the coming months, it should become clear to what extent employees will be given that scope based on the CAO arrangements. For the time ahead, it remains important to keep an eye on the pressure people are under due to inflation and compensation.

The UvA has been noticing that prices are rising as well. In the Framework Letter, this is already contributing to the service units charging higher amounts on to the faculties. Higher wages and further cost increases in the coming months will add further pressure in 2024. Due to wage compensation/cost-of-living adjustments and higher prices for our services, the UvA will also have some scope on the revenue side, and will be able to ease the pressure on the UvA in the times to come. Still, it is important to take measures to limit cost increases. The Framework Letter provides insight into how the UvA will cope with the pressure for the time being. In the coming period, we will launch a number of actions, which will enable us to absorb most of the pressure. With the 2024 budget, we are committed to compensating any pressure that more will become clear after the release of the Framework Letter as fully as possible. By doing so, we create clarity for everyone and make it possible to make the best possible choices when deploying resources.

The extra income we have received in recent years for start-up & incentive grants, for the sector plans and contract income for – for example – growth fund projects, has enabled us to improve the quality as a sector and as the UvA. Measured in terms of resources per student (teaching intensity) and in the research-to-teaching ratio (research intensity), we therefore see a clear improvement in 2023. However, these ratios will be under renewed pressure in 2024 and beyond. In the short term, inflation also plays a role in this regard; in the long term, it is due to the underfunding in the sector, which is once again increasing, also in relation to trends in student numbers.

For the coming year and beyond, it is therefore important that, in making financial choices, we pay even more attention to the impact on quality. We need to move away from uncontrolled growth that "just happens to us" and move towards a system of conscious choices about university size and funding. Internationalisation has a role to play in this as well. In the coming period, as part of the regular cycle, the Executive Board will ask the faculties what ambitions they have for the volume of inflow, and how they are going to ensure that they reach it. This can only be successful if the state makes certain (legal) instruments available. Therefore, as UvA within UNL, we are asking for better instruments and remain committed to creating more resources for teaching and research. The current Higher Education Multi-Year Forecast plays an important role in this.

Based on the intake figures, student growth already seems to be stabilising in 2023/2024. This helps keep the pressure manageable and is more in line with the multi-year expectations for the UvA. For housing projects, this also helps prevent increases in space pressure. However, a shift towards employee growth is noticeable. In addition, there is an increase in demand for space for collaboration, and innovations in education will lead to a change in demand. Steps are being taken towards more efficient use of space to accommodate these new demands. The line initiated in 2022 for the Roeterseiland Campus will be continued, and preparations have started with the Faculty of Science. Units are supported in getting started with the implementation of a different office environment, better suited to hybrid working, applying the new space standard. Timely delivery of projects and proper investment planning require continuous attention, and our ambition is to become more concrete in the approach to making the portfolio more sustainable sooner.

For IT investments, the focus is on continuing the line of the digital agenda. The additional scope created in 2023 is well used and currently seems sufficient to accommodate new ambitions as well.

Investment planning puts pressure on the UvA's liquidity over time, similar to what was assumed in the 2023 budget. The liquidity forecast includes additional funding (loans) from 2026 onwards. In the forecast, the target is a liquidity ratio of at least around 0.5. The UvA will continue to monitor when additional funding is needed during the planning period, and how much. The estimates will be updated again in the draft budget.

The main outline of the Framework Letter is to make the best possible use of the money we have received, keeping the financial pressure on the faculties and the rest of the UvA in check, and monitoring the quality of teaching and research in the short and long term. In addition, there will be smaller adjustments, in line with – for example – the IP and in response to new developments at the UvA. For the coming years, it remains important that we continue to have an allocation model that best supports faculty developments. The administrative review we are working on is going to help with that.

Reader's guide

Chapter 2 sets out the key features of the budget. To understand this properly, it is important to have some basic knowledge of the UvA's financial management and organisation. The various components of the UvA budget are briefly explained in the Framework Letter. To better understand the Framework Letter, more information is available at uva.nl/financiën. Chapter 3 explains the planning of the Framework Letter and budget process. Chapter 4 discusses the two components of the Allocation Model: teaching and research. Chapter 5 deals with internal services and the central units. The basis for the data is provided for each of the topics discussed.

2 Main features of the budget

The right of consent with respect to the main features of the budget is one of the components of the implementation of the Student Loans (Higher Education) Act (*Wet studievoorschot hoger onderwijs*). The UvA puts this into effect by requesting the Joint Meeting to approve the main features of the budget as outlined in Chapter 2, 'Main features of the budget', of the Framework Letter.

In the autumn of 2016, student organisations, the Netherlands Association of Universities of Applied Sciences (VH) and the Association of Universities in the Netherlands (VSNU) discussed how the right of consent with respect to the main features of the budget should be implemented. A letter from the Ministry of Education, Culture and Science to the Senate in February 2017 summarised how these organisations interpreted the main features of the budget:

- internal allocation model for direct government funding or important changes thereto;
- main elements of the financial scope for strategic policy priorities or the deferment, withdrawal or cancellation of these priorities, in the fields of education, research and operational management;
- investment agendas in the areas of accommodation and IT;
- use of funds received under the Student Loans (Higher Education) Act.

Chapter 2 specifically outlines the main features of the budget by describing the following topics:

- long-term forecast and differences with the long-term estimates for 2023-2027;
- financial policy and principles, including the allocation model;
- explanation regarding policy-based investments, real estate investments and IT investments;
- paragraph on risk.

If, after adoption of the Framework Letter, subsequent developments have an effect on the main features of the budget, the main features will be submitted for consent to the Joint Meeting in the draft UvA budget for 2024.

2.1 Long-term forecast

External developments

Economic conditions

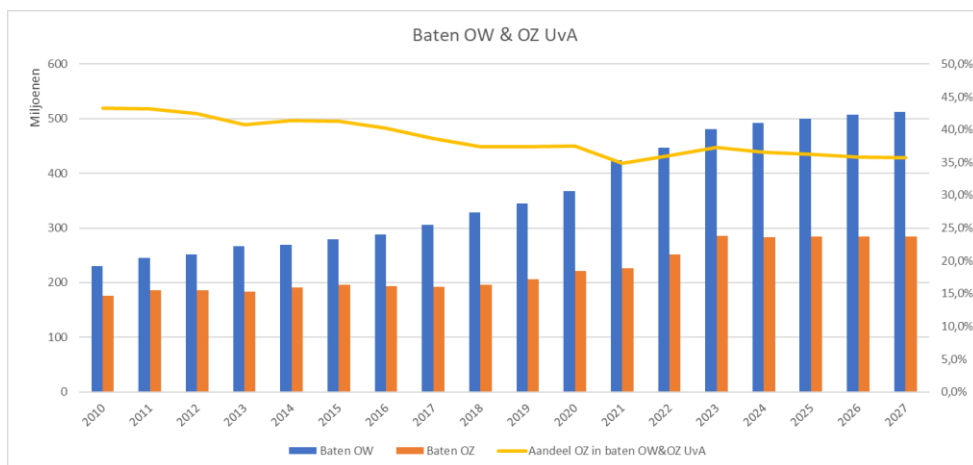
Meanwhile, inflation has been high for over a year. In 2022, the average CPI inflation in the Netherlands was 10% (source: CBS). This will impact the UvA's finances in a variety of ways. Labour costs, housing costs and other expenses are currently rising faster than we were used to before 2022. Under normal circumstances, universities receive a wage compensation/cost-of-living adjustment from the central government. With rising prices, it is clear that the compensation and adjustment will likewise be higher. There will, however, be a lag: the compensation and adjustment will follow developments with a delay. In addition, automatic compensation could lead to a wage-price spiral, which the central government will want to avoid. The level of the compensation and adjustment is therefore similarly uncertain. The government's Spring Memorandum will provide more clarity in this regard. Ultimately, the net impact is what is crucial to the UvA: price development minus compensation/adjustment. For now, we will assume that there will be a full wage compensation/cost-of-living adjustment from the state in the coming years.

In this Framework Letter, we have based ourselves on what we know, i.e. the 2023 price level. As was the case with the 2023 budget, this includes a 4% CAO-based increase as of 1 April 2023 in the expenses, and we have assumed a 4% wage/price indexation in 2023 in the income. For 2023, no further expense and income increases have been taken into account yet. The service units have been asked to incorporate inflation until year-end 2023 in the rate proposals resulting from the SLA cycle.

The Framework Letter thus reflects the pressure that exists at current prices. In the coming months, new arrangements will be made with regard to wages, and prices of various procured services and goods will continue to rise. We will use the compensation that the UvA receives to offset the increases from now on as much as possible. All units will be compensated for at least 95% of the higher costs they face between the release of the Framework Letter and the presentation of the budget. This means that, in the final budget, rates for the cost model and for the allocation model will be adjusted in such a way as to eliminate at least 95% of cost increases. The intention here is to increase this to a 100% compensation if there is scope to do so. Any negative consequences of this measure will be charged to the reserves for 2024. In the 2025 Framework Letter, we will look at how we will make up any deficit on a structural basis.

Pressure on teaching and research quality

The extra funds in 2023 will help improve teaching and research quality throughout the UvA. The minister's policy is to use sector plans, start-up grants and incentive grants are helping to reduce the workload. It is clear from the graph below that the additional resources also lead to an improvement in the research/education benefit ratio. This so-called research intensity also plays an important role in national underfunding.



It is clear from the graph that the rebound in 2023 is temporary and that after 2024, there will be a deterioration again. This decrease is caused by the underfunding of higher education and research. While the additional funds from the coalition agreement help, the structural problems have not yet been solved: if the sector grows, the available research funds will be insufficient to maintain quality.

With the IP, the UvA is striving to fundamentally renew research through interfaculty, interdisciplinary collaboration in social themes. This has also laid the foundation for expanding the partnerships and collaborations with third parties. The 2024 budget will reveal the extent to which this strategy actually contributes to increasing research intensity.

The pressure from volume growth and how to deal with this from a quality point of view is an important element in the discussions with the Ministry of Education, Culture and Science at UNL level. The Ministry has launched a Multi-Year Forecast to broadly explore the developments affecting our sector, and the ideas to accommodate them. Within that framework, it will also become clear how to address underfunding in the sector.

Increased interest

In connection with the high inflation, the European Central Bank (ECB) has raised the interest rates. In the short term, this will have a positive effect on the UvA's finances because, rather than having to pay interest on money in the bank, we will be receiving interest on it. In the longer term (from around 2026 onwards), increased interest rates are expected to create additional interest expenses for loans.

Developments with respect to the collective labour agreement

Negotiations for a new Collective Labour Agreement for Dutch Universities (CAO NU) are ongoing and are expected to conclude in mid-2023. The term of the current CAO NU expires on 31 March 2023. Among other things, the unions are asking for more permanent contracts for lecturers and researchers, and a 14.3% (based on the October 2022 inflation rate) pay rise, followed by automatic price compensation depending on inflation. In March 2023, both the inflation rate and the 12-month average contract wage increase in CAO season 2023 is 8%. It is currently difficult to assess the impact of a new collective labour agreement on wage costs for 2024.

Internationalisation

The Minister of Education, Culture and Science, Mr Dijkgraaf, is expected to introduce laws and regulations to limit international intake. The Minister will be sending a letter on this to the House of Representatives in the near future. After the letter is received, we will consider how best to deal with this at the UvA, and whether central or faculty resources should be made available for this. The Joint Meeting's advice to offer accessible and affordable language courses for staff and students will be taken into account in this as well.

Matching pressure in all its forms

Many of the additional funds for universities come with additional obligations with regard to, among other things, accountability. Start-up & incentive grants only partially cover the overhead; for sector plans, the coverage ratio varies from plan to plan. New growth fund projects do not require matching, but do involve related investments. Many budgets are temporary, with the university expected to continue the funding after the subsidy lapses. In all these cases, additional demands are made of the UvA's core funding.

In the UvA's model, these modern forms of matching pressure fall on the faculties and institutes. The extent of this varies, partly depending on the success in bringing in these funds. In any case, it is clear that additional pressures also arise from this matching in 2024, in addition to inflation and offsetting it.

Developments at the UvA

Strategic Plan: 'Inspiring Generations'

The implementation of the 'Inspiring Generations' Strategic Plan was initiated in 2021. Activities are taking place across all faculties, services and staff to realise the aims set out in the Strategic Plan. Each and every faculty has drafted a faculty strategic plan, and an implementation plan was drafted for the UvA as a whole. Funds are already being used for key components of the Strategic Plan, such as the theme-based approach to research and the strategic framework for valorisation, on the basis of the financial instruments.

Within 2024, further allocation is expected within the existing financial instruments. Based on experiences gained up to year-end 2023, it may be preferred or necessary to have funds available more quickly or to apply a limited or other shift between the various items. This may involve the use of the funds that will become available as a result of the coalition agreement. If necessary, this will be included in the budget.

Better regulation of inflows

For the UvA's quality ambitions, sufficient resources per student and a healthy ratio between education and research are key. Both are significantly influenced by the size of the university. In making quality-related choices, it is therefore important to be more conscious about the question of university size and to have more tools to influence it. In addition to the Minister's letter on internationalisation, tools to better manage the (international) intake of students are also being considered within the UvA. This will in any case receive more attention in the planning and control cycle and in new plans.

In the case of institutional tuition fees, it is also important that the impact on research intensity (the research-to-teaching ratio), inflationary trends and changes in the government grant are taken into account when determining fees. The Executive Board intends to examine – in consultation with all the stakeholders – what actions are needed to achieve good rate development. A further proposal for this will be prepared and discussed through the appropriate channels. This has not been anticipated in the Framework Letter yet.

SLA processes

The substantive discussions on developments and financial implications took place between December 2022 and March 2023. The results of the SLA cycle are included in Chapter 5. The service units have been asked to have their rates reflect cost developments in such a way that their budgets can be balanced with a break-even result. In order to give the Joint Meeting more insight into the SLA cycle, the service units' SLA proposals will be shared with the Joint Meeting.

Overall, we have seen a considerable increase in service charges (see table in paragraph 5.3). This leads to additional pressure among the faculties, for which, without further action, insufficient compensation is available. In order to contain the pressure, all the service units will be asked to identify any cost increases that can be deferred. They have also been asked to identify opportunities to reduce costs. Overall, the intention here is to find another €5.0 million of pressure relief for the faculties between the release of the Framework Letter and the presentation of the budget.

Housing costs

The housing investments are subject to considerable inflation as well. Consequently, investment estimates are clearly increasing as a result. However, due to higher depreciation costs, these only lead to higher amounts being charged on to the rest of the UvA in the long term. This development makes it possible to defer the 2024 price rise of 10.3%, and implement it – gradually – in the 2025-2028 period (2.5% per year annually). This will also give faculties and service units time to look for ways to use the metres efficiently, for example by applying the new housing planning standard.

Administrative evaluation of the allocation model

The broad strokes of the current allocation model were established before the Strategic Plan was adopted and have been modified to a limited extent (through successive Framework Letters and budgets). The new institutional plan is now in place and circumstances have changed both at the faculties and around the UvA. It has therefore been decided to conduct an administrative review of the allocation model. Now that there is clarity on the funds from the Administrative Agreement, the time is right to analyse whether the faculties are able to realise their ambitions with this allocation model. It will also look at what the (expected) outcomes of the Multi-Year Forecast of the Ministry of Education, Culture and Science, the Netherlands Association of Universities of Applied Sciences and UNL might mean for the internal allocation model. The administrative review should answer the question of whether the allocation model needs adjustment. If that is the outcome, it will be taken up in a separate track. Based on the inventory of bottlenecks and solutions, the desired next steps for the allocation model will follow. The academic community and the Joint Meeting of the Central Student Council and the Central Works Council will be involved in this process. The implementation of the review will take place in 2023 and be completed in early 2024. The outcomes will not yet impact the 2024 Framework Letter and budget.

Use of start-up & incentive grants

Start-up & incentive grants are provided to researchers in all academic disciplines in order to encourage unfettered research and reduce workload, competition and the number of applications. The UvA has chosen to expand this scope throughout the university and, in doing so, reduce pressure across the board. Of the government grant for start-up & incentive grants for 2022 and 2023, 90% has been distributed to the faculties. By now, the first grants have been awarded within the faculties. This will be accounted for in the faculty Q1 reports. The aim is to take the remaining 10% of the central funds into account in the choices for grant deployment in the 2024 budget. Partly with the help of the established budgets, the extent to which there may be additional allocation scope can be assessed on an annual basis.

In the 2024 budget, additional funds will once again be reserved for UvA start-up grants for the benefit of tenure tracks. If a faculty applies for these funds, its recourse to the funds available for 'general' start-up grants will lapse. The funds that are released as a result will be redistributed. Faculty budgets will include the use of the start-up & incentive grants in 2024. The notes on the faculty budgets will show the considerations that played a role in this. The proposals and investments eventually come to fruition through regular alignment and decision-making (including the representative advisory bodies).

The UvA-wide approach to the Ministry of Education, Culture and Science's policy letter and the administrative agreement includes guidelines for fixed ratios for distribution of the incentive grants. At least at UvA level, these fixed ratios are

important, but may not suit the specific situation facing faculties. Faculties are therefore allowed to adjust (elements of) the distribution according to the 'comply or explain' principle, if this better reflects the aim of reducing workload, competition and the number of applications with researchers. A faculty wishing to make use of this adjustment must prepare an explanation for this and discuss it with the representative advisory bodies (students and staff). The explanation will be taken into account in the decision on the awarding of the grants.

Partly with the help of the established budgets, the extent to which there may be additional allocation scope can be assessed on an annual basis. The Framework Letter will be released too early to make a definitive statement on this.

A maximum of 20% of start-up & incentive grants may be used to cover indirect costs. Since, in most cases, this will not be enough to cover the total cost of the use of the grant, it adds to the already existing matching problems. This requires us to monitor the matching pressure across the UvA and – where necessary and possible – take additional action.

Recognition & Rewards

'Recognition & Rewards' is entering a new phase. The UvA has committed to the national Recognition & Rewards roadmap. This means – among other things – that, in 2023, following an orientation phase, it will be proceeding with actually implementing 'Recognition & Rewards'. For instance, differentiated career paths are being developed and introduced, and invested in strategic human resource planning and leadership accordingly. As this is a cultural change, 'Recognition & Rewards' will be on the agenda for several years to come, and will require investments in time and money.

With the new lecturer policy, the UvA is also specifically focusing on the recognising and rewarding lecturers within the UvA. This policy has been implemented incrementally since June 2022. Within the various teaching positions, time is earmarked for professional or scholarly development in proportion to the size of the appointment. In addition, lecturers with limited teaching experience are allocated extra time to master new teaching materials. This will lead to rising personnel costs for faculties and Amsterdam University College. If the teaching size remains unchanged, new lecturers will have to be recruited or the contract size of existing lecturers will have to be increased.

Workloads

As the causes and solutions to workload differ within the UvA, we assume a differentiated approach within the UvA. At the central level, we address workload through the optimisation of administrative processes and expansion of the UvA-wide professionalisation offer. For now, funding for these initiatives fits within the regular budgetary scope. Furthermore, efforts will be made to ensure that workload-reducing interventions pay for themselves as much as possible and workloads will be taken into account when developing new policies where appropriate

Diversity

Diversity is a structural part of both the teaching and research policy and the human resources policy. We expand the UvA-wide professionalisation offer focused on diversity and inclusion. We are also working on further integrating diversity into the recruitment and selection process. These initiatives will be financed from regular budgets and current funds can be used for any additional expenditure.

Social safety

The UvA is working hard on improving social safety on and around the university. For both the Executive Board and the representative advisory bodies, this is an important issue. In the coming year, social safety priorities will consist of further integrating the various facilities within the UvA. Strengthening awareness of social safety through the UvA-wide 'Oog voor elkaar' ('Attention for each other') campaign, by organising drama performances for students and staff, and by offering various courses, training sessions and workshops. We are also working to increase awareness of the various facilities (which are focused on both reporting and support) by strengthening the system of confidants and developing support resources. For now, it is estimated that this is feasible within existing budgetary frameworks.

Accessibility

Educational buildings and facilities should be accessible to all. There is therefore a strong focus on accessibility both on the policy side and in implementation. The Executive Board has appointed a working group to examine the UvA's accessibility in a broad sense and make recommendations for improvements. With regard to accessibility of its buildings, the UvA applies the ITS standard, unless this is not possible due to building restrictions (e.g. monuments). It also looks at the accessibility of buildings for people with disabilities that are not immediately visible, such as mental or neurological conditions. The Functional Modifications budget has money available for the adaptations needed to make buildings more accessible.

Reserve policy

Increasingly, funds are internally allocated to faculties on a multiannual basis, either via the executive staff or based on the government grant. A large amount of funding from the state qualifies as a non-normative government grant (start-up & incentive grants, and sector plans), which means that any remainder of these funds can remain available through the balance sheet for several years, rather than having to go through the reserves. In 2023, the UvA commenced with the further set-up of a facility for direct government funding projects in SAP PPM, so that their planning and realisation will be transparent over several years. This will provide more of an insight into the reserves needed, so that this can more easily be taken into account. In the Framework Letter, €3.0 million and €5.0 million of the draft budget was reserved for additional use of faculty reserves in 2024 and 2025-2027 respectively.

Faculty advisory process draft budget

The representative advisory bodies have indicated that not all faculties carefully followed the advisory process for the 2023 draft budget. All the faculties have been asked to properly coordinate the decentralised advisory process with the decentralised representative advisory bodies, and to adhere to the schedule set out in Chapter 3 of this Framework Letter.

Long-term forecast in figures

The tables below show the long-term forecast based on the above-mentioned developments. This includes all the prices, budgets and frameworks contained in this Framework Letter. The 2023 figures have been derived from the final budget for 2023.

UvA long-term forecast	2023	2024	2025	2026	2027
INCOME					
Government grant (Ministry of Education, Culture and Science)	626.413	630.825	632.724	639.513	640.386
Tuition, course, lecture and exam fees	125.217	130.647	133.557	134.182	134.182
Income from work carried out for third parties	131.641	131.900	131.857	134.089	134.089
Other income	30.980	21.467	25.976	26.068	26.162
TOTAL INCOME	914.251	914.839	924.114	933.853	934.819
EXPENSES					
Staffing costs	642.923	646.673	647.187	657.009	662.134
Depreciation	50.289	51.842	55.690	55.404	55.404
Accommodation expenses	68.939	64.191	63.051	63.314	63.265
Other expenses	152.785	155.377	157.658	160.859	162.945
TOTAL EXPENSES	914.936	918.083	923.587	936.586	943.747
Net income/expense	-685	-3.244	527	2.733-	8.928-
Financial income and expenses	-215	1.457	2.326-	550-	1.958-
Result	-900	-1.786	1.799-	3.283-	10.886-
Tax	-	-	-	-	-
Income from holdings in companies	900	1.600	1.800	2.000	2.000
Result after tax	0	-186	1	1.283-	8.886-
Share of third parties	-	-	-	-	-
Net result	0	-186	1	1.283-	8.886-
Reservation for use of faculty reserves	-	-	-	-	-
Expected improvement of result	-	186	1-	1.283	8.886
RESULT	0	-	-	-	-

Table 1: Non-consolidated UvA results

The table above displays the UvA's non-consolidated, long-term budget, broken down into the income and expenditure categories applicable to the UvA. This table contains the forecasts and new initiatives and developments, as outlined in this Framework Letter. As previously stated in the introduction, at present, the impact of the expected new CAO and wage compensation/costs-of-living adjustment has not yet been included in the estimates of the personnel costs and the government grant. However, as in the 2023 budget, an expected CAO-based increase of 4% from 1 April 2024 and a 4% wage compensation/cost-of-living adjustment for 2023 have been included.

Based on the expectations as set out in the Framework Letter, the UvA's income in 2024 will be about equal to that in the 2023 budget. It should be noted that the 2023 budget includes incidental income of approximately €10 million. Regular income shows a slight increase between 2023 and 2024. However, the increase is less than was expected in the multi-year estimate of the 2023 budget. This is because the

government grant includes a negative revision of the reference estimate. On the cost side, we have seen a decrease in housing costs, in line with expectations in the 2023 budget. Personnel costs and other expenses are increasing in 2024, as already foreseen in multi-year budget 2023.

It is expected that the wage compensation/cost-of-living adjustment in the government grant will be higher than the 4% that has been included, which should provide further scope to absorb the cost increase already foreseen in the 2023 budget for 2024 and beyond. It is clear that faculty budgets are under pressure due to cost increases (expected salary increases and increases in internal service costs) and increasing matching obligations. As a result, achieving a break-even result in 2024 and beyond is not yet certain.

The table below shows the result from the UvA's non-consolidated, long-term budget, broken down into the UvA's organisational components. We explain each organisational component below.

UvA long-term organisational forecast	2023	2024	2025	2026	2027
Allocation					
Allocation to education	11.666	25.785	27.288	20.552	19.356
Allocation to research	-23.328	-27.739	29.457-	32.533-	32.954-
Subtotal for allocation	-11.662	-1.954	2.169-	11.981-	13.598-
Organisation					
Faculties	9.663	-11.130	9.105-	800-	1.795-
Services	-1.867	0	0	-0	0
Executive staff and policy	150	0	-	-	-
Subtotal for organisation	7.947	-11.130	9.105-	800-	1.795-
Real Estate & Treasury					
Real Estate	4.332	8.105	4.758	3.122	1.559-
Treasury	-616	4.793	6.517	8.376	8.066
Subtotal for real estate & treasury	3.716	12.898	11.275	11.498	6.507
TOTAL	0	-186	1	1.283-	8.886-
Still to adjust in final budget	-	186	1-	1.283	8.886
RESULT	0	0	0-	0-	0-

Table 2: UvA non-consolidated result – Organisational cross-section

Allocation

The addition to the allocation model research and teaching has been updated from the 2023-2026 budget, based on the current long-term estimate of the government grant and tuition fees. The update of the government grant is based on the long-term framework in the most recent government grant letter and the exchange of information within the context of the Universities of the Netherlands (UNL). In addition, we have anticipated a wage compensation/cost-of-living adjustment for 2023 (4%, in line with the 2022 budget) but have not done so for 2024 yet, as there is still too much uncertainty about this. The table above shows that there is still an

imbalance in the funding of education and research. It shows that additional resources for research are needed to restore research intensity. PwC Strategy& has previously investigated this imbalance. The conclusions are described in the 2021 report Toereikendheid, doelmatigheid en kostentoerekening in het mbo, hbo en wo&o.

The multi-year estimate includes a decrease in the macro framework available for the government grant due to the expectation that the reference estimate will decrease compared to last year. More clarity on this matter will be provided in the Spring Memorandum. The budgets for the faculties and other organisational units are calculated based on the allocation model. The budgets have been updated based on the faculties' forecasts for the 2024-2027 budget. As explained in further detail in paragraph 2.2.4, prices and budgets in the allocation model have been indexed by 1.25%. The new initiatives and developments referred to in this Framework Letter have also already been accounted for in the distributions from the allocation model. In Chapter 4, the addition and distribution are broken down further.

Organisation

The result for the faculties, units, executive staff and policy, as shown in the table above, is based on the forecast results submitted by the organisational units in February 2023. See Appendix 1 for an overview per organisational unit. The faculties jointly issued a forecast of -/- €8.1 million for 2024. In addition, for 2024, €3.0 million in additional scope for deployment of faculty reserves has been included. For 2025, 2026 and 2027, €5.0 million has been set aside for this on an annual basis.

The service units collectively issued a forecast of a break-even result for 2024. The result for the executive staff assumes a balanced long-term budget. The result of the policy follows from the policy decisions as set out in this Framework Letter and the parameters of the long-term budget for 2023-2026. See paragraph 5.6 for further explanation.

Real Estate and Treasury Administration

The result of the real estate administration has been updated on the basis of the most recent insights with regard to the Accommodations Plan. For the Framework Letter, the result of the treasury administration has been updated on the basis of current insights into participating interests and interest expenses based on the planned investments in the coming years.

The table below shows the UvA's financial indicators for 2024 through 2027, based on the budget as set out in this Framework Letter. The key figures for 2023 are based on the 2023 budget, and the balance sheet as at 31 December 2022.

Ratios	Policy	2023	2024	2025	2026	2027
Solvency I		36%	36%	36%	33%	32%
Solvency II	38% - 44%	40%	39%	39%	37%	35%
Liquidity	≥ 0,50	0,7	0,6	0,5	0,5	0,5
DSCR (based on EBITDA)		6,8	6,7	5,0	5,5	7,0
DSCR	≥ 1,0	3,5	3,3	3,6	3,5	3,7
Profitability	≥ 0%	0%	0%	0%	0%	0%
Signal value excess reserves	≤ 1,0	0,3	0,3	0,3	0,3	0,3
Resilience		37%	37%	36%	36%	35%

Table 3: UvA financial indicators

In paragraph 2.3, the standards as indicated under policy are explained, as well as the impact on those standards of the plans discussed in this Framework Letter.

2.2 Updates compared to the long-term budget for 2023-2027

The table below shows the evolution of the result according to the 2023-2027 budget to the result indicated in this Framework Letter. The changes are explained for each theme after the 'Budget result evolution 2023-2026 – Framework Letter 2024-2027' overview table.

Structure of changes	2024	2025	2026	2027
Start: Result in budget 2023	0,0	-5,3	-4,6	-0,4
<i>Updated income</i>				
Governmental grant	-5,4	-9,1	-12,8	-16,7
Tuition fees	0,0	0,0	0,0	0,0
Other income	0,0	0,0	0,0	0,0
<i>Other</i>	-0,1	-0,2	-0,2	0,1
<i>Subtotal</i>	-5,5	-9,3	-13,0	-16,6
<i>Updated expenses</i>				
Personnel expenditure	-2,3	-8,8	-10,0	-5,2
Depreciation expenses	0,0	0,0	0,0	0,0
Housing expenses	0,2	0,2	0,2	0,2
Other expenses	-1,2	-4,0	-4,5	-2,5
<i>Subtotal</i>	-3,3	-12,6	-14,3	-7,5
<i>Update on financial income and expenses and earnings from associates</i>				
Financial income and expenses	2,0	2,0	2,0	0,6
Share in results of associates	0,0	0,0	0,0	0,0
<i>Subtotal</i>	2,0	2,0	2,0	0,6
Updated result	-0,2	0,0	-1,3	-8,9
Still to adjust in final budget	0,2	0,0	1,3	8,9
Result framework letter 2024	0,0	0,0	0,0	0,0

Table 4: Budget result evolution 2023-2026 – Framework Letter 2024-2027

2.2.1 Updated income figures

Government grant

The estimates of the government grant have been updated based on the latest insights. The decrease in the expected government grant is the balance of a downward revision of the reference estimate and a higher market share for the UvA in funded performance.

Updated income	2024	2025	2026	2027
<u>Government grant</u>	<u>-5,4</u>	<u>-9,1</u>	<u>-12,8</u>	<u>-16,7</u>
Government grant OW and OZ	-5,4	-9,1	-12,9	-16,6

Table 5: Updated income figures – Government grant

Reference estimate

As at 01/10/2022, the number of funded students in the Netherlands is lower than previously assumed in the previous reference estimate. This is likely to lead to a decrease in the government grant.

Market share

The variable portion of the government grant is determined by counting the numbers of enrolled students, degree certificates and doctorate conferrals of all universities. The market shares of each university follow from this. The UvA's provisional market share is calculated based on its provisional numbers. The 2024 market share is higher than it was in 2023. For 2025-2027, the market share is expected to remain the same.

Tuition fees

Tuition fees will be kept equal to the 2023 budget. At present, it is difficult to forecast revenue from tuition fees. However, a 10% indexation of statutory tuition fees is expected in academic years 2024 through 2025. It will be processed at the same time as the 2024 wage cost increase and wage compensation/cost-of-living adjustment. Closer to the presentation of the draft budget, there will be more clarity on the expected tuition fees.

Updated income	2024	2025	2026	2027
<u>Tuition fees</u>	<u>0,0</u>	<u>0,0</u>	<u>0,0</u>	<u>0,0</u>
Statutory tuition fees	0,0	0,0	0,0	0,0
Institutional tuition fees	0,0	0,0	0,0	0,0

Table 6: Updated income figures – Tuition fees

Income from work carried out for third parties and other income

Income from contract work and other income are (almost) the same as in the 2023 budget.

Updated income	2024	2025	2026	2027
<u>Other income</u>	<u>0,0</u>	<u>0,0</u>	<u>0,0</u>	<u>0,0</u>
Contract education	0,0	0,0	0,0	0,0
Contract research	0,0	0,0	0,0	0,0
Income from work for third parties (excluding R&D)	0,0	0,0	0,0	0,0
<u>Other</u>	<u>-0,1</u>	<u>-0,2</u>	<u>-0,2</u>	<u>0,1</u>

Table 7: Updated income figures – Income from work carried out for third parties and other income

2.2.2 Updated expenditure

Personnel costs have been adjusted by -€2.3 million compared to the 2023 budget, while other costs have been adjusted by -€1.2 million. These are technical adjustments to help all units achieve their stated results. Depreciation and housing costs are (almost) equal to the amount included for this in the multi-year forecast of the 2023 budget.

Updated expenses	2024	2025	2026	2027
Personnel expenditure	-2,3	-8,8	-10,0	-5,2
<i>Faculties</i>	-0,8	-3,8	-7,3	-5,5
<i>Services</i>	2,2	1,4	0,7	-0,2
<i>Central</i>	-3,7	-6,4	-3,4	0,4

Table 8: Updated expenditure – Personnel costs

Updated expenses	2024	2025	2026	2027
<u>Other expenses</u>	<u>-1,2</u>	<u>-4,0</u>	<u>-4,5</u>	<u>-2,5</u>
Faculties	-0,6	-1,9	-3,4	-2,6
Services	0,9	0,6	0,3	-0,1
Central	-1,6	-2,8	-1,5	0,2

Table 9: Updated expenditure – Other expenses

2.2.3 Update of financial income and expenses and result of participating interests

Due to higher interest rates, financial income has been revised upwards by €2.0 million per year. From 2027, interest expenses have been included for new loans.

Update on financial income and expenses and earnings from associates	2024	2025	2026	2027
Financial income and expenses	2,0	2,0	2,0	0,6
Share in results of associates	0,0	0,0	0,0	0,0

Table 10: Update of financial income and expenses and result of participating interests

2.2.4 Allocation model, internal services and organisational unit results

Allocation model

When drawing up the 2023 budget, the faculties made an estimate of the expected credits and other variables that are important for the allocation model. Forecasts updated in February show that, compared to the forecast in the 2024 budget, the number of diplomas and credits obtained by government-funded students in 2024 has decreased.

The lower number of funded services leads to a lower allocation to the faculties. The fact that a number of temporary budgets of service units have lapsed also creates more scope in the allocation model. At the same time, the addition to the allocation model has also decreased due to the expected adjustment in the 2023 reference estimate. On balance, there is currently scope to index prices and budgets in the allocation model by 1.25%. This has been incorporated in this Framework Letter.

An expected wage/price adjustment to the government grant will in principle be passed on to the units by increasing all components in the allocation model. In the final Framework Letter and (the technical instructions for) the draft budget, it will be calculated how much scope there is for an additional increase.

Exceptions to this increase are the passed-on government grant (adjusted to the actual indexation in the government grant and passed on to the organisational units) and budgets with a long-term fixed amount. As such, the ratios set out in the allocation model are maintained, as are the underlying principles. According to the agreements made with regard to the Faculty of Dentistry and Amsterdam University College, part of the wage/price adjustment will be passed on to the Faculty of Dentistry and Amsterdam University College.

Internal services

Every year, the services provided by the UvA units are evaluated, and the need for any new units or changes to the current units is discussed between the internal service provider (service units) and the customers (all UvA organisational units). This is referred to as the 'SLA cycle' within the UvA. The outcome of this cycle, rate adjustments and other service provision agreements are discussed in Chapter 5.

Organisational unit results

At the end of February, the organisational units were asked about their expected result for 2024 and beyond based on recent insights, as compared to the previous budget. All UvA components aim to achieve a long-term break-even result; The service units have therefore been asked to make rate proposals in the SLA cycle that would enable them to balance budgets with a break-even result.

The faculties have shown a decrease in the result by a total of €1.2 million. In addition, in this Framework Letter, €3.0 million additional scope for deployment of faculty reserves has been included. with the result of the units decreasing by €0.4 million. For the administration and executive staff, the result remains equal. The result of the treasury administration is decreasing by €0.4 million. This is the balance of an improvement in the external interest income by €2.0 million and (due to lower investments) a €2.4 million decrease in interest expenses that are charged on to the real estate administration. Due to planning changes, Real Estate's result has improved by €6.9 million.

Because the forecasts issued as indicated above were delivered before information was announced concerning indexation of the prices and budgets in the allocation model and the changes in the internal service provision, whether the forecasts issued must still be adjusted in line with the new information will be considered together with the organisational units in the period ahead. This will be incorporated into the draft budget.

2.2.5 New initiatives and developments

In late February, all the organisational units were asked about any initiatives or developments related to their field of expertise or service provision that would impact the UvA's finances. This has led to a number of new questions and initiatives, which are explained below.

Scope for deployment of faculty reserves

The faculties have indicated that they would like to have more flexibility to use existing reserves. In the 2024 Framework Letter, the amount of €2.0 million included for this in the 2023 Framework Letter was increased to €3.0 million in 2024 and €5.0 million per year thereafter. In recent years, it has consistently been the case in relation to the budget that there is a greater need for the use of faculty reserves at that time than for the flexibility provided by the Framework Letter. Including a general item for this purpose means reserving flexibility for the faculties that wish to make use of that option in the budget. The existing policy on reserves will continue to exist, but scope for the use of these funds will be expanded.

Strengthening the research intensity

The UvA's policy is that faculties can spend at least 30% of the direct government funding budget on research. In recent years, the Faculty of Law and the Faculty of Economics and Business were always at around this percentage. Thanks to funds for start-up & incentive grants and sector plans, these faculties now remain above

30% in the multi-year estimates. As the use of grants comes with a start-up phase, and to give the Faculty of Law and the Faculty of Economics and Business the opportunity to strengthen research intensity permanently and to a greater degree, budgets for this have been included in the Framework Letter. The total is €5.0 million spread over 2024-2028. This is in keeping with the UvA-wide desire to further increase research intensity. The faculties have been asked to continue monitoring research intensity themselves in the future and – where necessary – take action to maintain or improve the ratio of research to teaching budgets.

Programmatic approach to operational management

The operational management ambitions and faculty plans in the IP are firm. The IP contains several operational management ambitions that are being taken up at various locations, in a variety of ways and at different paces. Overall satisfaction with internal services is reasonable and indirect costs are among the lowest in the sector. However, we are struggling to get started on improving our services, even though that is exactly where the strategic opportunity to improve the UvA lies. With the ViDi (internal service improvement) programme, we want to give a solid boost to the improvement cycle. Due to financial constraints, no additional budget has been earmarked for this programme yet. We intend to fund the costs in 2024, with the scope provided in the theme-based budgets for strategic investments. 90% of the funds will be used to finance concrete projects of faculties and service units. On the one hand, these are proposals that mainly contribute to cost savings, and on the other, those that mainly contribute to quality improvement. The scope created by cost savings will be used to absorb the additional improvement costs on a structural basis. The programme plan will be further developed in the coming months.

Sustainability

In view of developments within and outside the UvA, we want to further intensify sustainability efforts. In order to fulfil this ambition, tightening proposals for the White Paper will be drawn up in the first half of 2023, in consultation with the academic community. At present, the financial implications of this tightening are unclear. The costs of making operational management more sustainable are normally absorbed in the budgets of the service units and faculties, and the real estate budgets. However, it is very likely that the tightening will (also) lead to additional sustainability efforts in education and/or research and/or valorisation. For example, there is a draft proposal to promote sustainability in education for which, if implemented, between €300 thousand to €500 thousand should be reserved. Currently, the policy budget for sustainability is €200 thousand. Due to financial constraints, no specific extra scope has been reserved for additional initiatives yet. We intend to fund the costs in 2024, with the scope provided in the theme-based budgets for strategic investments.

Institute for Advanced Study

Since its reopening in 2022, the Institute for Advanced Study (IAS) has gained momentum in enabling interdisciplinary collaboration on site and catching up with fellowships mostly postponed during the pandemic. In addition to this, new themes have been established that offer new scope for new collaborations, for example between scientists and policymakers. All in all, this has led to more intensive use of the facilities at the IAS by groups and individuals. This has been reflected in a rapidly increasing number of on-site events (such as workshops, lectures, hackathons). To expand capacity for IAS Principal Investigators, the fellowship programme and support, the budget for IAS will be increased by €200 thousand. In addition, a possible expansion of the space provided for IAS Available is foreseen. If this is deemed desirable and a plan has been developed for this purpose, the costs

will have to be covered within the scope for strategic investments included under the theme-based budgets.

Institutional tuition fees students Ukraine

In April 2023, the Executive Board decided to extend the reduction of the institutional tuition fee to the rate of the statutory tuition fee for current students from Ukraine. The internal compensation scheme for the faculties will be continued as well. As part of the preparation of the 2024 (draft) budget, the compensation budget for each faculty will be determined based on the number of students in the 2022/2023 academic year.

New initiatives framework letter 2024	2023	2024	2025	2026	2027
Room for deployment of faculty earmarked reserves	2.000	3.000	5.000	5.000	5.000
Strengthen research intensity FdR	-	1.000	1.000	-	-
Strengthen research intensity FEB	-	1.000	500	500	500
ViDi program	-	pm	pm	pm	pm
Sustainability (break open white paper)	-	pm	pm	pm	pm
Supplementary budget IAS	-	200	200	200	200
Possible expansion spaces IAS	-	pm	pm	pm	pm
Additional funds ICG Ukraine	1.024	pm	pm	pm	pm
Total new initiatives framework letter 2024	3.024	5.200	6.700	5.700	5.700

Table 11: New initiatives under the 2024 Framework Letter

2.2.6 Management measures

Following the updates of the available funds and the use thereof, and following the reservation of funds for the use of the reserves of the faculties, the result in 2024 is €-0,2 million. A number of management measures have already been taken into account in this.

Deferment of real estate rate increase

If the inflation adjustment for 2024 (approximately 10%) were applied directly to the square metre rate of real estate, this would mean an increase in charged on real estate costs of approximately €7 million. However, increased spending on construction activities will only have an effect over time through depreciation. This makes it possible to spread the cost increase over 2025-2028 by applying an annual indexation of 2.5% in these years. This annual indexation will take place in addition to the regular inflation adjustment in the relevant years. Deferring the rate increase provides an opportunity to absorb the price increase via the new space standard or through hybrid working and volume reduction.

Review of SLA agreements

The fee proposals included in this Framework Letter (see Chapter 5) result in a cost increase of approximately €16.0 million (9.3%) at the faculties. This leads to considerable additional pressure among the faculties, for which, without further action, insufficient compensation is available. At the Operational Managers' Meeting, it was agreed that the fee arrangements would be made subject to the pressure on the faculties being manageable. It has become clear that a second round is required in the rationalisation drive, looking at what cost increases can be deferred and what opportunities there are to reduce costs. In this Framework Letter, it is assumed that this rationalisation drive towards the presentation of the draft budget will result in a pressure relief of €5.0 million (about 2.7% of internal service costs) for the faculties.

Increase in allocation model prices

As explained in paragraph 2.2.4, prices in the allocation model have been increased by 1.25%. This results in a budget increase of a total of €5.5 million for the faculties, or 50% of the remaining cost increase for internal services.

Other management measures

In view of the additional funds to be expected through the wage compensation/cost-of-living adjustment in the government grant, there is no need to take any measures in addition to the above-mentioned actions at this time.

In this context, it is vital to ask the organisational units to absorb the rate increases remaining after the rationalisation drive and any increase in the size of the internal UvA units within their own budget now. That means that the portion that cannot be covered by the higher prices and budgets in the allocation model or higher contract income must be financed by the organisational units in another manner. In addition, with the exception of the IT project portfolio (for which the arrangements as set out in paragraph 2.4.2 apply), the UvA service units have been asked to achieve at minimum a break-even result by 2024. This already represents a crucial challenge that must be absorbed internally.

All faculties and units are also being asked to absorb the effects of external price increases as much as possible within the existing budget. Organisational units will be asked to what extent this can be achieved and to identify where the key difficulties and issues lie. The UvA intends to compensate as many organisational units as possible for these price increases.

2.3 Financial assumptions and frameworks

Application of the allocation model

The Allocation Model is explained in detail in the document entitled 'Description of the UvA allocation model' (*Beschrijving UvA allocatiemodel*), which can be found on the UvA website. An infographic is available for understanding how the model works. This infographic can also be consulted on the UvA website.

Changes to the allocation model relative to the adopted 2018 allocation model

In relation to the policy regarding the Research Priority Areas (RPAs), a change was made in 2019 relative to the aforementioned description of the allocation model. With the adoption of the new RPA policy, it has been decided to only use central RPA funding for interfaculty initiatives. The faculty RPAs will, as such, be terminated (the 'RPA label' will be removed). The budgets for the faculty RPAs within the 'policy budget for research' have been moved from RPAs to a lump sum amount within the 'central policy reserves'. The budget for the relevant faculties is then allocated from these central policy reserves. By adding the funds for the faculty RPAs to the faculty budgets through the central policy reserves, the faculty may, if desired, decide to continue supporting the old faculty RPAs with funds.

In the 2021 Framework Letter, the matching definition was modified to similarly accommodate developments with regard to the conditions of new funding from the Ministry of Education, Culture and Science in particular, which are equal, virtually equal, comparable or highly comparable to the funding conditions in other streams (Dutch Research Council, NWO) in material terms. The matching definition is outlined in paragraph 4.5.3.

The faculty budgets are made up of the various budget components of the research and teaching budgets in the allocation model. Chapter 4 contains a detailed description of the faculty budgets, in order to show the composition of the faculty budgets. Appendix 2 outlines the long-term development of the budgets per faculty.

Funding for the Faculty of Dentistry and Amsterdam University College

The funding of Amsterdam University College and the Faculty of Dentistry in the 2024 Framework Letter takes place in accordance with the agreements with VU Amsterdam. The UvA and VU Amsterdam include a joint and identical paragraph about the funding of Amsterdam University College and the Faculty of Dentistry. As with the other faculties, greater clarity will be created for Amsterdam University College and the Faculty of Dentistry at an early stage of the process, as a result of the coordination between VU Amsterdam and the UvA in the Framework Letter.

Broadly speaking, the agreements concern the fact that the Faculty of Dentistry will be allocated the following as its budget:

- the tuition fees of students whose first enrolment is in Dentistry (statutory or institutional fee);
- from the enrolments, degrees and doctorate conferrals components of the government grant, the share of these that is calculated from the cost-financed performance of the Faculty of Dentistry;
- a budget from the research and teaching supplement of the government grant (workplace function and policy budget).

This will be developed as follows:

- The institutions will pass on the share of the price per funding unit in relation to the halving of tuition fees at cost to the Faculty of Dentistry. In view of the uncertainty that still exists with regard to the fleshing out of the coalition agreement, the price per funding unit in the Framework Letter is still based on the 2023 budget. The updated price, agreed by VU Amsterdam and the UvA, will be included in the draft budget and the technical instructions for the draft budget.
- Tuition fees and the share of the government grant will be passed on to the Faculty of Dentistry on the basis of the budget actualisation.
- In terms of the expected compensation from the government with regard to wage-price developments in 2024, both VU Amsterdam and the UvA will include the same estimate of the compensation in the draft or final budget. In view of the uncertainty with regard to compensation at the time the Framework Letter was drafted, VU Amsterdam and the UvA have agreed that they are not yet able to do this in the Framework Letter. The outcome of the coordination between VU Amsterdam and the UvA on compensation to be included from the government for wage-price developments will be included in the draft budget and the technical instructions for the draft budget. A subsequent calculation will be made of the compensation to be included in the budget, where the actual compensation may deviate from the compensation used in the budget.
- The Faculty of Dentistry makes use of the service provision of both VU Amsterdam and the UvA. In 2020, VU Amsterdam carried through a revision/update of the internal cost model. The effect of this on the apportionment of costs and the Faculty of Dentistry budget is €1.4 million in costs that have not yet been charged on. As from 2020, the Faculty of Dentistry will be compensated for this by VU Amsterdam and the UvA.
- The funds available under the Student Loans (Higher Education) Act (WSV) will be passed on in accordance with the government grant. VU Amsterdam uses 40% of the student loan funds for the VU Amsterdam-wide

focus on the quality agreement themes, and 60% goes to the faculties for decentralised implementation. The Faculty of Dentistry is largely embedded in VU Amsterdam's operational management. This means that the portion of the student loan funds that VU Amsterdam makes available for the central implementation is also applicable to the Faculty of Dentistry and that the Faculty of Dentistry makes or can make full use of VU Amsterdam's central teaching facilities, which are funded from the 40% of the central student loan funds. In practice, what this means for the Faculty of Dentistry is that VU Amsterdam will deduct the percentage, being 40%, of the funds available under the WSV (quality agreements), which is allocated centrally (40%), from the funds available under the WSV that the Faculty of Dentistry receives from VU Amsterdam and the UvA combined. Along with this contribution to the central allocation of the funds comes the agreement that the Faculty of Dentistry is involved in decision-making concerning the allocation of these central funds in the same way as the other VU Amsterdam faculties, because the teaching facilities that are funded from these funds are, in principle, also available to the same degree to the Faculty of Dentistry. In the specific situation where the Faculty of Dentistry takes part in the UvA-wide allocation of the central funds under the WSV, the Faculty of Dentistry will contribute to these central funds from the faculty funds under the WSV.

With regard to Amsterdam University College, a similar agreement applies, with a 50/50 ratio for the UvA and VU Amsterdam, whereby Amsterdam University College is allocated the following as its budget:

- all tuition fees paid by students (statutory or institutional fee);
- income related to the number of enrolments, degree certificates and other performance-related parameters of the government grant, for both the research and teaching components.

This will be developed as follows:

- The budget related to the transfer of tuition fees and the share of the government grant is established in the Framework Letter/budget based on a cost estimate. In view of the uncertainty that still exists with regard to the fleshing out of the coalition agreement, the price per funding unit in the Framework Letter is still based on the 2023 budget. The updated price, agreed upon by VU Amsterdam and the UvA, will be included in the final Framework Letter.
- To compensate for the halving of tuition fees for first-year students, the loss in tuition fees calculated in the budget will be passed on to Amsterdam University College. The compensation from the Ministry of Education, Culture and Science for the halving of the tuition fees via the variable government grant will thus cease to apply to Amsterdam University College.
- The tuition fees budget for Amsterdam University College is determined without consideration of the halving of the tuition fees for first-year students. All passed-on government grant amounts related to compensation for the halving of tuition fees will thus cease to apply.
- A condition for the agreements is that Amsterdam University College must pay a cost-covering rate for the deployment of employees from other faculties. To this end, the adequacy of the 15% supplement that is applied in the internal agreements and an adjustment of that percentage will be considered in consultation with Amsterdam University College. This will be worked out.
- In terms of the expected compensation from the government in 2024 for wage-price developments, both VU Amsterdam and the UvA use the same

percentage of compensation. In view of the uncertainty with regard to compensation at the time the Framework Letter was drafted, VU Amsterdam and the UvA have agreed that they are not yet able to do this in the Framework Letter. The outcome of the coordination between VU Amsterdam and the UvA on compensation to be included from the government for wage-price developments will be included in the draft budget and the technical instructions for the draft budget. In addition, at the UvA and the Faculty of Dentistry, the effects resulting from the recommendations of the Van Rijn Committee starting from 2021 will not be incorporated into the budgets of Amsterdam University College and the Faculty of Dentistry.

VU and UvA are in coordination on the elaboration of the system adjustment to Studielink that from academic year 24/25 students will be automatically enrolled with the supervisor of a joint degree. Any impact on, for example, the charging on of costs for internal services, which is partly based on the number of enrolled students, will be worked out by UvA and VU in coordination with AUC.

Price stability in the allocation model

The UvA strives to achieve stable prices in the allocation model, so that the faculties know what they can count on in the future. The objective is to be in line with the long-term trend expected in relation to the government grant. This aim has been maintained in the new allocation model and is regarded as one of its basic principles.

At this stage, there are still a number of uncertainties with regard to the forecasts of the government grant and the forecasts of the internally funded performances. The Framework Letter does not yet include an expected wage/price adjustment by the Ministry of Education, Culture and Science in 2024. As explained in paragraph 2.2.4, prices in the allocation model have been indexed by 1.25% compared to the 2023 budget. The outcome of the assessment of whether there is flexibility for increasing prices further in the allocation model will be incorporated into the definitive Framework Letter or the technical instructions used to draw up the draft budget.

Decentralised control

In the allocation model, a maximum possible part of the direct government funding is made available to the faculties. At the same time, all costs will be charged to the faculties. As a result, academics can make a considered assessment of what the funds should be spent on.

Control of indirect costs

The UvA's policy is to ensure that the funds are used as much as possible for education, research and valorisation. The UvA has a process cycle within which the faculties and units discuss and align the scale and quality of the internal service provision. In late 2019 and early 2020, the internal system for charging costs and the associated process were evaluated in order to ensure that internal service provision remains as efficient and effective as possible.

As described in paragraph 2.2.5, the programme plan for the internal services improvement programme will be developed in the next few months.

Developments with respect to the collective labour agreement and personnel policy

As indicated in paragraph 2.1, it is difficult to assess the impact of a new CAO on wage costs for 2024 at this time.

In the definitive Framework Letter, we will include the indexation of the wage costs with the technical instructions to the budget. If the negotiations for a new CAO NU have not yet been completed at the time the technical instructions are drawn up, an estimate of the expected wage cost increase will be used.

Wage/price estimates and wage compensation and cost-of-living adjustment

At the time of drafting the Framework Letter, as far as the income and costs were concerned, there was no clarity as yet regarding the wage and price trend in 2024 or the wage compensation and cost-of-living adjustment. It is expected that the costs will be higher in the coming years, for example with regard to personnel and energy, but equally with regard to investments. This will be fully or partially compensated for by an additional wage compensation and cost-of-living adjustment in the government grant and must be taken into account in other income streams. The precise level or timing of these increases cannot be estimated at this time, due to the uncertainties outlined in the above.

The UvA policy is that cost increases resulting from general inflation and rising wage costs and premiums must be absorbed by the organisational units themselves. At the same time, it is assumed that additional wage/price adjustments in the government grant will be made available to faculties by means of a proportional price adjustment in the allocation model. For the faculties, the prices in the allocation model, established in this Framework Letter, are subject to changes as stated under the heading 'Price stability in the allocation model'.

For service units, the increases must normally be accommodated within the existing rates. Efficiency and volume effects may create some financial scope for the units to accommodate all or part of the cost increases within the internal budget. This year, in connection with the high inflation, the service units have been asked to index rates in such a way that a break-even result in the budget is feasible.

Transparency and quality of the budget

The UvA considers financial transparency to be important and will continue to make efforts in this regard, for example, through the use of UvAdata and infographics, by publishing and sharing P&C documents and by improving financial control processes at all levels.

The UvA aims for a long-term budget that is aligned with the actualisations, so the funds can be allocated as efficiently and as much as possible in support of education, research and valorisation.

At the time of drafting the Framework Letter and budget, there were still some uncertainties regarding the government grant to be received. The government grant is estimated based on the information available at the time and an estimate of the expected changes. Based on information from the Ministry of Education, Culture and Science and UNL and in consultation with other universities, an attempt is being made to include the expected changes in the Framework Letter as accurately as possible. It is possible that the actual government grant might be lower than expected, but the UvA's financial position is robust enough that this will not immediately lead to any problems. Chapter 4 contains details regarding the expected government grant and further explanation.

Deviations occurring between the actualisation and the budget allocated to the faculties and units may be due to various reasons. This does not only occur at faculty/unit level, but also at the level of the institutes and departments. Prior to

drafting the Framework Letter and budget, discussions are carried out with the organisational units in order to limit the uncertainties in the unitary budget as much as possible.

Moreover, it has turned out to be difficult to make use of the earmarked funds immediately and to their fullest extent. The UvA passes on the funds as much as possible and thereby makes the organisational units responsible for spending the funds. Processes to facilitate the use of the funds may lead to more delay in spending than estimated because, for example, project organisations need to be set up, plans need to be developed and, in many cases, further internal coordination is needed. In order to stimulate the process with regard to decision-making and spending within the organisational units, clarity will be provided as early possible in the process of drawing up the 2024 budget regarding the level and any conditions for earmarked funds, so that organisational units are aware as early as possible of which additional funds will become available and are able to respond accordingly.

Improving the price-quality ratio of accommodation

The strategy of the Accommodations Plan through campus development is aimed at realising sufficient and high-quality facilities for teaching and research at an affordable price. With regard to the portfolio, it is crucial to gain insight into the impact on accommodation of the various current developments.

IP ambitions for inter-faculty collaboration come with a demand for more space for collaboration. From the vision of Blended Education, a need arises for more flexibility in teaching spaces so that new forms of learning can be applied alongside traditional forms of learning. It looks like hybrid working is here to stay. In the area of valorisation, opportunities and options for collaboration with partners and businesses are being explored further. These changing demands lead to increasing pressure on the use of space, especially on the Roeterseiland campus.

With the realisation of the housing projects, we are working hard to further increase the offer for the campus in the coming years. The growth in student numbers seems to be stabilising, which helps prevent pressure from mounting further. At the same time, there is a shared commitment to further improve the efficiency of the use of space. For any interim bottlenecks, solutions are being worked on in consultation with users. These issues have been addressed in all discussions with the faculties. The various actions underway should ensure that all these ambitions can be supported on campus. The new housing standard for office use is going to help create space for new demands. However, this will likewise be a gradual process. We are taking stock of what units need in order to deal with this properly.

For the Amsterdam Science Park, the Schedule of Requirements for LabQ has been drawn up. Compared to the project initiative, the investment programme has been expanded to include bicycle parking. This was already taken into account in the Accommodations Plan, but in total, this leads to a larger building, which has increased the investment. In addition, the brief includes the sustainability ambition of buildings being made energy-neutral. The overall estimate for the project has been updated to the current price level.

The Faculty of Science has grown considerably since the commissioning of ASP 904 in 2009. The office concept no longer suits the current way of working and no longer offers the possibility of accommodating further growth. For future-proof use, it is desirable to make adjustments to the office environment, and the move from ASP 107 will be involved in this. From a financial point of view, the

Accommodations Plan takes this into account via the overall estimates for reinvestment. A project brief will be drawn up to modernise the office environment and make it more sustainable, while ensuring that sufficient resources remain available in the Accommodations Plan for the lab and teaching programme.

The issue of growth, in terms of both education and staff numbers, is particularly relevant to the Roeterseiland Campus. With the addition of the Roeterseiland Campus V temporary teaching building, the shortage of halls has largely been dealt with. The faculties are attempting to absorb the growth in staff numbers as much as possible. However, they have already indicated that there are limits to this. In consultation with the users of the Roeterseiland Campus, solutions have been defined that should provide for the gradual elimination of the bottlenecks experienced in the use of space. Solutions range from agreeing on double use of teaching spaces as study space, optimising timetabling and operating times of rooms, and better use of the office environment. The possibility of relocating other uses will be assessed as well. Over time, the Accommodations Plan envisages an expansion of approximately 10,000 m². A broader review is currently ongoing for the campus, which should provide insight into the potential location of this expansion.

The historic and heritage value of the buildings in the University Quarter, the vulnerability of the area in terms of construction logistics (bridges and quay walls), the sustainability goals, as well as the increase in construction costs, all make the implementation of the plan a major challenge, with a lot of attention being devoted to managing the various risks. The complexity of the implementation of the new University Library may lead to availability of the building being delayed. For the Oudemanhuispoort project, it was not possible to reach an agreement with the municipality on the desired design variant. The UvA has chosen to divide the project and implement it incrementally. The project estimate has been updated to the current price level; a risk estimate has been included for any additional costs of phase implementation. For BG5, the foundation repair is being discussed with the municipality and work is being initiated to determine the structural condition of the building. The foundation repair of the Gasthuiskerk is progressing well; the building will be made suitable for use after completion thereof.

The basic principle underpinning maintenance is that all buildings are maintained in accordance with the policies of the Accommodations Plan. A Long-Term Maintenance Plan (MJOP) is in place that ensures replacement maintenance takes place in a timely manner to ensure that buildings continue to function well at a technical level and comply with applicable laws and regulations. Facility Services has indicated that, due to changing laws and regulations, fluorescent lighting must be replaced with LED in the next few years. This replacement was already foreseen in the Energy Transition Roadmap; it is planned to be implemented sooner. This Framework Letter includes the maintenance estimate based on the earlier statement from Facility Services, in which an attempt has been made to arrive at the most accurate estimate of the required maintenance for the coming two years. Facility Services is working on fleshing out the DMJOP as well as on the establishment of appropriate maintenance management. More information on the multi-year maintenance plan is expected to be available at budget time

As part of the air quality inventory, two pilots will be launched, especially for teaching spaces, to properly assess which measures can be used to improve quality, with the aim of incorporating these results into policy development. The investment table includes a PM, in case it is necessary to set aside additional investment or

maintenance funds for this.

The Energy Transition Roadmap adopted in 2021 aims for buildings to be ParisProof all-electric by 2040. The roadmap is based on an inventory and identification of sustainability measures. In practice, however, not all measures are feasible or the intended savings are lower than expected, for example due to higher comfort requirements. The pace of the sustainability efforts is also slower as limited implementation capacity due to major maintenance causes projects to be delayed. The update of the Roadmap will commence this year, with the aim of having a proper, more realistic planning of building measures by the next Framework Letter.

There is broad support for the further refinement and tightening of the UvA's sustainability goals. In addition to the above-mentioned energy transition (which is already very concrete and measurable), opportunities for the accommodations portfolio lie in the further elaboration of circularity, climate adaptation and environmental sustainability. The policy proposal for climate adaptation and environmental sustainability will be put to the representative advisory bodies this year. For the Accommodations Plan, this will lead to an €3 million increase in investments in the period to 2030, and a 25% increase in site maintenance operating costs.

The investment estimates in the Accommodations Plan are based on the price level as at 1 January 2023, with a model-based assumption for the increase in construction costs relative to inflation. Compared to 2022, building costs have increased by 10.5%. Current market developments pose a financial risk for additional investments. The current financial breakdown still follows an adjusted trend after 2023 until 2026, of 2%, 2% and 1% over the model estimate of 1% per year, respectively. The market developments oblige us to incorporate additional risk assurance in the contracting stage. The risk report associated with the campus development reports on this issue.

Compared to the 2023 Accommodations Plan, the investment programme has increased by €56 million up to 2035. This is mainly due to planning shift from 2022 and 2023, the effects of building inflation and expansion of the LabQ programme and climate adaptation/environmental sustainability. The investment table also includes a vista on the investments beyond 2035 up to 2040, showing that a rescheduling of investment does not mean a reduction in investment. Altogether, €23.7 million has been rescheduled.

The current investment schedule follows from the scheduling adjustment of projects and the inclusion of new ambitions. The estimate shows that, for various reasons (i.e. growth, goals), the university requires more funds at this stage to be able to meet the space requirements and that it will have a higher need for cash in the coming years for that purpose. At the same time, it should be noted that the complexity of project preparation and implementation limits the UvA's ability to implement several major projects in the same period of time, while properly managing the environment. In this 2024 Framework Letter, the schedule is based on an up-to-date estimate of the feasibility of projects.

The goals remain within the boundary conditions of maximum rental expenses of 12%, and the Accommodations Plan reserve will be approximately -€3 million by 2035.

The focus will remain on not investing more than is necessary, meaning that a greater degree of certainty regarding the utilisation of additional floor space is

required.

Inflation is rising, and this is similarly reflected in the rise in construction costs. It is not unrealistic to assume that inflation will increase further in the near future, which has not yet been taken into account in the calculation models – apart from a standard risk premium for price increases and an estimate for the next few years.

The Accommodations Plan's policy provides for inflation to be passed on to the users. Inflation eventually makes itself felt in higher depreciation. This allows for an incremental charging on of the associated costs. The figures include a gradual increase in the Accommodations Plan rate from 2025, at 2.5% per year, for 4 years. The effect of 1% inflation on the Accommodations Plan calculation of both the revenues and costs will lead to a positive reserve of €71 million by 2035.

The Accommodations Plan takes into account reinvestments made after the end of the depreciation period. Calculation models have taken into account approx. 30% of the original investment. The planning period of the long-term budget includes financial scope for reinvestments in the Amsterdam Science Park and initial reinvestments in the Roeterseiland Campus and University Quarter. Apart from Faculty of Science's demand for office space, there is currently no concrete reinvestment demand. Combined with the fact that there is already an ambitious investment programme, some of the reinvestments have been deferred.

To better understand the need for reinvestment, financial impact and timing, a normative substantiation will be developed.

See Appendix 3 for the Accommodations Plan investment table.

Solvency II between 38% and 44%

Internal UvA standard

Internal thresholds are used to better monitor the solvency situation and make it possible to reach some form of agreement on the progression of the figures. Internal thresholds have less to do with the continuity risk (which is already catered for in other ways) and more with the issue of whether capital is being used in a suboptimal way, including with regard to making contributions to society. The frame of reference for these thresholds is the internal treasury policy and the treasury plan. In view of the societal nature of the organisation, both a lower limit and an upper limit have been defined for the internal threshold. This creates a range within which solvency can fluctuate over the planning period. The UvA will strive to keep solvency II at a level between 38% and 44% in the years ahead. If solvency is too high, this could suggest that too much is being saved and, as such, that more funds could be made available for research and teaching. If solvency is too low, this could suggest the presence of a financial risk (in time). The application of internal thresholds that are subject to an upper limit makes it possible to monitor this point – which is important for societal debate too – more closely. Also, the upper limit should create a more balanced consideration. Based on the plans set out in this Framework Letter, solvency II will fall below the internally set limit of 38% as from 2026. This is due to a new method of funding sector and incentive grants of the Ministry of Education, Culture and Science. Amounts received for this purpose that have not yet been spent may not be credited to the equity capital, but must be recognised on the balance sheet as a liability. This is different from the normal treatment of the government grant received and leads to a deterioration of the equity-to-debt ratio. In the next few months, we will see how the UvA intends to deal with this development in the 2024 draft budget. Ahead of the draft budget, investment planning will also be updated again, which could potentially have a positive impact on solvency trends if certain expenditure occurs at a later stage.

Standard applied by the Inspectorate of Education

The Inspectorate of Education only applies a lower limit as the threshold for solvency II; this is 30%. Exceeding an alert threshold is considered by the Inspectorate as an indication that an institution is experiencing a financial or continuity risk. Based on the plans set out in this Framework Letter, solvency II will remain above this limit.

Alert threshold for excessive reserves*Standard applied by the Inspectorate of Education*

Last year, the Inspectorate of Education expanded its alert thresholds to include a threshold for excessive reserves. Exceeding an alert threshold is treated by the Inspectorate as an indication that an institution may be creating unnecessary buffers. The UvA's normative public equity remains well below the new alert threshold.

Long-term financial break-even result for the entire UvA*Internal UvA standard*

The UvA strives to achieve, at a minimum, a zero result for the university as a whole. Funds may be temporarily committed for specific goals, such as in the case of earmarked reserves, but there must be at least a zero result in the long term.

In recent years, the UvA has often achieved higher results than budgeted. Given rising revenues, there is a reasonable chance that this will continue to occur in the coming years. In the coming years, this flexibility will be used to contribute to the UvA's liquidity. As soon as this is in order and there is similarly sufficient stability in the funding flows, this flexibility will again be used to take greater risk in the budget.

Based on the plans set out in this Framework Letter, the profitability will remain at 0% long-term.

DSCR > 1.0*The UvA's agreement with banks*

The Debt Service Coverage Ratio (DSCR) is a measure of the amount of cash the UvA has at its disposal to pay interest and loan instalments. A sufficient cash flow must be available annually so that these amounts can be paid. Based on the plans set out in this Framework Letter, the DSCR will remain well above this limit.

Liquidity ratio > 0.5*Standard applied by the Inspectorate of Education*

The UvA's policy in recent years has been to stay above the alert threshold of 0.5 set by the Inspectorate of Education. In 2021, the Inspectorate increased this alert threshold to 0.75 without any prior announcement or clarification. This means that, as early as the end of 2023, the UvA's liquidity ratio could fall below the Inspectorate's alert threshold. In itself, this is not a problem: a liquidity ratio of 0.5 is considered to be amply sufficient by the UvA (and other universities), and for the Education Inspectorate, this value merely represents an alert threshold value, meaning a risk indicator. The UvA considers a significantly lower level than 0.5 to be undesirable, and will continue to steer accordingly. By attracting additional funding from 2026 onwards, the ratio will remain at or above this level throughout the planning period. This is explained in more detail in paragraph 5.7.2.

Accommodation costs passed on internally < 12%

Internal UvA standard

The basic rent charged internally (from the proceeds of which the real estate administration funds the interest, depreciation, owner's maintenance and ownership costs) to faculties and units may never amount to more than 12% of the UvA's turnover. Based on the plans set out in this Framework Letter, the accommodation costs will remain below this limit.

Reserves

Within a few years, the budget may evolve in such a way that it will no longer be possible to immediately bring the costs in line with income. In that case, the reserves will be used to bridge the gap. Hence, the policy on reserves is closely related to the allocation issue. Faculties must maintain a minimum buffer capital. In accordance with the Financial Management Regulations, the standard for the decentralised faculty reserve position is 10% of the annual income of the organisational unit. In times of need, they should be able to use this buffer capital. This is elaborated in greater detail in the UvA Reserve Policy Memorandum. The Framework Letter indicates the financial scope available to the faculties to make use of the reserves. If the reserve position falls below the standard of 10%, the organisational unit must indicate in its long-term budget how the required reserve position will be achieved. The UvA Reserve Policy Memorandum further explains the UvA's policy regarding reserves. The designated reserves and funds may only be used if this is approved in the budget.

A total of €3 million of flexibility has been reserved for the faculties collectively for the use of reserves in the budget. This has not yet been allocated to specific faculties, but provides additional flexibility in the budget for the faculties as a whole.

2.4 Investments

Investments in education, research and valorisation are essential for implementing the UvA's strategy. The UvA is a broad-based university offering research-intensive education, where innovative and interdisciplinary research is carried out. The UvA is innovative and has strong ties with society. At the UvA, there is ample scope for innovation and improvement in quality. The UvA allows faculties a great degree of freedom in determining their policies, in order to facilitate the achievement of strategic educational objectives. In addition to the policy freedom at the faculty level, there is a need to create room for UvA-wide policy initiatives. In essence, this refers to areas in which a joint investment is necessary or a policy objective for allocating the funds differently.

Investments in education, research and valorisation can be made in various ways. This is elaborated in greater detail in the following four paragraphs:

- Policy investments
- IT investments
- Real estate investments
- Other investments

2.4.1 Policy investments

In 2024, the UvA will invest €232 million in various policy themes through:

- decentralised policy budgets allocated to faculties via the allocation model;
- central policy budgets allocated to faculties via the allocation model;
- theme-based budgets via the management budget.

The table below displays the policy investments made via the allocation model and the theme-based budgets and also indicates whether the funds have already been used or reserved.

Operational investments	2023	2024	2025	2026	2027
<i>Resources via allocation model</i>					
Decentralised policy on education	20.908	21.169	21.169	21.169	21.169
Decentralised policy research	26.371	26.700	26.700	26.700	26.700
Central policy education*	13.789	12.972	11.740	11.730	10.774
Central policy research*	64.291	65.230	64.610	61.831	61.259
RPA's	6.152	2.100	1.800	900	300
Central government contribution ed and rs (excl. to board)	45.484	45.259	32.817	32.686	32.693
Other policy investments	19.479	14.622	12.826	9.256	4.984
Subtotal	196.474	188.052	171.663	164.272	157.879
<i>Reserved funds via allocation model</i>					
RPA's	400	3.400	3.700	4.600	5.200
Additional resources for switching programs	-	294	294	294	1.250
Interdisciplinary education	154	150	1.000	1.000	1.000
Beta/engineering	218	218	218	218	750
Reservation for additional research effort	-	-	-	-	-
Support uniprofs	-	40	160	160	160
SEO funds transferred to 1st GS	-	-	4.596	4.596	4.596
Proposed additional use of reserves	200	-	-	-	-
ICT theme funding: Reserved	500	-	551	3.877	6.377
Reservation for support for valorization and partnerships	1.250	250	250	250	250
Strengthening TLCs	-	-	-	-	-
Finance and procurement systems development	200	-	-	-	-
IP - Financial instruments Strategic Plan	1.378	4.387	3.677	10.926	12.426
IP - Financial instruments - valorization part UvA	-	1.000	1.000	1.000	1.000
IP - Financial instruments - Continuous support	150	150	150	150	-
IP - Financial instruments - Start-up IP	150	150	150	150	-
IP - Pulse	1.000	1.000	1.000	1.000	1.000
Program ViDi	-	pm	pm	pm	pm
Sustainability (break open white paper)	-	pm	pm	pm	pm
Possible expansion spaces IAS	-	pm	pm	pm	pm
Interfaculty teaching commitment	2.000	2.000	2.000	2.000	2.000
Data Science	979	1.098	841	616	-
STEM sector plan and SSH sector plan	-	-	8.038	8.038	8.038
Centrally earmarked start-up and incentive grants	6.868	6.868	6.868	6.868	6.868
Matching Horizon Europe	3.000	3.000	3.000	3.000	3.000
Subtotal	18.448	24.005	37.493	48.743	53.915
<i>Resources through governance</i>					
Internationalization	948	948	948	948	948
Personnel & Participation	4.391	4.391	4.391	4.391	4.391
Information availability	300	300	300	300	300
Strategic communication	82	82	82	82	82
University facilities	550	550	550	550	550
Strategic investments	3.783	3.097	2.296	2.040	2.040
Other	1.450	1.450	1.450	1.450	1.450
Subtotal	11.504	10.818	10.017	9.761	9.761
<i>Reserved funds via the Board</i>					
Open Science	722	200	-	-	-
Quality agreements	4.500	5.000	5.000	5.000	5.000
Room for strategic investments	1.648	2.854	3.054	3.054	3.054
Unforeseen	1.000	1.000	1.000	1.000	1.000
Subtotal	7.870	9.054	9.054	9.054	9.054
TOTAL	234.295	231.929	228.227	231.830	230.609

* including the fixed policy budget FdT

Table 12: Policy investments via the allocation model and Board

The policy budgets via the allocation model are explained in more detail and broken down in Chapter 4. Paragraph 5.6 provides a detailed outline of the policy investments from the Board.

As from 2021, the budgets for the IT portfolio for IT projects and IT developments will be allocated directly from the allocation model instead of from the policy investments via the Board. As from 2021, these will be included under 'Other policy investments'. A breakdown of this component can be found in 2.4.2, where it is explained further.

The funds are now being used for the theme-based approach to research, valorisation and interfaculty education through the financial instruments for the Strategic Plan. As stated in the introduction, as part of the implementation of the 'Inspiring Generations' Strategic Plan for 2024, it is expected that further use will take place within the financial instruments reserved in the 2023 budget for the long term. Based on experiences gained in 2023, it may be preferred or necessary to have funds available more quickly or to apply a limited or other shift between the various items. If necessary, this will be incorporated into the budget.

The quality agreements (part of the passed-on government grant) and RPAs are explained further below.

Quality agreements

The Rutte-III cabinet's coalition agreement indicated that the funds released by the replacement of the basic grant by the study advance would be linked to quality agreements. These agreements have been made at institutional level and approved by the Minister of Education, Culture and Science, after an assessment by the Accreditation Organisation of the Netherlands and Flanders (NVAO). In 2022, the NVAO performed an interim assessment of the realisation of the plans on the basis of the 2021 Annual Report. A final assessment of the quality agreements programme will take place in 2024. Partly for this reason, it is vital that, in 2023 and 2024, the faculties not only spend the funds allocated for those years, but also fully make use of the funds from previous years not yet allocated for the realisation of the quality agreements.

After extensive consultation with the relevant representative advisory bodies, the UvA has decided to use the funds for the following themes:

- more intensive and small-scale education;
- further professionalisation of lecturers;
- suitable and high-quality teaching facilities.

In addition to the three aforementioned themes, the UvA has decided to set up the UvA Teaching and Learning Centres (TLCs) with the funds for the quality agreements. The process of providing an additional, long-term impetus for the chosen themes has been further elaborated based on the quality agreements process of July 2018.

The fact that the quality agreements plan has been approved ensures that the UvA will receive the quality agreement funds until 2024.

Additionally, by passing the interim test in 2022, the full amount is guaranteed until the end of the term of the programme (2024). For the period after 2024, the quality agreements programme is currently expected to become structural, in a form to be determined. The administrative agreement that the Minister of Education, Culture and Science signed with institutions in 2022 states the following in this regard: [...]

the funds already made available to higher education under the quality agreements up to and including 2024 will be made available to institutions on a structural basis from 2025, through addition to the lump sum [...]. There will no longer be agreements per institution on the allocation and spending of these funds, nor will there be any pre-assessment of the plans made by the NVAO. During 2023, after various consultations with internal stakeholders, an outline will be presented for the exact frameworks and interpretation for deployment of these funds from 2025 onwards.

In 2021, the UvA held a mid-term review of the quality agreements, which did not lead to a different implementation with regard to the themes and/or an alternative distribution of funds. The UvA will remain committed to the three themes selected for the entire period. In general, the focus is on continuity and the aim is to continue to maintain a ratio of central/faculty funds of approximately 20% to 80%.

For the time being, the UvA receives the funds for the quality agreements as a separate component of the government grant. In accordance with decisions taken, funds are allocated to the organisational units based on the weighted number of credits. Compared to the 2023 Budget, the allocation has been updated based on the revised organisational unit forecast for the number of credits in 2024 and beyond. Pending further decision-making regarding the funds for quality agreements for the period after 2024, the distribution method has not changed. If other frameworks start to apply in this respect and other (internal) arrangements are made, the distribution method may be adjusted.

The Faculty of Dentistry and Amsterdam University College share of the funds is passed on directly via the price per funding factor, in line with the funding system for the Faculty of Dentistry and Amsterdam University College. See Chapter 2.3 for an explanation of the agreements made with VU Amsterdam.

Amsterdam University College receives a separate budget from VU Amsterdam for quality agreements, which is why these funds are not included in the table below. The remaining part of the funds received by the UvA, after deduction of the UvA-wide commitment for the Faculties of Economics and Business, Humanities, Science, Social and Behavioural Sciences and Medicine and the Amsterdam Law School, are allocated to these six faculties based on the weighted number of credits. This leads to the allocation shown below. This allocation will be adjusted annually, at the time of budget preparation, based on the final number of credits.

Allocation of funds for quality agreements (x€ 1.000)	2023	2024	2025	2026	2027
Faculty of Economics and Business	2.281	2.479	2.479	2.424	2.352
Faculty of Law	1.881	2.012	2.012	1.959	1.958
Faculty of Humanities	2.855	3.200	3.200	3.268	3.305
Faculty of Science	3.438	3.738	3.738	3.716	3.708
Faculty of Social and Behavioural Sciences	4.583	5.087	5.087	5.081	5.093
Faculty of Medicine	2.491	2.813	2.813	2.995	3.034
Faculty of Dentistry	932	1.023	1.023	925	925
Amsterdam University College	507	613	613	598	591
UvA-wide	4.500	5.000	5.000	5.000	5.000
Total	23.469	25.965	25.965	25.965	25.965

Table 13: Provisional allocation of funds for quality agreements

Research Priority Areas (RPAs)

At the end of 2018, following an assessment of the priority areas, a modified policy on RPAs was adopted. The revised policy includes the use of new RPA funds for interfaculty initiatives. The university RPA policy will serve as an unambiguous

control instrument for interfaculty research focused on innovation and will not be used for establishing research priority areas. Under the policy revised in late 2018, the implementation of the RPAs is further guaranteed through the strategy and organisation of the university.

The faculties have been asked to develop a faculty research strategy, the basis of which should be the Strategic Research Framework drawn up in 2019 and which should highlight aspects such as focus, mass and innovation among the disciplines at the faculty. This faculty strategy focuses on the various ways in which research activities can be guided and managed: by developing and maintaining excellent research priority areas, by scaling up promising new initiatives and in relation to how the faculty tries to make room for innovation, including the pursuit of independent research set up through the central RPA budget.

Since 2019, the funding period for interfaculty RPAs has been a maximum of five years, with the possibility of extending it once, by a maximum of five years.

In accordance with a prior decision, the budget available for Research Priority Areas (RPAs) has, in the last few years, increased to a total of €10 million. In 2019, the faculty RPAs were integrated into the decentralised faculty budgets, for an amount of €4.5 million in total. After the integration of the faculty RPAs, the available budget for interfaculty RPAs is €5.5 million (€10 million minus €4.5 million for the faculty RPAs). The RPA budget was to reach €5.5 in 2022, while the budget for new RPA allocations would not become available until 2024. In order to continue to provide two RPA allocations per year both in 2022 and in 2023, the RPA budget has been increased on a one-off basis in the 2022 Framework Letter for 2022 and 2023. As of 2024, the available budget for RPAs will once more be in line with the agreed policy (€5.5 million), which means that at least some RPA allocations from 2019 cannot be renewed. For the 2024 budget, the Board will decide on the definitive allocation in October 2023, following Steering Committee discussions with the initiators about details of their proposal and after receiving the University Research Committee's (UOC) advice on this. In March 2023, the Executive Board took the decision to extend the RPA Urban Mental Health for the period of 2024 through 2028. This budget will be allocated to the coordinator of the Faculty of Science.

Research Priority Areas	For	2023	2024	2025	2026	2027
Brain & Cognition	FMG	772	-	-	-	-
Personalized Communication	FMG	301	-	-	-	-
Global Health	FdG	379	-	-	-	-
RPA Urban Mental Health	FNWI	2.000	-	-	-	-
Amsterdam Centre for European Studies	FMG	300	-	-	-	-
RPA Digital Cultures	FGW	300	300	-	-	-
Human(e) AI	FGw	300	-	-	-	-
Available RPA STEM/medical/gamma	Not distributed	-	2.000	2.000	2.000	2.000
Available RPA resources	Not distributed	400	1.400	1.700	2.600	3.200
RPA AI for Health Decision Making	FdG	450	450	450	-	-
RPA Personal Microbiome Health	FdT	450	450	450	-	-
RPA Organizational Ethics	FdR	300	300	300	300	-
RPA ENLENS	FNWI	300	300	300	300	-
RPA Decolonial Futures	FGW	-	-	-	-	-
RPA Trust in the digital society	FdR	300	300	300	300	300
Total		6.552	5.500	5.500	5.500	5.500

Table 14: RPAs

2.4.2 IT investments

The UvA has set up an annual IT investment portfolio with an associated investment budget. The IT investment portfolio aims to contribute to the provision of innovative

and modern IT services for research, education and operational management.

Overview

'IT Projects' is used to fund small and medium-sized projects in all areas of information provision. In addition, we distinguish theme-based funding in 11 domains. In total, €8.0 million will be available for theme-based financing in 2024. Alongside the 'IT Projects' budget, the hours for the IT portfolio, the contribution to SURF, and the depreciation set-off system, the total available 2024 budget for the IT portfolio comes to €10.9 million.

Themed funding

The 'Theme-based Funding' budgets provide an indicative multi-year view by domain. During 2023, this will be further developed in consultation with the faculty service units. The details will be laid down in the MYUP/IT Portfolio 2024. Decision-making takes place in the context of the budget. These investments will arise from fulfilment of the ambitions of the 2021-2026 Strategic Plan and the related digital agenda. By 2024, the education domain is working towards the ambition of ensuring that lecturers have the digital capabilities required to provide and develop (online) education and are well supported in doing so. This will be done through implementation of the Virtual Learning Environment board's annual plan, the development of a well-functioning thesis process with supporting workflow, and the renewal of the UvA education feedback system, UvAQ. IT innovations in education are supported by the Grassroot programme.

In the research domain, we are working towards the ambition of ensuring that researchers have a digital infrastructure that enables them to conduct top scientific research. This is done through further development of IT solutions for researchers by ResearchIT and procurement of computing power (Lisa GPU cluster). This cluster is used intensively in data science.

In the educational logistics domain, the ambition is to provide students with an overview of and insight into their studies. In this way, they can take responsibility for a successful education. Procedures are user-friendly and fair. This is achieved by permanently improving student accessibility, fine-tuning the new editorial model of student.uva.nl, supporting push information and improving the subject registration application.

In the area of operational management, increasing the predictive ability is key, so that we can manage and respond to changing circumstances, wishes and needs (agility) in order to achieve continuity in the quality of teaching, research and operations. This is achieved via topics in the SAP Roadmap (innovations in the finance and HR domain and improvements in information security and the underlying technical infrastructure).

With the Intranet replacement, we are working towards the ambition that employees have the information and support needed to perform their work, role and duties well.

Supporting valorisation and collaboration with external parties in UvA buildings is the ambition that is being worked on in the collaborative domain. A study will take place in 2023 to identify the needs in this regard, and what this means for services and infrastructure. This programme will be continued in 2024. There are also a number of new thematic areas where initiatives will be launched in the coming year (Data and AI for the UvA, Sustainability, Responsible IT and Collaboration).

Earmarked theme-based funding

With the creation of the IT theme-based funding 'Earmarked', the budget introduces scope for new investments in all domains of information security. Until the Executive Board makes a decision on the allocation of these funds, they have been placed under earmarked theme-based funding.

ICT investments (ICT development)	2023	2024	2025	2026	2027
BUDGET ALLOCATIONS					
ICT projects: ICT & operations	400	400	400	400	400
ICT projects: ICTO programme council	600	600	600	600	600
ICT projects: SURF contribution	496	534	534	534	534
ICT projects: Hours ICTS	1.360	1.360	1.360	1.360	1.360
ICT projects: Compensation depreciation system	125	-	-	-	-
<i>Subtotal ICT projects regular</i>	2.981	2.894	2.894	2.894	2.894
ICT theme funding: Education	2.183	2.065	1.316	400	-
ICT theme funding: Lifelong learning	150	400	500	500	-
ICT theme funding: Research*	1.119	1.200	1.400	300	-
ICT theme funding: Education Logistics	2.590	1.725	1.825	1.175	-
ICT theme funding: Operations	1.630	1.504	900	450	-
ICT theme funding: Information security (3)	100	150	-	-	-
ICT theme funding: Data and AI for the UvA	150	340	160	-	-
ICT theme funding: Sustainability	100	100	-	-	-
ICT theme funding: Responsible IT	154	250	300	450	-
ICT theme funding: Collaboration	385	300	200	-	-
ICT theme funding: improvement plan IB	328	-	-	-	-
ICT theme funding: Use of IB improvement programme reserves	676	-	-	-	-
<i>Subtotal thematic funding awarded</i>	9.565	8.034	6.601	3.275	-
ICT theme funding: Reserved	-	-	551	3.877	6.377
ICT theme funding: additional reservation IB	500	-	-	-	-
TOTAL	13.046	10.928	10.046	10.046	9.271

Table 15: Long-term IT investments

2.4.3 Real estate investments and the Accommodations Plan

The budgetary precondition for the Accommodations Plan is that, measured until 2035, this Plan must be implemented in a budget-neutral manner (including the costs of capital) within the framework of the current internal rental policy and with the designated reserve built up so far. An update of the Accommodations Plan will be added to the 2024 budget, which will incorporate the most recent insights.

The internal rental policy consists of the annual adjustment of the rent according to inflation (CPI). Due to the combination of this increase in price due to inflation and the decrease in the number of square metres, the share of the basic accommodation costs of university funds remains within the range of 10-12% of the total costs. This income-to-rent ratio is on average around 6% for the faculties. This is displayed in the graph below.

The difference between the faculties' income-to-rent ratio and that of the UvA as a whole relates to the University Library, study centre premises and lecture rooms managed by the units. A large part of these costs are ultimately still borne by the

faculties via the rates set by the units. Hence, they also have an interest in striving for an efficient use of lecture and study rooms. The graph below shows the average income-to-rent ratio of the faculties. The income-to-rent ratio of the Faculty of Science is higher than that of the other faculties due to the laboratories.

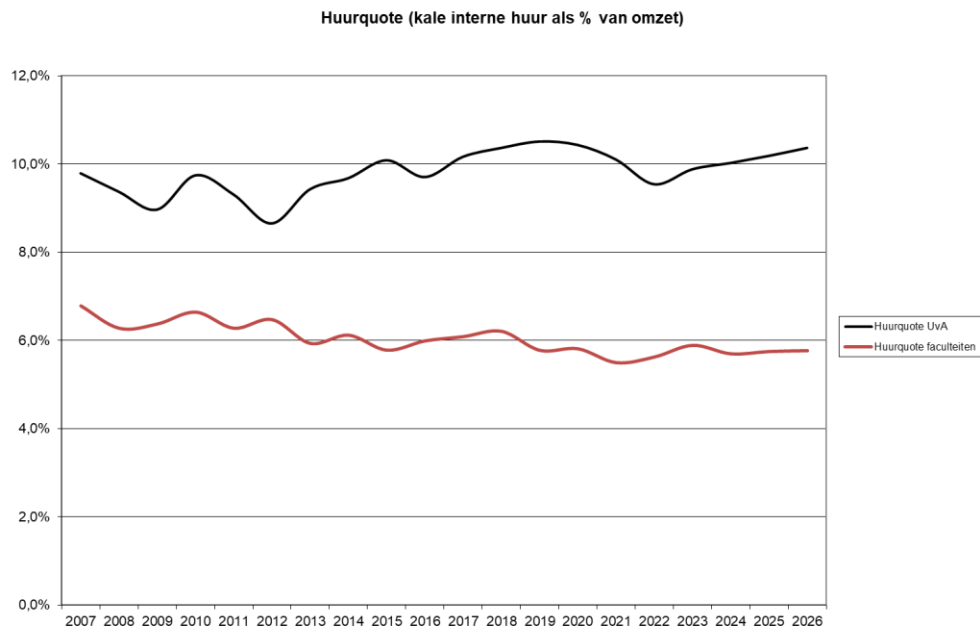


Table 16: Income-to-rent ratio

The real estate administration will have a cumulative positive operating result for 2024 through 2027. The results for 2023 through 2026 are higher than the long-term budget for 2023, which is principally due to the planning changes that have a positive effect on the result.

In the years after 2027, the result will remain negative for several years because, in the financial long-term model, the first reinvestments will then also start to influence the estimate. The amount and the timetable of the reinvestments are easy to control. On the horizon up to 2045, it is quite possible to achieve an investment programme of approximately €40 to 45 million per year on average, which is comparable to the amount of the depreciations.

For planning purposes, it is desirable to gain insight into the size of the annual expenditure of liquid assets. That is why, during the preparation of the budget for 2024, particular attention will be paid to the feasibility of all proposals (quality and time). Faculty ambitions have an impact on future spatial needs. In some cases, it may be a good idea to take more time to state the ambitions in more concrete terms, so as to better understand the spatial needs. If this is done, the quality of accommodation will be more in line with the actual needs of the faculties, which will make the investments more stable. However, all of this may result in a longer lead time for the investment programme.

2.4.4 Other investments

In 2019, the first additional investments were made from the reserves to provide financial scope for experimentation, from the scope created for that purpose in the budget. This has resulted in a number of initiatives, the allocated budgets for which are included over a multi-year period in the budget for 2020. In 2019, experience

was gained with the system for offering interim opportunities to create extra scope for projects and temporary innovations intended to have a structural effect. This has shown that the extent of the proposals is such that the financial scope becoming available during the year is expected to offer sufficient opportunity for honouring proposals. The policy of creating scope for investments from faculty and university reserves will be continued and, in 2024, as in previous years, will be based on the financial scope becoming available in the year itself, which, given the expected size, is not budgeted in advance. In consultation with the organisational units, further agreements/process agreements have been made about the decision-making processes related to the allocation of additional funds from reserves. The process followed in recent years will be evaluated and will be continued in 2024, with adjustments where necessary.

2.5 Risks

In May 2022, the Executive Board adopted the Risk Management Framework. The framework sets out the principles for risk management within the UvA and focuses on all aspects of operational management. An implementation plan is currently being worked on, which includes risk reporting as part of the planning & control cycle. This paragraph of the budget presents the main financial risks. The table below shows inherent risks; this refers to the representation of risks before control measures are in place. The table shows the estimate of the probability of occurrence, small (1), significant (2) and large (3), and the estimate of the level of the consequences, significant (1), large (2) and very large (3). Based on the outcome of these estimates (probability x impact), the risks have been ranked by priority. The table below details the risks and describes the control measures that will result in reducing the potential negative impact to an acceptable level.

	Inherent risks	Probability	Impact	probability x impact
1	Adverse development and/or (re)allocation of research funding	3	3	9
2	Investments in accommodation	2	3	6
3	Increase in size of matching pressure	3	2	6
4	Insufficient wage-price compensation	2	3	6
5	Macroeconomic developments and monetary policy: rise in interest rates	2	3	6
6	Uncertainties in state education funding and student numbers	2	2	4
7	Insufficient liquidity	1	3	3
8	Student numbers	2	1	2
9	Uncertainty about how much funding the UvA will receive through NWO competition from the National Science Agenda (NWA) and other research contract income	2	1	2

Outcome probability x impact:

	Take direct action
	Take immediate action
	Action is mandatory to reduce risk
	Action is desirable to reduce risk

1)
The extra government funding for sector plans and start-up & incentive grants received from 2022 provides a temporary quality boost. However, based on PwC Strategy&'s analysis, additional research resources will still be needed to reduce the workload and arrive at the desired ratio between teaching and research income, particularly if student numbers continue to increase as expected. The coalition agreement contains a commitment to review and increase the fixed rate used in the funding of universities. In view of the previous review conducted by the Van Rijn Committee, the lobbying of the applied sciences and younger universities and the unique activities carried out by the UvA (particularly with regard to museum activities), there is a risk that the review may have a negative impact on the UvA.

This risk will be managed by drawing public attention to the financial position of universities (including the attention of the central government and social partners,

through the UNL), by monitoring developments for the purposes of long-term planning and by continuing to look for efficiency opportunities within the UvA. The UvA remains dependent on the state. When deficits persist, priorities have to be set, which prevents desired goals regarding research from being realised.

2)

Partly due to the war in Ukraine, the supply of raw materials is being compromised, bringing production (partly) to a halt. This causes stagnation in construction due to lack of materials. This may result in housing ambitions not being realised within the set time schedule and/or not within the set financial framework. This risk is controlled by: Monitoring market developments; flexible design of buildings; exploring alternatives; adjusting planning/phasing of projects/programme, and financial or other optimisations to absorb any consequences.

The UvA faces major challenges with the University Quarter in the city centre, involving specific risks. Its location makes construction logistics (transport for the supply and removal of building materials at construction sites) complex and cost-intensive. This has been made more complicated by changes to regulations by municipal authorities, as well as changes to the way those authorities interpret the regulations. These risks will be managed by regular monitoring of the developments in accommodation requirements via a rolling forecast approach in the Accommodations Plan, which makes it possible to identify problems promptly and – where necessary – make adjustments, as well as by making new wishes explicit, weighing them up and submitting them to the representative advisory bodies. Further, more specific control includes appointing a University Quarter construction logistics coordinator to align planning and construction flows and coordinate with the municipality frequently, from an early stage. Making risk management part of project implementation makes it possible to identify risks (likelihood and impact) promptly and make adjustments as necessary.

3)

With the increase in matching pressure, free research scope is decreasing all the time. This risk is currently mainly managed within faculties and by means of the matching component in the allocation model. An additional matching component has been proposed in the context of the Strategic Plan. Furthermore, within the public debate and at UNL level, it is emphasised that additional or new forms of funding must be full cost, meaning that total costs must be covered, and that these new forms of funding may not increase matching pressure; On the one hand, the additional funds given as start-up & incentive grants, provide additional scope for free research, but at the same time, increase matching pressure because these funds are not full cost.

4)

It concerns evolution of wages, pension premiums and prices and the extent to which this will be compensated for in the government grant. The majority of the UvA's revenue comes from the central government. This is subject to annual indexation, which provides compensation for inflation and any increases in wage costs, limiting any impact of rising inflation on the UvA's financial position in the short term under normal circumstances. In the event of persistently high levels of inflation, it is not inconceivable that the central government will set a lower level of indexation, meaning that it will not provide full compensation, which leads to fewer available means. This may have a negative effect on the workload and quality. This risk will be managed by drawing public attention to the financial position of universities (including the attention of the central government and social partners, through the

UNL), by monitoring developments for the purposes of long-term planning and by continuing to look for efficiency opportunities within the UvA.

5)

The risk is in higher interest expenses related to existing and future loans. Less stability and predictability of cash flows. Much of the interest expenditure is fixed for a longer period. Interest rate risk is actively managed. Still, some interest rate risk will always exist, especially when new loans are taken out.

6)

The intention to increase the fixed base in the government grant and reduce the variable national contribution increases underfunding when student numbers increase (a fixed base does not move with student numbers). In addition, a higher number creates additional pressure on the university due to pre-funding issues and under-compensation for research. More teaching spaces are required as well. If student intake is lower, such pressure will decrease, but there will be a risk of revenue being insufficient to cover investments in the medium term. In academic year 2023/2024, the basic grant will be introduced. There is a risk that the government will cut the current or future funding of universities (e.g. the quality funds) in order to finance the costs of the basic grant. This is governed by the preparation of multi-year budgets that are sound from both a quality and a quantity point of view. The Accommodations Plan includes scenario analyses and more specific planning calculations for student numbers over a long planning horizon. By 2022, an improvement has been achieved in the creation of multi-year projections of student and staff numbers. The exchanges, alignment and deployment of mathematical models to arrive at well-considered and substantiated multi-year projections will be continued. Any measures will be taken based on the outcome of the forecasts. Examples include actively advising international students to only come to the UvA if they already have housing, and emphasising the importance of learning Dutch when they come to study here. Faculties will also make choices regarding marketing, communication, and in some cases decide to introduce enrolment quota based on the forecasts.

7)

Insufficient liquidity can have a negative impact on the availability of funds for operational management and investment programmes. No liquidity squeeze is expected in the next few years. The UvA's solvency is solid, so it is expected that any financing need in a few years' time can be easily met by attracting external funding. Other control measures include delaying investments, deferring regular repayments, and optimising the UvA's working capital as a whole.

8)

As a result of international and social developments, there is a risk that the student intake will fluctuate so much in the short term that capacity shortages or surpluses could arise. If the student intake is higher, this will place additional pressure on the University due to pre-financing difficulties and because the fixed rate and research funding will not increase. This may also lead to the dilution of the research responsibilities of university lecturers, higher workloads, pressure on teaching quality and the need for more teaching spaces. If the student intake is lower, such pressure will decrease, but there will be a risk that revenue will be insufficient to cover expenses in the medium term.

This risk will be managed by focusing on medium-term planning and the long-term budget. The Accommodations Plan includes scenario analyses and more specific

planning calculations for student numbers over a longer planning horizon. Student forecasts provide input for the planning of lecturer deployment. From a faculty/programme and interdisciplinary studies point of view, the broad employability of lecturers is an issue in recruitment. The UvA has attractive employment conditions and tries to support lecturers and researchers as much as possible by using optimised digital processes, thus ensuring that it positions itself as an attractive employer, which contributes to recruitment. The new teaching policy also contributes to the UvA's attractiveness as an employer. Through more broadly employable lecturers, higher or lower intake can be absorbed more easily. Faculties will also make choices regarding marketing, communication, and in some cases decide to introduce enrolment quota based on the forecasts. They may, if it is really necessary, also decide to reject students who applied after 1 May.

9)

There is no complete certainty regarding the level of the flows of funds. A (temporary) dip in calls has been noticed. The risk is managed through the strategy of the Strategic Plan to be able to appeal to more different funds, including at group, faculty and institutional level. In addition, there is a greater focus on theme-based funding;

3 Framework Letter and budget process

This year's planning for the Framework Letter and budget process is as follows:

17 February 2023	Input of policy priorities of organisational units and staff for Framework Letter + supply of forecasts of organisational units
3 March 2023	Submission of Joint Meeting's policy priorities
16 March 2023	Submission of units' 2024 rate proposals
22 March 2023	Informative meeting on the Framework Letter for deans, directors and controllers
11 April 2023	Adoption of draft Framework Letter 2023 by the Executive Board
19 April 2023	Discussion of draft Framework Letter at Operational Managers' Meeting
20 April 2023	Discussion of the draft Framework Letter 2023 by the Central Executive Council
17-21 April 2023	Coordination between organisational units and real estate, multi-year developments for students and FTE for updating the Accommodations Plan in the Framework Letter
16 May 2023	Adoption of final Framework Letter, subject to consent
23 May 2023	Start of central representative advisory bodies' approval period for the 2024 outline budget and start of the consultation period for the final 2024 Framework Letter
8 June 2023	End of 2024 Framework Letter consultation period
16 June 2023	Joint consultative meeting with the Executive Board on the Framework Letter
21 June 2023	- Determination of the numbers of fixed services as of 1 June (excluding student numbers) for the 2024 budget
21 June 2023	- Submission of forecast of fixed numbers for 2025-2027 (incl. forecast of the student numbers in 2024) - Submission of reconciled or other 2024-2027 internal settlement statement
4 July 2023	End of the approval period for the 2024 outline budget, as set out in the 2024 Framework Letter
11 July 2023	Adoption of the final Framework Letter with consent
12 July 2023	Budget tool filled with all central data, technical budget instructions and format for budget available to units
25 August 2023	Submission of the 2024-2027 forecast for funded performances
8 September 2023	Submission of the 2024-2027 draft unitary budget
18 September 2023	Informative meeting on the draft budget for deans, directors and controllers
3 October 2023	Adoption of the 2024-2027 draft budget – including the draft Accommodations Plan – by the Executive Board
9 October 2023	- Start of the central representative advisory bodies' approval period for the amended 2024 outline budget - Start of the local representative advisory bodies' consultation period for the draft unitary budgets - Start of the Central Works Council's and the Central Student Council's consultation period for the UvA's 2024 draft budget - Start of the consultation period for the UvA's 2024 draft budget

18 October 2023	Counting of student numbers and funded performances (credits and diplomas) that count towards the 2024 budget
18 October 2023	Discussion of the UvA's 2024-2027 draft budget at the Operational Managers' Meeting
19 October 2023	Discussion of the UvA's 2024-2027 draft budget by the Central Executive Council
24 October 2023	End of the consultation period on the UvA's draft budget
24 October 2023	Submission of the updated estimate for 2025-2027 for funded performances and student numbers
3 November 2023	Consultative meeting on the budget between the representative advisory bodies and the Executive Board
8 November 2023	Submission of the final 2024-2027 draft unitary budgets (subject to advice from local representative advisory bodies)
13 November 2023	End of the local representative advisory bodies' consultation period
27 November 2023	- End of the central representative advisory bodies' approval period for the amended 2024 outline budget - End of the Central Works Council's and the Central Student Council's consultation period for the UvA's 2024 draft budget
28 November 2023	Adoption of the final the UvA budget by the Executive Board
6 December 2023	Closure of the budgeting tool for organisational units
18 December 2023	Approval of the UvA budget by the Supervisory Board

Approval, advice and consultation

Early on in the process, the Executive Board will enter into consultation with the central representative advisory bodies on the outlines of the budget. Chapter 2 of the 2024 Framework Letter, 'Budget Outlines', sets out the subjects for which the Joint Meeting's approval is requested. In this chapter, the Executive Board explicitly indicates the budget outlines. The planning is once again aimed at having the budget outlines approved before the summer recess. The central representative advisory bodies' approval period lasts six weeks and is scheduled in spring.

If, following adoption of the Framework Letter, subsequent developments affect the budget outlines, the changes will be incorporated into the 'Budget Outlines' chapter in the draft or final budget. If this is the case, the amended budget outlines will be submitted to the Joint Meeting for separate approval. The central representative advisory bodies' approval period for amended budget outlines lasts seven weeks and is scheduled in autumn.

Advice from the local representative advisory bodies

In autumn, the local representative advisory bodies' consultation period and the central representative advisory bodies' approval period start at the same time, which means that the same documents are discussed in different places within the UvA. As in previous years, the local representative advisory bodies' consultation period will last five weeks, while the central representative advisory bodies' approval period will last seven weeks, so that the Joint Meeting can include the local representative advisory bodies' recommendations in its response to the request for approval of the amended budget outlines.

Consultation and right to be consulted

The Framework Letter and the draft budget will be submitted to the academic community for consultation for a minimum of two working weeks. This consultation period starts at the same time as the approval period for the budget outlines as contained in the Framework Letter or the draft budget, respectively. The central

representative advisory bodies' opportunity to exercise their right to provide advice on the budget is exercised by asking the Central Works Council and the Central Student Council for advice on the draft budget. This consultation period runs concurrently with the approval period and therefore lasts seven weeks as well.

English translation of the UvA financial and strategic documents

The planning & control calendar states that an English translation of the Framework Letter and draft budget will be submitted to the Joint Meeting at the same time as the Dutch version thereof.

Unitary budgets

The draft unitary budgets must be submitted to Finance, Planning & Control (FP&C) on 8 September 2023. All organisational units will be asked to discuss the draft budget with and submit it to the local representative advisory bodies for advice by 10 October 2023. A format for the decentralised budget is annexed to the technical budget instructions. The results of the consultations with the representative advisory bodies must be taken into consideration when drafting the final unitary budget. Subject to the local representative advisory bodies' advice, the final unitary budgets must be submitted to the Executive Board on 8 November 2023.

Numbers for the budget are set or a forecast of numbers is requested at various points in the process. The planning for this, per group, is explained below.

Numbers for permanent services (excluding student numbers)

The numbers for fixed services 2024, with the exception of the student numbers 2024, are determined in June. All organisational units will also be asked to provide a forecast for those numbers in 2025-2027 in June. These numbers will be included in the draft and final unitary budgets of 2024.

Student numbers

The faculties will be asked to provide a forecast of the student numbers in 2024-2027 in June, which will be used for the draft unitary budgets for the fixed service packages and the tuition fees to be passed on for the Faculty of Dentistry (FdT) and Amsterdam University College. The final student numbers for 2024 are determined in October. At that time, the faculties will be asked to provide an update of the student numbers forecast for 2025-2027. These numbers will be included in the final unitary budgets for 2024.

Internally funded performances

The Faculties of Humanities, Law, Science, Economics and Business, Social and Behavioural Sciences and Medicine have been asked to provide a forecast of the internally funded performances in February: credits and diplomas for 2023-2026 and PhDs and turnover of research projects for 2024-2026. The PhDs and turnover of research projects for the 2024 budget is determined in early May, after the adoption of the annual report and the annual accounts. These numbers are included in the draft and final Framework Letter. At the end of August, the same faculties will be asked for an update of the forecasts provided in February. These forecasts will be included in the draft unitary budgets. In October, the final internally funded performances for 2024 will be determined. At that time, the faculties will be asked to provide an update of the internally funded performances forecast for 2025-2027. These numbers will be included in the final unitary budgets for 2024.

Government grant units

The funding units from the 2023 government grant: the Ministry of Education,

Culture and Science usually determines the enrolments, diplomas and PhDs in June. In February, the Faculty of Dentistry and Amsterdam University College were asked to provide a forecast of the 2025-2027 funding units for the Framework Letter. The draft funding units of 2024 have been incorporated into the Framework Letter. The Faculty of Dentistry and Amsterdam University College can submit updates of the 2025-2027 forecast at the same time as the other faculties' requests so that these can be incorporated into the draft and final budget.

Changes in numbers during the budgeting process cause the internal income and internal expenditure of the organisational units to change during this period as well. In principle, the framework results presented in Appendix 1 apply to both the draft budgets and the final unitary budget, irrespective of changes in numbers. For the units, a large increase or decrease in the fixed numbers during the financial year will lead to a discussion on the effects of this on the unit's result. If any bottlenecks or large surpluses arise after the final counts, these must at least be discussed at the meetings of the Central Executive Council in late October and early November. They may also be the subject of consultation between individual organisational units and the Executive Board.

Any consequences of the above-mentioned consultations must be taken into account when drafting the final unitary budget. Additions or adjustments requested in the draft budget must be incorporated as well.

UvA budget

Based on the submitted draft unitary budgets, the additional clarity Budget Day provides with regard to the government grant and the tuition fees based on the enrolments as of 1 September, the UvA's 2024-2027 draft budget will be prepared at the end of September. When the Executive Board approves the UvA draft budget, the organisational units may be asked to provide additional information or to make changes, particularly if the submitted unitary budget deviates from the agreed frameworks.

Based on the submitted final unitary budgets, the counts and the results of the consultations on these subjects, the Executive Board will draw up and adopt a final UvA budget for 2024-2027 in early December. The Supervisory Board's approval thereof is scheduled for 18 December 2023.

Format and instructions

Each organisational unit is expected to provide a budget for 2024, including a multi-year forecast up to year-end 2027. Unless the Executive Board grants it permission to deviate from this, each organisational unit must provide a balanced multi-year budget. This is stated in paragraph 2.1 and elaborated in Appendix 1.

Budgets must be prepared using the allocation system, prices and budgets included in the Framework Letter. These are included in Chapter 4.

In accordance with arrangements made between the Executive Board and the Joint Meeting in 2016, there is an extensive format that the faculties must use when submitting the draft unitary budgets to the local representative advisory bodies. As of the 2024 financial year, the draft organisational unit budget in this format will also be delivered to the Executive Board. In 2017, arrangements were made with the Joint Works Council on the submission of the draft unitary budgets of the units to the Joint Works Council. In addition, a format for the service units' draft organisational unit budgets will be prepared for submission to the Executive Board

as of the 2024 financial year as well. This removes the requirement to send a brief explanation along with the draft and final organisational unit budget.

The technical budgetary instructions have been separated from the Framework Letter. The technical budgetary instructions, which include further guidance on how the organisational units are to estimate certain items, will be made available to the organisational unit controllers separately. These technical instructions will also include the instructions for the budgeting tool.

Liquidity planning

A good insight into the liquidity development throughout the year helps minimise the UvA's cost of capital. The 'seasonal pattern' of the major items of government grant, tuition fees and salaries is centrally known. Organisational units are asked to report any other deviations from a regular seasonal pattern.

Liquidity planning is done in millions of euros. It follows from this that the organisational units are asked to identify situations (outside the area of salaries) in which, on a monthly basis, expenses or income are expected to deviate by more than one hundred thousand euros (€100,000) from one twelfth of the annual amount, whether positively or negatively. For the faculties, this is expected to mainly be the case with regard to the estimated income from indirect government funding, contract research funding and subsidies; for services such as ICT Services, Facility Services and the University Library, there may be unevenly distributed investment or purchasing expenditure, and for the executive staff, there may be unevenly distributed subsidies.

Balance

A multi-annual balance sheet will be added to the budget. The balance sheet has been part of the Accommodations Plan for a number of years, usually shown in the form of a graph. A multi-annual balance sheet is added to the 2024 budget. Other organisational units that expect to make investments in the coming years are asked to report on this.

4 Allocation of teaching and research

4.1 UvA income

The UvA distinguishes between the following forms of income:

- Direct government funding, consisting of the government grant and tuition fees. The government grant is a lump-sum budget that is received centrally and distributed within the two components of the allocation model. Statutory tuition fees are distributed through the education allocation model;
- Indirect government funding from Dutch Research Council (NWO), Royal Netherlands Academy of Arts and Sciences (KNAW) and EU projects and programmes. The UvA uses a broad definition for indirect government funding, including EU funding. These funds are received locally and are the responsibility of the faculty;
- Contract research funding, which concerns project-related funding and comes – for example – from private individuals, companies, institutions, subsidy providers and ministries. These funds are received locally and are the responsibility of the faculty;
- institutional tuition fees, from students who pay the institutional tuition fee. These funds are received locally and are the responsibility of the faculty. The faculty contributes 15% of the institutional tuition fees to the UvA allocation model to cover UvA-wide costs for the relevant group of students, such as scholarships for non-EEA students, support for the executive staff and general UvA policy objectives, improvements and innovation. Within the faculty, 80% of the remaining income is apportioned to education and 20% to research. This is shown in the draft and final unitary budgets. The 15% institutional tuition fee funds transferred for the UvA allocation model are apportioned to education and research in the same proportion;
- Other income, which includes all income that cannot be classified in one of the above categories.

The university's direct government funding is, as usual, estimated on the basis of the data on tuition fees and the government grant available in October. The Framework Letter, draft budget and final budget are based on the data known at that time.

4.2 UvA allocation model income and distribution

Within the allocation model, we distinguish between the components of education and research. The government grant for teaching, the statutory tuition fees and the institutional tuition fees apportioned to education make up the income of the education allocation model. The government grant for research, the institutional tuition fees apportioned to research and the Return on Equity constitute the income of the research allocation model. The Return on Equity derives from the fact that the UvA uses its equity capital to fund part of the investments made for renovation and new construction of accommodation for teaching and research purposes. This reduces the amount of interest the UvA has to pay on loans. The UvA will add the resulting savings to the research allocation model.

The revenues of the allocation model are distributed among the organisational units by means of the distribution of the allocation model. The funds in the government grant for the Heritage and Storage function of the University Library are passed on to the University Library directly. This provides substantiation for the fact that the UvA has a large museum collection under its care and is charged with maintaining

it.

The revised allocation model applies since 2019. Only for the Faculty of Dentistry and Amsterdam University College does the old method of funding still apply, in respect of which there has been consultation with VU in early 2020 on the interpretation of the arrangements that both institutions have made in this regard. See Chapter 2.3 for an explanation of the arrangements made with regard to the Faculty of Dentistry and Amsterdam University College. A detailed description of how the allocation model works can be found on the UvA's website. The below paragraphs explain the application, the technical elaboration and, finally, the result of the allocation model for education and research for 2024-2027.

4.3 Funding factor

The allocation model takes into account the cost differences between programmes by applying a funding factor to the variable education funding. Credits and diplomas are multiplied by this funding factor. The funding factor is an average of the government funding factor per degree programme and the tuition fee.

The government grant distinguishes between arts/social sciences (x1), natural sciences (x1.5) and medical sciences (x3). The tuition fees are the same for all degree programmes. The funding factor in the allocation model is calculated based on the number of years of nominal enrolments and degrees, prices in the government grant per enrolment and degree, and the tuition fee rate. The factor is the weighted average of the tuition fee-adjusted factor government grant for the number of credits and the factor government grant for degree certificates.

In the 2022 budget, the funding factors were reviewed and set at 1.00 for degree programmes that receive a lower amount of funding, 1.31 for degree programmes that receive a higher amount of funding and 2.27 for degree programmes that receive top-level funding. For more information on this revision and the method used to calculate the funding factors, please refer to Appendix 4 and the memo included in the appendixes to the 2022 budget.

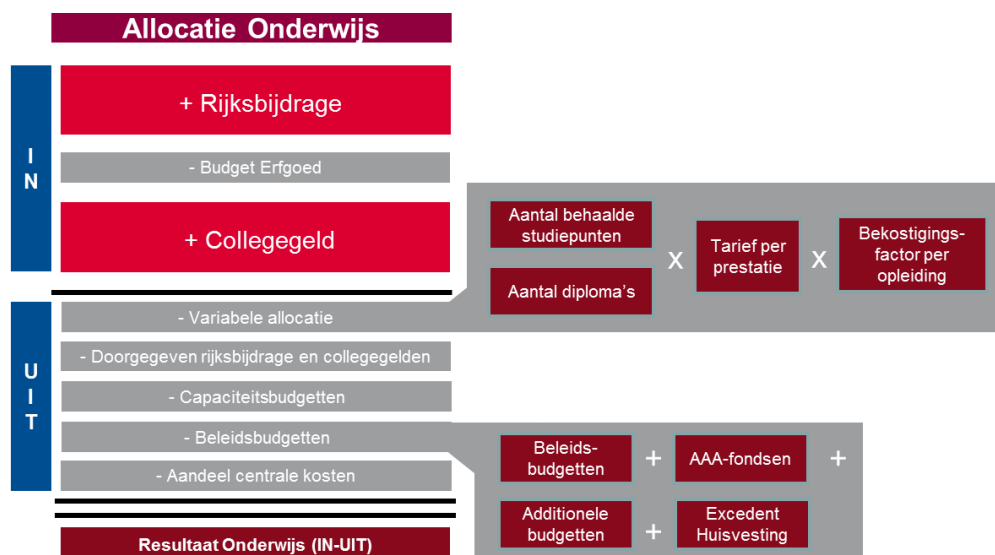
4.4 Allocation model: education section

4.4.1 Explanation

The Education section of the allocation model ensures the distribution of centrally received education resources among the faculties.

The allocation for education consists of the following five categories:

- variable allocation;
- passed-on government grant and tuition fees;
- capacity budgets;
- policy budgets;
- share of central costs.



For the Faculty of Dentistry and Amsterdam University College, the government grant for teaching and tuition fees that can be directly related to those organisational units are passed on to these organisational units directly (see paragraph 2.3). This is done according to the same variables as the government grant itself and a component from the UvA's fixed funding that increases on the basis of historical distribution (fixed amount).

4.4.2 Education allocation model income

Government grant

The multi-year estimate (2024-2027) of the government grant for teaching has been updated on the basis of the latest insights. The total expected government grant for teaching for 2024 is €347 million. This forecast is based on the provisional status allocation 2024 (Ministry of Education, Culture and Science funding picture with the numbers of funded performances), the long-term developments in the macro framework in the most recent government grant letter and information shared by the Ministry of Education, Culture and Science and Universities of the Netherlands.

The table below first explains the expectation of the current items in the government grant. The next table explains the expected changes in the government grant.

Income from government education funding	2023	2024	2025	2026	2027
Weighted education funding units UvA	44.478	44.221	44.221	44.221	44.221
Price per weighted education unit wo	4.285	4.285	4.285	4.285	4.285
Student-related funding UvA (x 1,000)	190.590	189.489	189.489	189.489	189.489
Market share UvA in student-related funding	10,80%	11,01%	11,01%	11,01%	11,01%
Total student-related funding wo (x 1,000)	1.765.489	1.726.770	1.741.046	1.776.141	1.780.053
Student-related funding UvA (x 1,000)	190.590	190.033	191.604	195.466	195.897
% education surcharge UvA	11,02%	11,02%	11,02%	11,02%	11,02%
Total education surcharge WO (x 1,000)	1.017.761	1.017.761	1.017.761	1.017.761	1.017.761
Education surcharge in % UvA (x 1,000)	112.144	112.144	112.144	112.144	112.144
Quality (x1,000)	-	-	-	-	-
Vulnerable programs (x1,000)	3.020	3.020	3.020	3.020	3.020
Special provisions (x1,000)	1.072	1.009	646	137	137
National education program (x1,000)	-	-	-	-	-
Education surcharge in amounts UvA (x1,000)	4.092	4.029	3.666	3.157	3.157
Market share UvA (student-related funding)	10,80%	11,01%	11,01%	11,01%	11,01%
Total quality funding (x1,000)	209.037	235.936	235.936	235.936	235.936
Quality funding UvA (x1,000)	22.566	25.965	25.965	25.965	25.965

Table 17: Government grant for teaching cf. government grant letter

Based on the provisional status allocation, the UvA's market share of the variable education component in the 2024 government grant is 11.01%. The expected variable budget is therefore €190 million.

The UvA has a percentage of 11.0% in the education mark-up provision and receives specific amounts from the education mark-up in amounts. Jointly, these mark-ups form the fixed amount in the government grant for teaching. The fixed amount for 2024 is expected to be €116 million.

The passing of the mid-term test in 2022 and the approval of the plan has ensured that the UvA will receive the quality agreement funds until the end of the programme's term (2024). For the period after 2024, the quality agreements programme is currently expected to become structural, in a form to be determined. This is described in further detail in Chapter 2.4.1. Pending further decision-making regarding the funds for quality agreements for the period after 2024, the distribution method has not changed. If other frameworks start to apply in this respect and other (internal) arrangements are made, the distribution method may be adjusted. The quality agreement funds for 2024 are expected to be €26.5 million.

Income from government education funding	2023	2024	2025	2026	2027
Expected wage and price indexation 2023					
Effect of Van Rijn	600	600	600	600	600
Expected changes in government contribution to education (x 1,000)	13.776	13.776	13.776	13.776	13.776
Bama compensation repayment	-	-	-	-	-
Sustainable Humanities from RB OW to RB OZ	1.208-	1.208-	1.208-	1.208-	1.208-
State contribution VU for AUC	2.219	2.167	2.462	2.715	2.715
Technical corrections to education contribution (x 1,000)	1.011	959	1.254	1.507	1.507
Total national education contribution (x 1,000)	344.178	346.905	348.408	352.014	352.444

Table 18: Changes and technical corrections in the government grant for teaching

In the 2023-2026 budget, additional funds have been estimated for compensating a wage/price increase of 4%. Since, at present, there is insufficient certainty about the wage and price increases in 2024 and their compensation, no estimate has been included yet.

The technical corrections within the UvA concern the transfer of a portion of the earmarked budget for sustainable humanities from education to research, and the settlement with VU with regard to Amsterdam University College. The balance of these corrections leads to a correction of the teaching government grant addition of €1.0 million in 2024.

Tuition fees

The entire income from statutory tuition fees is added as income from the education allocation model. The student numbers as estimated in the budget 2023-2026 have been assumed to be equal. In the faculties' own budgets, 85% of expected income comes under the heading of 'institutional tuition fees'. Of this estimate, 15% is included as an addition to the allocation model, 80% of which goes towards education. This percentage is in line with the research mark-up on the variable education budget in the allocation model (25%).

For the time being, the faculties have indicated that they do not expect any major deviations from the 2023-2026 budget. The revenues from institutional tuition fees are therefore assumed to be the same as in the 2023-2026 budget. For 2024, the tuition fee addition in the budget allocation for education is €87 million.

Central revenue tuition fees	2023	2024	2025	2026	2027
<i>College year</i>	22/23	23/24	24/25	25/26	26/27
Regular first-year students with discount (as of October)	5.161	5.276	5.370	5.437	5.437
Tuition fees without reduction regular	1.105	1.157	1.157	1.157	1.157
Tuition fees first year students regular rate (x 1,000)	5.700	6.104	6.213	6.291	6.291
Regular students without discount (as of October)	28.923	29.565	30.094	30.472	30.472
Tuition fees without discount regular	2.209	2.314	2.314	2.314	2.314
Tuition fees old-year students regular rate (x 1,000)	63.891	68.413	69.637	70.511	70.511
Tuition fees small-scale intensive students (PPLE and AUC) (x 1,000)	3.740	3.740	3.740	3.740	3.740
Tuition fees part-time students (x 1,000)	1.734	1.734	1.734	1.734	1.734
Tuition fees transitional students (x 1,000)	1.159	1.159	1.159	1.159	1.159
Tuition fees flex students (x 1,000)	188	188	188	188	188
Tuition fees other (x 1,000)	2.069	2.069	2.069	2.069	2.069
Tuition fees students not on a regular basis (x 1,000)	8.891	8.891	8.891	8.891	8.891
Refund percentage	5.73%	5.73%	5.73%	5.73%	5.73%
Refunded tuition fees	4.494-	4.776-	4.852-	4.906-	4.906-
Percentage of students entering after October	1.84%	1.84%	1.84%	1.84%	1.84%
Tuition fees of students entering after October	1.444	1.535	1.559	1.577	1.577
Corrections due to AUC, PPLE, part-time, flex and switch	-	-	-	-	-
Tuition fees per academic year	75.433	80.167	81.448	82.364	82.364
Conversion of academic year to calendar year	77.011	80.594	81.753	82.364	82.364
VU contribution to AUC	503	611	743	876	876
15% remittance faculties ICG education	5.473	5.753	5.942	5.928	5.928
15% faculty contribution ICG research	1.368	1.438	1.486	1.482	1.482
Total central tuition fees	84.355	88.396	89.924	90.649	90.649
Total income from allocation model education	82.987	86.958	88.439	89.167	89.167
Total income from research allocation model	1.368	1.438	1.486	1.482	1.482

Table 19: Tuition fee income budget

4.4.3 Variable education budget

Allocation model for teaching performances

The table below shows the forecast for funded performances per faculty that serve as a basis for the variable allocation. For the faculties of Economics and Business, Law, Science, Humanities, Social and Behavioural Sciences and Medicine, these are the number of credits and degrees. The numbers below have been determined on the basis of the faculties' forecasts. The number of performances in the table below does not include the performances of students paying institutional tuition fees.

Funded performance education	2023	2024	2025	2026	2027
FEB					
Credits low	218.117	225.000	225.000	222.500	220.000
Diplomas low	2.103	2.100	2.120	2.150	2.075
FdR					
Credits low	179.910	182.616	181.873	185.163	187.263
Diplomas low	1.522	1.526	1.482	1.502	1.506
FGW					
Credits low	268.809	286.349	299.328	308.545	314.515
Credits high	3.264	3.147	3.125	3.118	3.124
Diplomas low	1.747	1.805	1.843	1.872	1.966
Diplomas high	31	31	31	31	31
FNWI					
Credits high	252.946	260.946	265.360	269.808	274.400
Diplomas high	1.591	1.633	1.665	1.696	1.725
FMG					
Credits low	426.110	450.000	460.000	470.000	470.000
Credits high	9.373	9.000	9.000	9.000	9.000
Diplomas low	2.836	3.100	3.100	3.200	3.300
Diplomas high	74	100	100	100	100
FdG					
Credits high	8.001	8.500	9.000	9.000	9.000
Credits top	102.603	110.000	115.000	124.000	124.000
Diplomas high	48	45	45	55	55
Diplomas top	629	570	600	650	650
TOTAL					
Credits low	1.092.946	1.143.965	1.166.201	1.186.208	1.191.778
Credits high	273.584	281.593	286.485	290.926	295.524
Credits top	102.603	110.000	115.000	124.000	124.000
Diplomas low	8.208	8.531	8.545	8.724	8.847
Diplomas high	1.744	1.809	1.841	1.882	1.911
Diplomas top	629	570	600	650	650

Table 20: UvA allocation model for teaching performances

For the Faculty of Dentistry and Amsterdam University College, the variable allocation is based on the number of government-funded enrolments and diplomas and the passed-on tuition fees. In the Framework Letter, only the UvA numbers are shown for the Faculty of Dentistry, while for Amsterdam University College, both the UvA and VU numbers are shown. The numbers for the 2024 budget are based on the provisional status allocation, and for 2025 and the following years, the numbers are based on the Faculty of Dentistry's and Amsterdam University College's forecast. The final 2024 status allocation is expected to be known when

the 2024 draft budget is drawn up.

Funded performance education	2023	2024	2025	2026	2027
AUC					
Enrolments high UvA	535	578	560	555	550
Bachelor degree high UvA	106	122	123	120	123
Enrolments high VU	148	118	150	180	210
Bachelor degree high VU	106	122	123	120	123
Number of non-EEA students	134	140	140	140	140
Number of first year EEA students	237	275	275	275	275
Number of senior year EER students	459	435	460	485	485
FdT	-	-	-	-	-
Enrolments top					
Enrolments top	441	400	400	400	400
Bachelor degree top	82	100	64	64	64
Master's degree top	66	64	64	64	64
Dissertations	16	22	17	17	17
Number of non-EEA students	18	18	18	18	18
Number of first year EEA students	59	71	71	71	71
Number of senior year EER students	452	474	474	474	474

Table 21: Status award for teaching performances and student numbers of the Faculty of Dentistry and Amsterdam University College

Funding factors

The funding factors in the allocation model have been set at:

Funding factor	2023	2024	2025	2026	2027
Low	1,00	1,00	1,00	1,00	1,00
High	1,31	1,31	1,31	1,31	1,31
Top	2,27	2,27	2,27	2,27	2,27

Table 22: Funding factors

Further explanation of the funding factors can be found in Chapter 4.3.

Education rates

The price per academic credit and the price for a diploma follow the established allocation model, including the indexation as explained in Chapter 2.

Fees education parameters	2023	2024	2025	2026	2027
Credits	112,30	113,70	113,70	113,70	113,70
Diplomas	3.960	4.010	4.010	4.010	4.010

Table 23: Allocation model for teaching rates

The prices for the variable education allocation for the Faculty of Dentistry and Amsterdam University College are based on the 2023 budget. In the final Framework Letter, this will have been updated to the most recent insights with regard to the government grant at that time. For the Faculty of Dentistry and Amsterdam University College, the funds for quality agreements have been included

in the rates below.

Fees for educational parameters	2023	2024	2025	2026	2027
Enrollment top (FdT)	16.943	17.139	17.273	17.378	17.378
Bachelor top (FdT)	16.943	17.139	17.273	17.378	17.378
Master top (FdT)	16.943	17.139	17.273	17.378	17.378
Enrollment high (AUC)	8.238	8.336	8.403	8.456	8.456
Bachelor high (AUC)	8.238	8.336	8.403	8.456	8.456
Enrollment high VU (AUC)	8.238	8.336	8.403	8.456	8.456
Bachelor high VU (AUC)	8.238	8.336	8.403	8.456	8.456
Tuition fee FdT	2.209	2.314	2.314	2.314	2.314
Tuition fee AUC	4.610	4.610	4.610	4.610	4.610

Table 24: Government grant teaching rates and tuition fees

The total variable education budget of the faculties is shown in Chapter 4.4.7.

4.4.4 Earmarked government grant/tuition fees for teaching

Budgets that the government has earmarked for specific policy or other goals are passed on to the relevant faculty directly.

Passed-on tuition fees are:

- institutional tuition fees;
- tuition fees at higher statutory rates (institutional fees);
- pre-Master's students.

The tables below show the earmarked government grants and passed-on tuition fees. The institutional tuition fees are estimated by the faculties themselves and are therefore not included in the table of passed-on tuition fees below.

For programmes with small-scale and intensive education, students may under certain conditions be selected, in combination with which a higher tuition fee than the statutory tuition fee may be charged. The amount exceeding the statutory tuition fee is passed on to the faculty to which the programme belongs. The table below shows the technical data for the allocation of statutory tuition fees at a higher statutory rate.

Faculties receive €1,157.00 per pre-Master's student following a regular programme of up to 30 credits. For larger regular programmes, faculties receive the amount of the student's total contribution for the pre-Master's programme. The pre-Master's student performance is not taken into account in the internal funding. Following the Executive Board's decision on the pre-Master's policy, additional budgets for pre-Master's students are included in the education policy budget.

A portion of the budgets below is mentioned separately in the government grant allocation (mark-up in amounts); the rest is part of the fixed amount (mark-up in percentages). The budgets allocated to the UvA via the mark-up are indexed as soon as the actual indexation is known to the UvA. The other amounts are assessed in the Framework Letter to determine whether indexation is applicable.

Passed on Government funding for education	For	2023	2024	2025	2026	2027
Sector Plan for Physical Sciences and Chemistry	FNWI	304	308	308	308	308
Housing Conservator Training	FGW	707	707	707	707	707
Archive school	FGW	250	253	253	253	253
Sustainable humanities	FGW	1.812	1.812	1.812	1.812	1.812
Health Sciences	FdG	1.613	1.633	1.633	1.633	1.633
Strengthening regional partnerships	Policy	340	277	256	-	-
FGW Dutch Studies KNAW advice	FGW	316	316	-	-	-
Allocation Dutch Higher Education Premium 2022	FdR	125	125	125	-	-
(Provisional) resources quality agreements	Policy	4.500	5.000	5.000	5.000	5.000
(Provisional) resources quality agreements	FdG	2.491	2.813	2.813	2.995	3.034
(Provisional) resources quality agreements	FGW	2.855	3.200	3.200	3.268	3.305
(Provisional) resources quality agreements	FdR	1.881	2.012	2.012	1.959	1.958
(Provisional) resources quality agreements	FNWI	3.438	3.738	3.738	3.716	3.708
(Provisional) resources quality agreements	FEB	2.281	2.479	2.479	2.424	2.352
(Provisional) resources quality agreements	FMG	4.583	5.087	5.087	5.081	5.093
Expected government contribution yet to be passed on.	FdT	661	661	661	661	661
Expected government contribution yet to be passed on.	AUC	305	305	305	305	305
Strengthening employee participation	Policy	154	154	128	-	-
Total		28.616	30.881	30.517	30.122	30.129

Table 25: Passed-on government grant for teaching

Tuition fees passed on in education	For	2023	2024	2025	2026	2027
Institutional Fees PPLE	FdR	1.321	1.321	1.321	1.321	1.321
Switching students	FGW	211	211	211	211	211
Switching students	FdR	108	108	108	108	108
Switching students	FNWI	99	99	99	99	99
Switching students	FEB	192	192	192	192	192
Switching students	FMG	762	762	762	762	762
Compensation halving of tuition fees	AUC	262	318	318	318	318
Total		2.955	3.011	3.011	3.011	3.011

Table 26: Passed-on tuition fees

4.4.5 Capacity budget for education

Capacity budgets are budgets for special roles or degree programmes that require additional funding on a structural basis. The table below indicates which budgets have been earmarked for specific teaching activities and positions involving costs that exceed a faculty's normal financing capacity and contribute to the UvA's overall profile and/or an important UvA-wide supported objective. The indexation as referred to in Chapter 2 has been incorporated in the budgets.

Education Capacity Budget	For	2023	2024	2025	2026	2027
Small arts	FMG	3.342	3.383	3.383	3.383	3.383
Restorer training	FNWI	2.238	2.266	2.266	2.266	2.266
Small teaching PPLE	FGW	337	342	342	342	342
Beta/medical-profile gamma fac.	FdR	1.123	1.137	1.137	1.137	1.137
Infrastructure	FGW	1.909	1.933	1.933	1.933	1.933
Total		8.950	9.062	9.062	9.062	9.062

Table 27: Capacity budgets for education

4.4.6 Policy budget for education

The policy budget for education is made up of two components:

- local policy latitude;
- central policy latitude.

The local policy latitude is intended to achieve strategic education goals. The fixed size of the faculties' local policy budget is 10% of the variable education budget in 2016 to 2018 according to the system of the new allocation model. The amount will

be determined when the allocation model is introduced. The indexation as referred to in Chapter 2 has been incorporated in the budgets. The policy budget allocated is available to faculties to use at their own discretion.

Decentralised policy budget education	For	2023	2024	2025	2026	2027
Policy Area Education	FdG	3.635	3.680	3.680	3.680	3.680
Policy Area Education	FGW	3.497	3.540	3.540	3.540	3.540
Policy Area Education	FdR	1.950	1.974	1.974	1.974	1.974
Policy Area Education	FNWI	4.128	4.180	4.180	4.180	4.180
Policy Area Education	FEB	2.850	2.886	2.886	2.886	2.886
Policy Area Education	FMG	4.849	4.909	4.909	4.909	4.909
Total		20.908	21.169	21.169	21.169	21.169

Table 28: Local policy latitude for education

The central policy latitude meets the need for room for UvA-wide policy initiatives. In essence, this refers to areas in which a joint investment is required, or a policy objective for allocating the funds differently, rather than to a division of means (or expenses) between the faculties. The central policy for education also covers the Faculty of Dentistry policy budget. The central policy budgets are shown in the table below.

The UvA recognises the importance of pre-Master's programmes. Internal analyses show that, for almost all faculties, the costs of pre-Master's programmes are higher than the fees for these programmes. Based on this, in October 2018, the Executive Board decided to introduce a financial compensation measure from central policy funds for a period of two years. In mid-2022, the Executive Board extended the measure of an allowance per link student until year-end 2026, and increased the amount per link student from €1,000.00 to €1,250.00. A review of the need for financial compensation beyond 2026 will take place in 2026. The annual amount set aside is €1.25 million. The Framework Letter included a provisional allocation of budgets based on the numbers of pre-Master's students in the 2023 budget. A final calculation of budgets for faculties will be made when the budget is drawn up, based on the number of pre-Master's students in 2023/2024.

Central government education budget	For	2023	2024	2025	2026	2027
ILO	FMG	933	945	945	945	945
IIS	FNWI	1.132	1.146	1.146	1.146	1.146
Policy Budget Education FdT	FdT	6.547	6.547	6.547	6.547	6.547
AUC tariff compensation	AUC	380	380	380	380	380
Additional funds ICG Ukraine	FEB	525	-	-	-	-
Additional funds ICG Ukraine	FdR	77	-	-	-	-
Additional funds ICG Ukraine	FGW	106	-	-	-	-
Additional funds ICG Ukraine	FMG	224	-	-	-	-
Additional funds ICG Ukraine	FNWI	92	-	-	-	-
Settlement of organizational changes FGw	FGw	100	100	100	100	100
Reservation for transitional arrangement governance	FEB	150	150	-	-	-
Housing expenses REC A	FdR	450	450	450	450	450
Additional resources for switching programs	Not distributed	-	294	294	294	1.250
Additional resources for switching programs	FdG	1-	-	-	-	-
Additional resources for switching programs	FGW	149	171	171	171	-
Additional resources for switching programs	FdR	46	54	54	54	-
Additional resources for switching programs	FNWI	91	103	103	103	-
Additional resources for switching programs	FEB	183	208	208	208	-
Additional resources for switching programs	FMG	367	420	420	420	-
Humanities in Context	FGw	250	-	-	-	-
Humanities in Context	Not distributed	-	250	-	-	-
Interdisciplinary education - HST	FMG	500	500	-	-	-
Interdisciplinary education - Other	Not distributed	154	150	1.000	1.000	1.000
POLDER	IAS	340	344	11	-	-
AMS scholarships	SiS	800	800	800	800	800
Internal variable funding two-year educational masters	FGW	69	99	99	99	99
Extra impulse two-year educational master's	FGW	15	31	31	31	31
PPL growth decentralized policy budget	FdR	263	274	276	277	277
Interfaculty teaching commitment	Not distributed	2.000	2.000	2.000	2.000	2.000
Total		15.943	15.415	15.034	15.024	15.024

Table 29: Central policy latitude for education

4.4.7 Total education budget

2024	FEB	FdR	FGW	FNWI	FMG	FdG	FdT	AUC	UB	IAS	Beleid	SIS	Not distributed	TOTAAL
Education														
Variable budget	34.004	26.883	40.428	47.444	65.462	35.082	10.845	10.791	-	-	-	-	-	270.938
- Credits	25.583	20.763	33.027	38.867	52.506	29.657	-	-	-	-	-	-	-	200.402
- Diplomas	8.421	6.119	7.401	8.577	12.956	5.425	-	-	-	-	-	-	-	48.900
State contribution/college fees passed on	2.671	3.566	6.499	4.144	5.849	4.446	661	624	-	-	5.431	-	-	33.892
Capacity budget	-	342	5.650	1.933	1.137	-	-	-	-	-	-	-	-	9.062
Policy budget	3.244	2.752	3.941	5.429	6.774	3.680	6.547	380	-	344	-	800	2.694	36.585
- Decentralised policy	2.886	1.974	3.540	4.180	4.909	3.680	-	-	-	-	-	-	-	21.169
- Central policy	358	778	401	1.249	1.865	-	6.547	380	-	344	-	800	2.694	15.415
- Compensation budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation Education	39.918	33.543	56.517	58.951	79.222	43.208	18.053	11.794	-	344	5.431	800	2.694	350.476

Table 30: Education budget by faculty

4.4.8 Results of the allocation model for teaching

The table below shows the result of the allocation model for teaching. This follows from the scope of the components of the allocation model for research as explained in paragraph 4.4.

Allocation Model for education	2023	2024	2025	2026	2027
Income					
Government grant for education	344.178	346.905	348.408	352.014	352.444
Tuition fees	82.987	86.958	88.439	89.167	89.167
- Heritage & Storage education	-9.594	-9.437	-9.495	-9.382	-9.418
Total income education	417.571	424.425	427.351	431.799	432.194
Allocation					
Variable allocation for education	-257.710	-270.938	-275.744	-282.779	-284.995
Transferred government grant and tuition fees	-31.571	-33.892	-33.528	-33.133	-33.140
Capacity budget education	-8.950	-9.062	-9.062	-9.062	-9.062
Policy budget education	-36.851	-36.585	-36.203	-36.193	-36.193
Additional budget education	-14.066	-8.553	-6.530	-6.593	-6.645
Other policy budget education	-13.567	-13.114	-11.830	-16.118	-15.404
Share of centrale costs of education	-25.620	-26.497	-27.167	-27.370	-27.399
Total allocation for education	-388.334	-398.641	-400.063	-411.247	-412.838
Result education	29.237	25.785	27.288	20.552	19.356

Table 31: Allocation Model for Teaching

Income

The income of the allocation model for teaching follows from the forecast of:

- the income from the government grant and tuition fees as detailed in paragraph 4.4.2;
- less the part of the budget apportioned to education for heritage and preservation. These budgets are covered in paragraph 5.5.

Allocation

The expenditure via the allocation model for education follows from the forecast of:

- the variable education allocation to faculties as detailed in paragraph 4.4.3;
- the government grant for teaching and tuition fees passed on to the faculties as detailed in paragraph 4.4.4;
- the capacity budgets for education for the faculties as detailed in paragraph 4.4.5;
- the policy budgets for education for the faculties as detailed in paragraph 4.4.6;
- the additional budgets apportioned to education for the services and accommodation excesses. These budgets are covered in paragraphs 5.5.1 and 5.5.3;
- other policy budgets apportioned to education. These budgets are covered in paragraph 5.5.2;
- the part of the budget apportioned to education for administration and executive staff. The percentages for the budget for administration and executive staff are covered in paragraph 5.6

The allocation model for teaching shows a positive result. This means that the UvA receives more funding for education than it allocates to the faculties and other organisational units. The surplus in the UvA allocation model for teaching is used for other budget lines within the UvA.

4.5 Allocation model: Research section

4.5.1 Explanation

The research element of the allocation model divides the incoming resources from the government grant for research, the institutional tuition fees apportioned to research and the Return on Equity (the interest saved). This is reduced by the share of the Heritage and Preservation budgets of the University Library, which is apportioned to the government grant for research.

The allocation for research consists of the following five categories:

- variable allocation;
- passed-on government grant and tuition fees;
- capacity budgets;
- policy budgets;
- share of central costs.

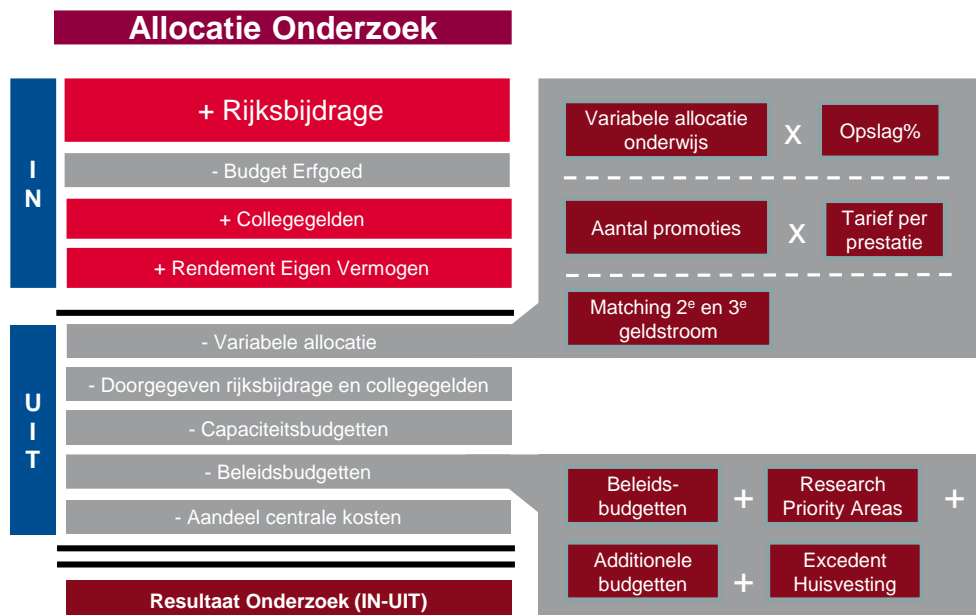


Figure 1: Schematic representation of the allocation model: Research section

For the Faculty of Dentistry and Amsterdam University College, the government grant for research that can be directly related to those organisational units is passed on to them directly. This is done according to the same variables as the government grant itself and a component from the UvA's fixed funding that increases on the basis of historical distribution (fixed amount).

4.5.2 Income from the allocation model for research

Government grant

The multi-year estimate (2024-2027) of the government grant for research has been updated on the basis of the latest insights. The total expected government grant for research for 2024 is €297 million. This forecast is based on the provisional status allocation 2024 (Ministry of Education, Culture and Science funding picture with the numbers of funded performances), the long-term developments in the macro framework in the most recent government grant letter and information shared by the Ministry of Education, Culture and Science and Universities of the Netherlands.

The table below first explains the expectation of the current items in the government grant. The next table explains the expected changes in the government grant.

Income from state funding for research	2023	2024	2025	2026	2027
Weighted funding units research UvA	18.501	19.058	19.058	19.058	19.058
Price per weighted unit of research (wo)	1.993	1.993	1.993	1.993	1.993
UvA degrees (x 1,000)	36.880	37.991	37.991	37.991	37.991
Market share UvA in degrees	11,45%	11,38%	11,38%	11,38%	11,38%
Total university degrees (x 1,000)	322.056	322.059	321.460	321.460	321.460
UvA degrees (x 1,000)	36.880	36.663	36.594	36.594	36.594
UvA PhDs (3 yrs average)	542	556	556	556	556
Design certificates UvA (3 yrs average)	14	14	14	14	14
Price per PhD wo	83.892	84.426	84.426	84.426	84.426
Price per design certificate wo	69.910	70.355	70.355	70.355	70.355
PhDs and design cert. UvA (x 1,000)	46.476	47.977	47.977	47.977	47.977
UvA's market share in PhDs and design certificates	10,90%	11,25%	11,25%	11,25%	11,25%
Total PhDs and design certificates wo (x 1,000)	426.331	426.336	425.543	425.542	425.542
PhDs and ontw.cert. UvA (x 1,000)	46.476	47.977	47.888	47.888	47.888
% research storage UvA	9,49%	9,49%	9,49%	9,49%	9,49%
Total research storage capacity wo (x 1,000)	1.360.190	1.360.660	1.444.417	1.444.408	1.446.357
Research storage % UvA (x 1,000)	129.141	129.186	137.138	137.137	137.322
STEM sector plan	3.815	3.815	-	-	-
STEM Sector Plan - transfer 2nd GS	3.448	3.448	-	-	-
Sector plan SSH	774	774	-	-	-
Gravity	6.373	4.304	4.811	4.692	4.988
SEO funds	4.595	4.595	4.595	4.595	4.595
Starting grants ("rolling grants")	14.609	14.609	14.609	14.609	14.609
Incentive grants ("rolling grants")	16.491	16.491	16.491	16.491	16.491
Research storage in amounts (x1,000)	50.105	48.036	40.506	40.387	40.683
Expected wage and price indexation 2022	10.504	10.504	10.504	10.504	10.504
NPO: administrative agreement on research	20.100	20.100	20.100	20.100	20.100
Sub-funding of WO (PWC research)	3.000	3.000	3.000	3.000	3.000
Expected changes in national research funding (x 1,000)	33.604	33.604	33.604	33.604	33.604
Sustainable Humanities from RB OW to RB OZ	1.208	1.208	1.208	1.208	1.208
Government contribution VU for AUC	347	342	338	351	351
Technical corrections to the state research contribution (x 1,000)	1.555	1.550	1.546	1.559	1.559
Total public research funding	297.762	297.016	297.277	297.169	297.651

Table 32: Government grant for research cf. government grant letter

Based on the provisional status allocation, the UvA's market share in the 2024 variable component for degrees in the government grant is 11.25%. The expected budget for degrees is therefore €36.7 million. In 2024, the UvA's market share in PhDs and design certificates is expected to be 11.25%, which brings this budget to €48 million.

The UvA has a percentage of 9.49% in the research mark-up provision and, in terms of amounts, receives specific amounts via the research mark-up. Together, these mark-ups form the fixed amount in the government grant for research. The fixed amount for 2024 is expected to be €177.2 million.

In the 2023-2026 budget, additional funds have been estimated for compensating a wage/price increase. For 2023, this estimate has been adopted. Since there is still

too much uncertainty about the expected wage and price indexation in 2024, no amount has been included in the Framework Letter for this. Wage costs have not been indexed yet either.

The technical corrections within the UvA concern the transfer of a portion of the earmarked budget for sustainable humanities from education to research, and the settlement with VU with regard to Amsterdam University College. The balance of these corrections leads to a correction of the research government grant addition of €1.6 million in 2024.

Tuition fees

In the faculties' own budgets, 85% of expected income comes under the heading of 'institutional tuition fees'. Of this estimate, 15% is included as an addition to the allocation model, 20% of which is for research. For 2024, the tuition fee addition for the research allocation for research is €1.4 million. See Table 19, paragraph 4.4.2.

Return on Equity

The Return on Equity is the saved interest, amounting to €10.4 million.

4.5.3 Variable research budget

Allocation model for research performances

The variable allocation consists of the variable allocations for research to the faculties. For the faculties of Economics and Business, Law, Science, Humanities, Social and Behavioural Sciences and Medicine, the variable allocation for research consists of three parts:

- research mark-up;
- doctoral theses;
- Matching direct government funding, indirect government funding and contract research funding.

The draft numbers for the UvA allocation model 2024-2027 are shown in the table below. The three-year average number of PhDs for funding 2024 (average 2020-2022) includes the provisional funded PhDs 2022. For 2025 through 2027, the faculties' forecasts are included in the three-year average. The 2022-2025 turnover for the purpose of matching for 2024-2027 is based on the forecast provided by the organisational units in February 2023. After adoption of the 2022 annual accounts, these values for the 2022 turnover will be finalised.

Funded research performance	2023	2024	2025	2026	2027
FEB					
Promotions 3-year average (number)	16,3	17,7	21,7	20,7	20,7
Turnover 2nd GS HOT (€ 1.000)	-	-	-	-	-
Turnover 2nd GS NWO (€ 1.000)	1.676	1.676	1.676	1.676	1.676
Turnover 3rd GS EU (€1,000)	745	745	745	745	745
Turnover 3rd GS (€1,000)	413	413	413	413	413
FdR					
Promotions 3-year average (number)	12,3	11,0	12,6	14,8	17,7
Turnover 2nd GS HOT (€1,000)	-	-	-	-	-
Turnover 2nd GS NWO (€1,000)	1.028	1.243	1.907	2.181	2.176
Turnover 3rd GS EU (€1,000)	2.157	2.000	2.000	2.000	2.000
Turnover 3rd HR (€1,000)	1.814	1.850	1.850	1.850	1.850
FGW					
Promotions 3-year average (number)	67,7	67,0	66,3	67,0	68,0
Turnover 2nd GS HOT (€1,000)	-	-	-	-	-
Turnover 2nd GS NWO (€1,000)	5.078	5.081	5.101	5.101	5.101
Turnover 3rd GS EU (€1,000)	4.073	4.016	4.031	4.031	4.031
Turnover 3rd GS (€1,000)	657	865	868	868	868
FNWI					
Promotions 3-year average (number)	127,0	129,0	130,7	138,3	148,8
Turnover 2nd GS HOT (€1,000)	-	-	-	-	-
Turnover 2nd GS NWO (€1,000)	21.905	24.752	25.000	25.000	25.000
Turnover 3rd GS EU (€ 1,000)	12.870	12.258	16.000	16.500	17.000
Turnover 3rd GS (€ 1,000)	10.756	14.508	14.500	14.500	14.500
FMG					
Promotions 3-year average (number)	84,3	86,0	85,0	81,7	85,0
Turnover 2nd GS HOT (€1,000)	53	-	-	-	-
Turnover 2nd GS NWO (€1,000)	11.584	10.620	10.800	11.000	11.200
Turnover 3rd GS EU (€1,000)	8.209	9.193	9.300	9.500	9.700
Turnover 3rd GS (€1,000)	4.083	3.590	3.650	3.700	3.750
FdG					
Promotions 3-year average (number)	234,7	246,8	264,3	275,3	270,0
Turnover 2nd GS HOT (€1,000)	133	-	-	-	-
Turnover 2nd GS NWO (€1,000)	23.000	36.000	36.000	36.000	36.000
Turnover 3rd GS EU (€ 1,000)	7.000	9.000	9.000	9.000	9.000
Turnover 3rd GS (€1,000)	66.000	63.000	63.000	63.000	63.000
UB					
Promotions 3-year average (number)	-	-	-	-	-
Turnover 2nd GS HOT (€1,000)	-	-	-	-	-
Turnover 2nd GS NWO (€1,000)	5	32	200	200	200
Turnover 3rd GS EU (€1,000)	-	-	-	-	-
Turnover 3rd GS (€1,000)	909	1.646	1.900	1.900	1.900
TOTAL					
Promotions 3-year average (number)	542,3	557,5	580,6	597,8	610,2
Turnover 2nd GS HOT (€1,000)	186	-	-	-	-
Turnover 2nd GS NWO (€1,000)	64.275	79.403	80.684	81.158	81.353
Turnover 3rd GS EU (€1,000)	35.055	37.212	41.076	41.776	42.476
Turnover 3rd GS (€1,000)	84.631	85.871	86.181	86.231	86.281

Table 33: Research performances

For the Faculty of Dentistry and Amsterdam University College, the variable allocation is based on the number of government-funded diplomas and doctorates. The number of diplomas for the 2024 budget in the Framework Letter is based on the provisional status allocation, and for 2024 and later, it is based on the forecasts from the Faculty of Dentistry and Amsterdam University College. The final status allocation is expected to be known with the draft budget 2024. The number of PhDs as a basis for 2024 is the average number of PhDs for the calendar years 2020-2022. For 2025 onwards, the number is based on the Faculty of Dentistry's forecast.

Funded performance research	2023	2024	2025	2026	2027
AUC					
Bachelor's degree high 3-year average	240,0	236,7	233,7	243,0	243,3
FdT					
Bachelor's degree top 3 year average	55,7	62,3	82,0	76,0	64,0
Master's degree top 3 year average	61,3	64,7	64,7	64,0	64,0
Dissertations 3 year average	14,0	17,3	18,3	18,7	17,0

Table 34: Status allocation for research performances

In order to do justice to research-intensive education, part of the research budget is linked to the variable education budget (based on credits and diplomas). To that end, a mark-up factor is applied. This percentage is shown in the table below. The mark-up budget for research will enable the faculties to develop their research efforts in line with the development of student numbers. The amount of the research mark-up ensures that, combined with the other research budgets, faculties can spend at least 30% of the direct government funding budget on research.

Add on factor research	2023	2024	2025	2026	2027
Add on research (%)	25,00%	25,00%	25,00%	25,00%	25,00%

Table 35: Research mark-up on variable education budget

The second component of the variable research budget is the PhDs, the funding of which is passed on to the faculties via the government grant. The number (three-year average) of PhDs and design certificates funded by the Ministry of Education, Culture and Science is multiplied by the price per doctoral programme. The price for design certificates will be equal to that for doctoral programmes. Doctorate funding serves to cover the costs incurred by the faculty for the supervision of the PhD candidate, related overhead and, in addition, an allowance towards the costs of maintaining the field of research concerned. The price per promotion has been set at that in the most recent government grant letter.

Tariff research parameter	2023	2024	2025	2026	2027
PhDs	83.268	83.892	83.892	83.892	83.892

Table 36: Compensation per doctorate

The budget for matching is the third component of the variable research funding.

In order to stimulate high-quality, externally funded research and education projects, a matching budget is allocated to faculties. This budget is intended to cover all or part of the integrated costs not reimbursed by the subsidy provider. A matching budget is allocated to all research and education projects acquired in competition,

divided into the following categories:

- Indirect government funding (NWO)
- EU contract research funding
- Other contract research funding;
- Indirect government funding (HOT)

The category of indirect government funding also includes the Gravitation programme funding tranches that are awarded according to NWO conditions.

Depending on the conditions, partnerships with other, non-public parties can be included in one of the categories in the matching budget.

Other contract research funding comes under the matching definition because of the university's mission to achieve social impact (valorisation; creation of social value). Therefore, we look beyond NWO and EU funding; there are other large national and international funds that offer subsidies for fundamental research as well. It is precisely at the interface of fundamental research and social relevance that the university can be of great value. Various subsidy providers, such as collection funds, are willing to fund relevant basic research, but not at full cost. On the other hand, there are companies and social parties that do or should pay the full cost price.

The definition of the category of 'Indirect government funding (HOT)' is as follows: all project-based Ministry of Education, Culture and Science funds acquired in competition, the indirect costs of which are not (fully) reimbursed. This includes the specific, earmarked Ministry of Education, Culture and Science budgets to which the Government Charges Manual (*Handleiding Overheidstarieven – HOT*) applies. This currently concerns the Comenius scholarships and may, in the future, apply to other contributions as well.

The matching percentage is based on the type of grant and the average amount(s) made available by the subsidy provider to cover overhead.

The total budget for all organisational units, excluding the Faculty of Medicine, is capped at €33.7 million. As indicated in Chapter 2, this has not been indexed yet. When this level is reached, budgets are allocated on a pro rata basis. A matching budget of €4.5 million has been allocated to the Faculty of Medicine (in the Framework Letter, also excluding the indexation, as indicated in Chapter 2). The maximum available matching budget is insufficient, so the matching budget is allocated on a pro rata basis. Without the cap, the matching budget would be €41.9 million (including the matching budget for the Faculty of Medicine). This indicates that the matching requirement is €3.7 million higher than currently allocated to the faculties.

A further increase in the amount of indirect government funding and contract research funding is expected. The subsidies for these research projects do not cover the full costs and must therefore be co-financed by UvA funds from direct government funding (government grant).

Matching rates	2023	2024	2025	2026	2027
Turnover 2nd GS HOT	15,00%	15,00%	15,00%	15,00%	15,00%
Turnover 2nd GS NWO	60,00%	60,00%	60,00%	60,00%	60,00%
Turnover 3rd GS EU	35,00%	35,00%	35,00%	35,00%	35,00%
Turnover 3rd GS	15,00%	15,00%	15,00%	15,00%	15,00%

Table 37: Matching rate

The prices for the variable research allocation for the Faculty of Dentistry and Amsterdam University College are based on the 2023 budget and will be updated for the final Framework Letter according to the most recent insights from the government grant.

Research parameters fees	2023	2024	2025	2026	2027
Bachelor high (AUC)	2.780	2.780	2.780	2.780	2.780
Master high (AUC)	5.560	5.560	5.560	5.560	5.560
Bachelor top (FdT)	5.560	5.560	5.560	5.560	5.560
Master top (FdT)	11.121	11.121	11.121	11.121	11.121
Dissertations (FdT)	83.341	83.341	83.341	83.341	83.341

Table 38: Rates of the government grant for research

The total variable research budget of the faculties is shown in Chapter 4.5.7.

4.5.4 Passed-on government grant for research

The passed-on government grant for research and tuition fees consists of two parts:

- earmarked government grant;
- research part of institution tuition fees.

Budgets that the government has already earmarked for specific policy or other goals or purposes, earmarked government grants, are passed on directly to the faculty concerned. The earmarked government grants are included in the table below.

A portion of the budgets below is mentioned separately in the government grant allocation (mark-up in amounts); the rest is part of the fixed amount (mark-up in percentages). The budgets allocated to the UvA via the mark-up are indexed as soon as the actual indexation is known to the UvA. The other amounts are assessed in the Framework Letter to determine whether indexation is applicable.

Passed on government grant for research	For	2023	2024	2025	2026	2027
STEM Sector Plan	FNWI	3.815	3.815	-	-	-
Sector plan STEM - transfer 2nd GS	FNWI	3.448	3.448	-	-	-
STEM sector plan (total)	Not distributed	-	-	7.264	7.264	7.264
Sector Plan for Physical Sciences and Chemistry	FNWI	1.327	1.343	1.343	1.343	1.343
Sector Plan SSH	Not distributed	-	-	774	774	774
Sector Plan SSH	FdR	774	774	-	-	-
Sustainable humanities	FGW	1.208	1.208	1.208	1.208	1.208
Gravity Networks	FNWI	2.774	-	-	-	-
SEO funds transferred to 1st GS	Not distributed	-	-	4.596	4.596	4.596
SEO funds transferred to 1st GS	FdG	1.171	1.171	-	-	-
SEO funds transferred to 1st GS	FGW	424	424	-	-	-
SEO funds transferred to 1st GS	FdR	184	184	-	-	-
SEO funds transferred to 1st GS	FNWI	1.605	1.605	-	-	-
SEO funds transferred to 1st GS	FEB	95	95	-	-	-
SEO funds transferred to 1st GS	FMG	1.113	1.113	-	-	-
SEO funds transferred to 1st GS	UB	4	4	-	-	-
Expected government contribution yet to be passed on.	FdT	275	275	275	275	275
Expected government contribution yet to be passed on.	AUC	46	46	46	46	46
Gravity Second Genome of Plants	FNWI	1.707	2.004	2.822	2.767	2.767
Gravity ALGOSOC	FdR	1.892	2.299	1.989	1.924	1.924
Total		21.862	19.809	20.317	20.197	20.197

Table 39: Passed-on government grant for research

The institutional tuition fees are estimated by faculties themselves. The research part of the institutional tuition fees (part of 85% of the income from institutional tuition fees) is 20% of (85% of) the total institutional tuition fees. This percentage is in line

with the research mark-up on the variable education budget in the allocation model.

4.5.5 Research capacity budget

Capacity budgets are budgets for special roles or degree programmes that require additional funding on a structural basis. The table below indicates which budgets have been earmarked for specific research positions involving costs that exceed a faculty's normal financing capacity and contribute to the UvA's overall profile and/or an important UvA-wide supported objective. A 1.25% indexation against the 2023 budget as referred to in Chapter 2 has been incorporated in the budgets.

Research Capacity Budget	For	2023	2024	2025	2026	2027
Infrastructure	FNWI	15.614	15.810	15.810	15.810	15.810
Broad Humanities	FGW	3.931	3.980	3.980	3.980	3.980
Research profile fac.	FEB	1.685	1.706	1.706	1.706	1.706
Total		21.230	21.495	21.495	21.495	21.495

Table 40: Research capacity budgets

4.5.6 Policy budget for research

The policy budget for research is made up of four components.

- local policy latitude;
- Research Priority Areas;
- central policy latitude;

The local policy latitude is intended to achieve strategic research goals. The fixed size of the local policy budget of faculties is 20% of the variable research budget in 2016 through 2018 according to the system of the new allocation model. The amount will be determined when the allocation model is introduced. A 1.25% indexation against the 2023 budget as referred to in Chapter 2 has been incorporated in the budgets.

The policy budget allocated is available to faculties to use at their own discretion.

Decentralized policy budget for research	For	2023	2024	2025	2026	2027
Research Policy Area	FdG	6.384	6.464	6.464	6.464	6.464
Research Policy Area	FGW	3.521	3.565	3.565	3.565	3.565
Research Policy Area	FdR	1.598	1.618	1.618	1.618	1.618
Research Policy Area	FNWI	7.335	7.427	7.427	7.427	7.427
Research Policy Area	FEB	1.978	2.003	2.003	2.003	2.003
Research Policy Area	FMG	5.555	5.624	5.624	5.624	5.624
Total		26.371	26.700	26.700	26.700	26.700

Table 41: Local research policy latitude

The second part of the policy budget concerns the Research Priority Areas. The existing focal points are included in the allocation model under the name of Research Priority Areas (RPAs). In addition, policies are being developed regarding new RPAs. The RPAs are explained under the policy investments in Chapter 2.4.1. Table 20 shows the budgets already allocated and still to be allocated in relation to RPAs.

The central policy latitude meets the need for room for UvA-wide policy initiatives. In essence, this refers to areas in which a joint investment is required, or a policy objective for allocating the funds differently, rather than to a division of means (or expenses) between the faculties. Sector plans from the administrative agreement and start-up and incentive funds fall into this category as well.

In addition, the central research policy covers the Faculty of Dentistry policy budget as well. The central policy budgets are shown in Table 42 below.

Central Research policy budget	For	2023	2024	2025	2026	2027
Contribution Sector Plan Law	FdR	400	400	400	-	-
Sector Plan Coalition Agreement STEM	FNWI	4.700	4.700	4.700	4.700	4.700
Sector Plan Coalition Agreement Medical	FdG	5.100	5.100	5.100	5.100	5.100
Sector plan coalition agreement SSH including matching	FMG	5.156	5.156	5.156	5.156	5.156
Sector plan coalition agreement SSH including matching	FGW	5.436	5.436	5.436	5.436	5.436
Sector plan coalition agreement SSH including matching	FdR	337	337	337	337	337
Sector plan coalition agreement SSH including matching	FEB	372	372	372	372	372
Policy budget ASSER	FdR	2.277	2.306	2.306	2.306	2.306
Policy budget CEDLA	FGW	1.320	1.337	1.337	1.337	1.337
Research policy budget FdT	FdT	3.122	3.122	3.122	3.122	3.122
SARA	FNWI	1.220	1.235	1.235	1.235	1.235
FMG - Interest Spinoza	FMG	22	22	22	22	22
Compensation m2 CEDLA	FGW	31	31	31	31	31
Additional contribution Networks	FNWI	100	-	-	-	-
Support uniprofs AI	FdG	40	40	-	-	-
Support uniprofs AI	FGW	40	40	-	-	-
Support uniprofs AI	FdR	40	40	-	-	-
Support uniprofs AI	FNWI	40	-	-	-	-
Support uniprofs AI	FMG	40	40	40	40	-
Support uniprofs	Not distributed	-	40	160	160	160
30% research budget	FdR	1.250	-	-	-	-
Strengthening research intensity FdR	FdR	-	1.000	1.000	-	-
Strengthening research intensity FEB	FEB	-	1.000	500	500	500
Ellis contribution	FNWI	980	980	980	-	-
ELSA Lab	FdR	-	150	150	150	150
Beta/engineering	Not distributed	218	218	218	218	750
Beta/engineering	FNWI	532	532	532	532	-
Valorization contribution LABQ	FNWI	100	100	100	100	100
PLE growth decentralized policy budget	FdR	132	137	138	138	138
CREATE	FGW	429	429	429	429	429
The International Rule of Law and Private and Public European Law	FdR	334	334	334	334	334
Systems Biology	FNWI	334	334	334	334	334
GRAPPA	FNWI	328	328	328	328	328
Sustainable Chemistry	FNWI	429	429	429	429	429
QuSoft	FNWI	297	297	297	297	297
Communication-by-Action and Market Design	FEB	301	301	301	301	301
Complex human systems lab	FEB	297	297	297	297	297
Medical Integromics	FdG	429	429	429	429	429
Oral Infections and Inflammation	FdT	328	328	328	328	328
Oral Regenerative Medicine (Bioengineering)	FdT	329	329	329	329	329
UvA IAS	IAS	920	1.123	1.123	1.123	1.123
Operating contribution LAB42	FNWI	100	100	100	100	100
Matching Horizon Europe	Not distributed	3.000	3.000	3.000	3.000	3.000
Proposed additional use of reserves	FdG	90	-	-	-	-
Starter scholarships	FdR	1.745	1.745	1.745	1.745	1.745
Starting grants yet to be distributed	Not distributed	1.928	1.928	1.928	1.928	1.928
Starter scholarships	AUC	223	223	223	223	223
Starter scholarships	FMG	3.397	3.397	3.397	3.397	3.397
Starter scholarships	FGW	2.259	2.259	2.259	2.259	2.259
Starter scholarships	FNWI	2.508	2.508	2.508	2.508	2.508
Starter scholarships	FdG	902	902	902	902	902
Starter scholarships	FdT	231	231	231	231	231
Starter scholarships	Not distributed	1.415	1.415	1.415	1.415	1.415
UvA Starting Grants	Not distributed	1.928	1.928	1.928	1.928	1.928
Incentive scholarships	FdR	1.970	1.970	1.970	1.970	1.970
Incentive scholarships	FEB	2.176	2.176	2.176	2.176	2.176
Incentive scholarships	AUC	252	252	252	252	252
Incentive scholarships	FMG	3.835	3.835	3.835	3.835	3.835
Incentive scholarships	FGW	2.550	2.550	2.550	2.550	2.550
Incentive scholarships	FNWI	2.831	2.831	2.831	2.831	2.831
Incentive scholarships	FdG	1.018	1.018	1.018	1.018	1.018
Incentive scholarships	FdT	261	261	261	261	261
Incentive scholarships	Not distributed	1.598	1.598	1.598	1.598	1.598
Lisa GPU cluster	FNWI	400	400	400	-	-
Total		74.378	75.356	74.857	72.077	72.037

Table 42: Central research policy latitude*

The CEDLA operating budget in the table above is still subject to further consultation with the faculty.

4.5.7 Total research budget

The total research budget for 2024 per faculty is shown in the table below.

2024	FEB	FGR	FGW	FNWI	FMG	FPG	FRT	AUC	UB	IAS	Beleid	SIS	Not distributed	TOTAAL
Research														
Variable budget	11.134	9.137	19.700	41.158	32.358	34.028	2.510	658	231	-	-	-	-	150.914
- Research storage	8.501	6.721	10.107	11.861	16.365	8.771	-	-	-	-	-	-	-	62.326
- Promotions	1.482	923	5.621	10.822	7.215	20.707	-	-	-	-	-	-	-	46.770
- Matching 2nd and 3rd flow of funds	1.151	1.494	3.972	18.475	8.777	4.550	-	-	231	-	-	-	-	38.650
Central government contribution	95	3.257	1.632	12.217	1.113	1.171	275	46	4	-	-	-	-	19.880
Capacity budget	1.706	-	3.980	15.810	-	-	-	-	-	-	-	-	-	21.495
Policy budget	6.148	10.638	15.946	22.501	18.075	14.403	4.720	476	-	1.123	-	-	13.526	107.556
- Decentralised policy	2.003	1.618	3.565	7.427	5.624	6.464	-	-	-	-	-	-	-	26.700
- Research priority areas	-	600	300	300	-	450	450	-	-	-	-	-	3.400	5.500
- Central policy	4.146	8.420	12.081	14.774	12.451	7.490	4.270	476	-	1.123	-	-	10.126	75.356
- Compensation budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation Research	19.084	23.032	41.258	91.685	51.546	49.602	7.506	1.179	235	1.123	-	-	13.526	299.775

Table 43: Research budget by faculty

4.5.8 Results of the allocation model for research

The table below shows the result of the allocation model for research. This follows from the scope of the components of the allocation model for research as explained in paragraph 4.5.

Allocation Model for research	2023	2024	2025	2026	2027
Income					
Government grant for research	297.762	297.016	297.277	297.169	297.651
Tuition fees research	1.368	1.438	1.486	1.482	1.482
Return on equity	10.400	10.400	10.400	10.400	10.400
- Heritage & Storage research	-6.479	-6.255	-6.258	-6.118	-6.145
Total income research	303.051	302.599	302.905	302.934	303.388
Allocation					
Variable allocation for research	-145.241	-150.914	-154.297	-157.415	-158.741
Transferred government grant and tuition fees	-21.862	-19.809	-20.317	-20.197	-20.197
Capacity budget research	-21.230	-21.495	-21.495	-21.495	-21.495
Policy budget research	-107.301	-107.556	-107.057	-104.278	-104.238
Additional budget research	-6.204	-5.378	-5.405	-5.428	-5.464
Other policy budget research	-9.457	-8.978	-8.050	-10.857	-10.383
Share of centrale costs of research	-16.914	-16.208	-15.740	-15.797	-15.823
Total allocation for research	-328.208	-330.338	-332.362	-335.467	-336.342
Result research	-25.157	-27.739	-29.457	-32.533	-32.954

Table 44: Allocation Model for Research

Income

The income of the allocation model for research follows from the forecast of:

- the income from the government grant, tuition fees and the Return on Equity as detailed in paragraph 4.5.2;
- less the part of the budget apportioned to research for heritage and preservation. These budgets are covered in paragraph 5.5.

Allocation

The expenditure via the allocation model for research follows from the forecast of:

- the variable allocation for research to faculties as detailed in paragraph 4.5.3;
- the research government grant passed on to the faculties as detailed in paragraph 4.5.4;
- the research capacity budgets for the faculties as detailed in paragraph 4.5.5;
- the research policy budgets for the faculties as detailed in paragraph 4.5.6;
- the additional budgets apportioned to research for the services and housing excesses. These budgets are covered in paragraphs 5.5.1 and 5.5.3;
- other operating budgets apportioned to research. These budgets are covered in paragraph 5.5.2;
- the part of the budget apportioned to research for administration and executive staff. The percentages for the budget for administration and executive staff are covered in paragraph 5.6.

The allocation model for research shows a negative result. This means that the UvA receives less research funding than it allocates to the faculties and other organisational units. The deficit in the UvA allocation model for research is covered by surpluses in other budget lines within the UvA.

4.6 Total allocation per faculty

The table below shows the expected development in the total allocated direct government funding budget per faculty, based on the prices, budgets and forecasts included in the preceding paragraphs (see Chapter 5). The split between education and research for 2024 can be derived from paragraphs 4.4.7 and 4.5.7. As the budgets included in this table are based on expected numbers of paid performances, no rights can be derived from them. The amounts are exclusive of surcharges for accommodation, payments for valorisation, other policy budgets (see Chapter 5) and internal settlements between faculties.

Total regular allocation per faculty and institute	2023	2024	2025	2026	2027
Faculty of Humanities	94.600	97.775	98.478	100.007	101.245
Faculty of Law	55.390	56.575	55.327	54.548	54.736
Faculty of Science	150.776	150.636	143.992	144.110	145.072
Faculty of Economics and Business	56.669	59.002	58.633	58.274	57.254
Faculty of Social and Behavioural Sciences	126.320	130.768	130.161	131.849	132.267
Faculty of Medicine	89.276	92.810	95.115	99.309	98.900
Faculty of Dentistry (55%)	25.405	25.559	25.206	24.798	24.593
Amsterdam University College	12.456	12.974	13.270	13.630	13.885
Institute for Advanced Studies	1.260	1.467	1.134	1.123	1.123
Other	12.640	16.220	29.874	30.774	32.862
Total	624.792	643.785	651.187	658.423	661.936

Table 45: Total allocation per faculty

The table shows an expected increase in budget distribution to faculties of approximately €19.0 million in 2024 compared to 2023. The 2023 budget had projected an increase of €15.7 million.

5 Internal services, indirect costs and central costs

5.1 Explanation of internal services

Since 2006, the UvA has had an integrated cost allocation system for its internal services, both internal and external. This cost model is characterised by the allocation of all the UvA's costs to its consuming organisational units (e.g. faculties and other units) and ultimately to its teaching and research activities. This allocation is incorporated into a Service Level Agreement (SLA) cycle.

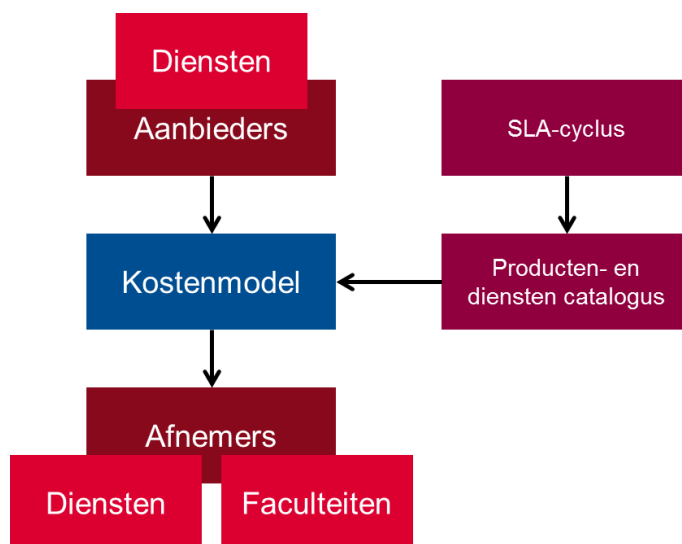


Figure 2: internal services cost model

In order to determine the purchase of the products and services, cost drivers have been identified that, for the customer, match the added value for its process and, for the supplying service, do justice to the cost pattern of the service. Examples of cost drivers are the number of square metres, employees or students. How much of a service is purchased is determined by counting the number of each cost driver on 1 June of the year preceding the budget. The exception to this are the services linked to the cost driver enrolled students. This is counted on 1 October of the academic year preceding the budget. The table in Appendix 6 shows the various services including the corresponding cost driver, when it is counted and the source of the data.

Specific arrangements have been made with the faculties of Medicine and Dentistry and Amsterdam University College on charging on fixed and variable packages.

5.2 Accommodations Plan

The UvA's policy on accommodation for research and teaching is described in the accommodations plan that is updated annually, along with the budget. The internal charging on of accommodation costs takes place on the basis of the number of square metres of lettable floor area used by an organisational unit. In accordance with the policy described in the accommodations plan, the rent per square metre of lettable floor area has been annually increased by 3.5% (up to and including 2022) and, if necessary, by inflation. This means that, from 2023 onwards, only inflation will apply as an increase in the internal Accommodations Plan rate. Average inflation over 2022 was 10%. In the Accommodations Plan, this is felt through increased expenditure on – for example – maintenance. However, as far as investments are concerned, this effect is experienced later, in the form of higher depreciation. This

provides scope to charge on the cost of inflation in 2022 incrementally. The starting principle is to do this from 2025, at 2.5% per year for four years.

5.3 Indirect costs

In the cycle preceding the determination of the rates, the customers and internal service units will agree on the quality and extent of the service. In some cases, the structure of the service is reassessed as well. The rates for services may change due to a change in quality or scope, or due to changes in structure. This includes – for example – a shift between fixed or variable charging on of costs, UvA-wide or faculty-specific charging on of costs and centralised or local coverage.

The rate changes below show that the internal charging on of costs at the UvA will increase. This is largely due to inflation and CAO-based increases. The service units have been asked to provide rate proposals at the 2023 price level. Only at Student Services, the rate also includes a 4% CAO-based increase in 2024.

The table below shows the charging on of costs of the fixed and variable packages to the faculties. These are based on the numbers in the 2023-2026 budget and the rates as shown in paragraph 5.4. In July and October, the final numbers of fixed packages for 2024-2027, and thus the charging on, will be determined. The 'Miscellaneous' item includes the target to reduce internal recharge costs by €5.0 million, as explained in paragraph 2.2.6.

Internal recharging of fixed and variable packages	2023	2024	2025	2026	2027
Faculty of Humanities	34.175	37.334	37.898	38.072	38.136
Faculty of Law	16.369	17.823	17.997	18.000	18.043
Faculty of Science	49.820	53.674	54.443	55.372	55.711
Faculty of Economics and Business	23.834	26.378	26.799	26.884	26.867
Faculty of Social and Behavioural Sciences	40.650	44.568	45.321	45.881	45.954
Faculty of Medicine	2.957	3.083	3.083	3.083	3.083
Faculty of Dentistry (55%)	743	802	802	744	744
Amsterdam University College	3.461	3.731	3.773	3.798	3.832
Institute for Advanced Studies	275	293	298	302	307
Other	310	-4.064	-4.064	-4.064	-4.064
Total	172.595	183.622	186.349	188.072	188.613

Table 46: Internal charging on of costs of fixed and variable service packages (incl. real estate)

5.4 Service units

5.4.1 Real Estate

The internal rent for 2024 has been set at the 2023 price level, with an annual increase of 2.5% from 2025 through 2028; 10% spread over a four-year period.

Real estate rate	2023	2024	2025	2026	2027
Real estate / m2	273,26	280,09	287,09	294,27	294,27

Table 47: Real Estate rate

5.4.2 Energy

Due to the war in Ukraine, energy prices are at historically high levels, peaking in the summer of 2022. This will have a significant impact on purchasing prices for the next few years. Gas rates look set to stabilise at a lower level than in 2022, while the impact of the increase in the purchase price of electricity from 2022 has been

delayed.

At present, there is still uncertainty, partly because the full price of energy has not yet been fixed for the coming years (see table below). An estimate has been made in the SLA, with energy costs expected to be at their peak in 2024 and start falling again thereafter. To make this more manageable in the unit rates, it has been agreed to incorporate half of the price increase in the rates, and continue funding the other half centrally throughout 2024.

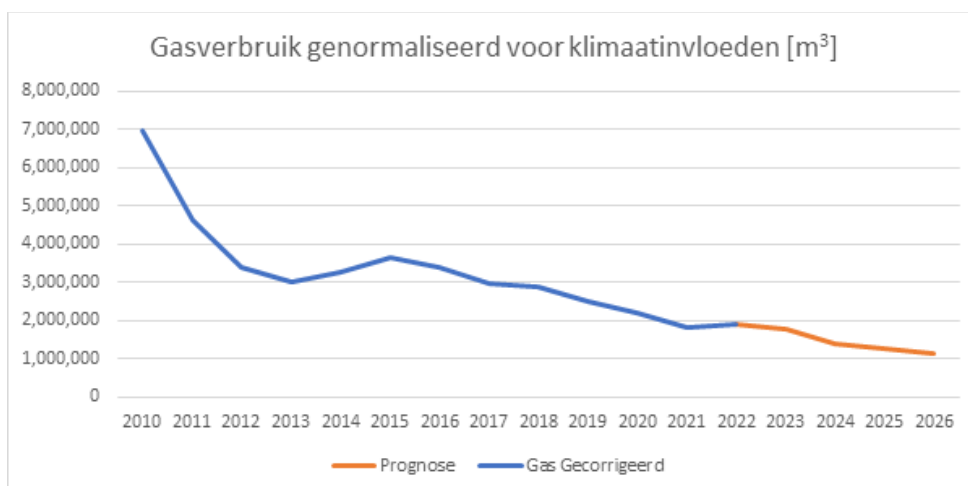
Inkoop status februari 2023						
	2023		2024		2025	
	Ingekochte volume (%)	Gemiddelde prijs (euro)	Ingekochte volume (%)	Gemiddelde prijs (euro)	Ingekochte volume (%)	Gemiddeld prijs (euro)
Gas UvA	100	2,07	68	1,24	35	0,60
Elektra UvA	100	0,13	64	0,24	0	-

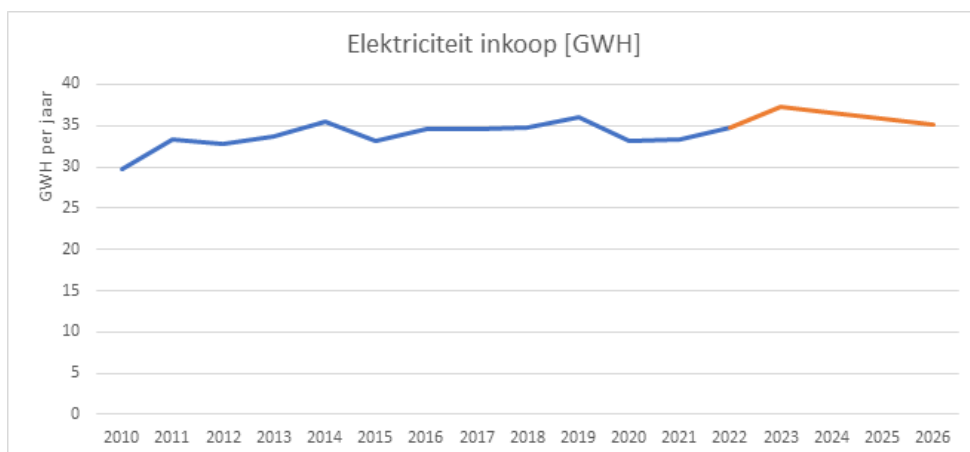
	Inkoopkosten Gas en Elektra (prognose)
2023	€ 13.287.533
2024	€ 13.440.831
2025	€ 8.476.421
2026	€ 7.907.705

**zonder belasting, prognose is gebaseerd op ingekocht volume, en in te kopen volume vermenigvuldigd met huidige marktprijs*

The total price increase is €3.8 million. Half of this is reflected in the rates, leading to an increase of €7.32 per m² LFA (+14%).

In recent years, the UvA has worked hard to reduce its energy consumption; in 12 years, energy consumption has decreased by 58%. Many gas-fired heating systems have been converted to ground-source systems that consume electricity. This would theoretically increase electricity consumption. However, the conversion was carried out very efficiently and complemented by additional conservation measures, which have kept the overall electricity consumption the same.





Energy costs	2023	2024	2025	2026	2027
Energy / m2	53,33	60,65	60,65	60,65	60,65

Table 48: Energy rate

5.4.3 University Library

Although the University Library is not introducing any new services in 2024, the rates have been indexed by 1.4% compared to budget 2023. In consultation with the faculties, it was decided that this step was necessary in response to recent social developments around inflation and rising energy prices. While the University Library always looks critically at its own services in the search for efficiency improvements (e.g. the recent return of over 2,000 m² in the IWO depot as a result of more efficient use of space), it has demonstrated to the faculties that further efficiencies are no longer realistic in relation to the financial developments the University Library faces. It was therefore decided to index the University Library's rates in such a way as to cope with expected price increases for energy. In accordance with the assumptions in the Framework Letter, it was also decided to use the 2023 price level with regard to the CAO developments, and therefore not pass on expected price increases to the faculties (yet). At a later stage of the budget process, when there is more clarity around these developments, the extent to which the University Library's rates will need to be adjusted in response to CAO-based increases and price increases with both internal and external suppliers will be reviewed again.

University library rates	2023	2024	2025	2026	2027
Centers of study / student	305,12	309,39	309,39	309,39	309,39
University library / Faculty collections	1,25	1,27	1,27	1,27	1,27
Library / fte WP PID	355,43	360,41	360,41	360,41	360,41
University Library / Scientific Publications	76,83	77,90	77,90	77,90	77,90
University Library / WP fte PID + student	105,11	106,58	106,58	106,58	106,58

Table 49: University Library rates

5.4.4 IT Services

A number of factors will affect ICT Services' rates in 2024. The services provided by ICT Services have not been indexed until year-end 2023. Partly in view of the current economic climate, ICT Services feels compelled to index the services after all (retroactively). This leads to a pro rata increase in all rates across all service groups.

Teaching

In order to support education, extra investments will be made in the management and the further development of the digital learning environment. To this end, formation will be increased in the product team in charge of managing and developing the digital learning environment. In part, this will create more scope for – for example – linking new shell applications. Investments are also being made in new plagiarism software, which is more in line with the needs and expectations of the education sector. Together, this leads to a €7.97 increase in the student fee (education service).

On the other hand, both the rate per student (€1.98) and the rate per employee (€1.47) are decreasing due to a change in the settlement system for 1) archiving software and 2) the platform on which researchers and students can find each other on concrete research assignments.

Research

To support research, additional investments are being made in a platform for researchers on which scripts and software to support research can be managed, shared and archived. This increases the researcher fee (research service) by €3.70.

Operations (+ End User Services)

To support operational management, management and MS365 licence fees will be increased, in connection with the switch to a new licensing model for MS365 on the one hand, and volume growth on the other. In addition, hybrid working leads to more complex issues and increased requests for help at our front office, with support and handling time increasing as well. Consequently, a capacity expansion is required. Altogether, this leads to an increase in the fee per student (€4.83) and the fee per employee (€9.30).

Finally, the self-support rate will be increased by €10.00. From a sustainability point of view, ICT Services has launched a service to make it easier to redeploy self-supporting workstations across the organisation.

IT-for-IT

Within the IT-for-IT domain, data centre energy costs are rising, increasing the rate per square metre (€0.76). In addition, participation fees for SURF and licence fees for Oracle will be increased. Additional investment is also being made in supporting and expanding cloud usage. On balance, this will cause the rate per employee to increase by €36.30.

Group Information Systems (GIS)

These CIS funds are accounted for in whole amounts due to their 1:1 nature and are not incorporated into rates. ICT Services provides services to the Administration Centre as a subcontractor. Mainly within the framework of Education Logistics and SAP, worth €3.8 million. Developments in both the Educational Leadership Programme Committee and SAP are causing a 10% increase in costs compared to 2023. ICT Services also provides services to the Communications Office. Mainly as part of the management of UvAweb, totalling €650 thousand. A shift in the direct recording of the costs of the Communications Office engaging ICT Services reduces these costs by 40% compared to 2023.

Facility Services' services have remained unchanged.

Rate ICTS	2023	2024	2025	2026	2027
COS Connectivity Services	18,51	23,18	23,18	23,18	23,18
CIS concern information systems (total)	4.533	4.483	4.483	4.483	4.483
AVC multimedia services (total)	108	108	108	108	108
MIB Employee ICT Basic Services	542,36	768,08	768,08	768,08	768,08
OOS Education and Research Services / student	195,27	247,34	247,34	247,34	247,34
RIS Research IT Services	32,97	43,63	43,63	43,63	43,63
WPS UvA werkplek (Standard) desktop	831,92	1.007,61	1.007,61	1.007,61	1.007,61
WPS UvA workplace (Standard) laptop	958,73	1.161,20	1.161,20	1.161,20	1.161,20
WPS UvA werkplek (Special) desktop	1.141,56	1.382,65	1.382,65	1.382,65	1.382,65
WPS UvA workplace (Special) laptop	1.268,37	1.536,24	1.536,24	1.536,24	1.536,24
WPS UvA workplace (Self support)	96,33	126,67	126,67	126,67	126,67

Table 50: ICT Services' rates

5.4.5 Facility Services

A number of developments will affect the rates in 2024.

Collective agreement increases and contract indexations

The current situation with high inflation has a significant impact on the cost of services procured by the UvA. Suppliers face steep price increases and are forced to charge these on (in part). Price increases are never automatically charged on, and it is always discussed whether smart choices can offset some of these increases. However, the increases are so steep, and budget scope so limited, that it has been agreed with the faculties that these costs may be passed on in the rates. This has a substantial impact and is also very uncertain in part because not all price increases for 2023 and 2024 are known.

Part of this cost increase is also a historical repair as, in 2022 and 2023, Facility Services failed to absorb all cost increases with the existing rates. As a result, there was an authorised deficit in 2023. This has been fixed in the SLA cycle, in coordination with faculties.

Online tests

Last year, the business case for digital testing was reviewed. The last review of the business case dates back to 2018, and with the current testing software tender underway, this was a good time to evaluate the current service. In this evaluation, stock was taken of the experiences of recent years and new requirements and wishes were retrieved from the faculties that are necessary for adequate support of teaching and visions of testing. Reassessment of finances is part of the business case as well. This has led to an adjustment of fixed and variable rates.

Indoor bicycle parking to Facility Services

From a financial point of view, the burden of indoor bicycle parking was not properly allocated within the UvA according to our system. The cost of this was still borne by Real Estate, as there was no cover for this in Facility Services' budget. From the 2024 budget onwards, this will be fixed and land with Facility Services. Facility Services will incorporate this in its rates and customers will be compensated centrally, as this is a shift rather than a cost increase. It has also been agreed that these costs will be compensated over the course of several years, including in expansions of the University Library (2025) and LAB Q (2027).

Elaboration of decisions last year

Decisions were taken in last year's SLA cycle, including on being allowed to pass on m² price increases of teaching halls and maintenance budget increases. This impact was not yet reflected in the rates, but was settled variably. This was corrected in the 2024 budget.

FS rates	2023	2024	2025	2026	2027
BOL pie slice halls	12.828	14.187	14.403	14.187	13.939
BOL hours large halls	29,06	27,12	27,70	27,12	26,46
Digital testing / student	11,89	-	-	-	-
Facilities / IAR GAST	52,52	53,99	53,99	53,99	53,99
Facilities / IAR PID	200,95	285,37	296,00	285,37	283,71
Facilities / IAR PNID	118,47	121,52	121,52	121,52	121,52
Facilities / m2	32,98	44,43	44,43	44,43	44,43
Facilities / student	84,22	161,45	172,08	161,45	159,79
Purchase / k€ Other costs + hiring PNID	10,54	11,59	11,59	11,59	11,59
Opening hours security	49,14	51,69	51,69	51,69	51,69
Cleaning / m2 weighted	26,02	26,50	26,50	26,50	26,50

Table 51: Facility Services – rates

The rate for digital tests will be charged to faculties based on the number of tests taken, using the breakdown below:

Aantallen	FdG	FGW	FdR	FNWI	FEB	FMG	Totaal
BOL - faculteitstarief (afname toetsen)	38.555	19.669	66.978	45.398	139.889	104.213	414.702
BOL - faculteitstarief (%)	9%	5%	16%	11%	34%	25%	100%

5.4.6 Administration Centre

In 2024, the basic service rate and the student rate will have to be increased, as the Administration Centre's services will be expanded and ICT Services' services are being charged on. The rates will be increased in proportion to and based on the nature of the activity and distributed among the applicable rates known to the Administration Centre. The result of the expansion of activities are explained in further detail in the notes below for each application. For the remaining rates, optimisation of operations will keep the rates at the same level.

Investment in staffing product team/Fiori App development (€232,850.00)

Achieving the requested increase in headcount is one of the most important preconditions for successfully realising the renewal components and managing SAP. The expansion has an impact on structural incremental costs and the SLA. The amounts ICT Services charged on to the Administration Centre will go up due to the requested FTE expansion on ICT Services' side (2 FTE), as well as due to the indexation (3.3%) of maintenance charged annually by SAP. At both ICT Services and the Administration Centre, we wish to bring in the expertise we currently hire in externally on a structural basis. Expansion in this area is also prompted by increased demands for privacy and security following the hack. It concerns specific basic technical knowledge (1 FTE with ICT Services) and the knowledge and skills required to lead and supervise SAP projects and realise and manage SAP functionalities, as well as improve the required specialist knowledge (1.5 FTE with the Administration Centre). We now hire in this knowledge externally, which is expensive. The Sociological EpiCentre's work portfolio has only grown during the corona period. One reason is that more and more functionalities are being added to Self-Service and the DSPM. Optimisation and further digitisation of business processes from digital agendas reinforces this trend. This leads to more work, while staffing has not grown along with it. The further professionalisation of the agile way

of working requires us to appoint a dedicated employee to, within the area of operational management for SAP planning, coordinate, direct and align the planning and the progress between the teams, stakeholders and the domain manager (1 FTE with ICT Services). This is also known as a Release Train Engineer. With this expansion, the product teams are at the right deployment level to be able to handle regular work and optimisations in existing processes for the coming years.

Digitising the administrative organisation, dashboarding and chain monitoring (€147,500.00).

This concerns the professionalisation of the Administration Centre's administrative organisation, including through the introduction of Blue Dolphin (licence and administrator) (the costs of which may increase as more licences are required), the annual maintenance costs of the consolidation tool, management of Power BI (dashboard) and Blackline (Runbook). In addition, the application concerns the further professionalisation and optimisation of the chain (monitoring).

Further development of the Educational Leadership Programme Committee, the admissions fee and the impact of the Digital Agenda of ICT Services with regard to education logistics (€132,250.00)

As a result of ICT Services charging on costs with regard to the digital agenda for students, costs at the Administration Centre for the Educational Leadership Programme Committee are increasing, namely €332,247.00 or €8.31 per student. This causes an overall increase in the rate per student.

From academic year 2022-2023, the Administration Centre may charge a fee of €100.00 per student for Admissions. The estimated revenue of this is €650,000.00, and the estimated extra additional cost €350,000.00. On balance, therefore, €300,000.00 will flow back to the faculties, or a reduction in the rate of €7.50 per student.

Finally, in the transition from the Educational Leadership Programme Committee to the Administration Centre, the fact that both the new duties *and* the duties the Administration Centre was already performing would require a cluster manager, was overlooked. For 2024, an additional cluster manager will therefore be included in the SLA, at €100,000.00 or a €2.50 increase in the rate.

AC rates	2023	2024	2025	2026	2027
Basic AC service / k€ Income	2,95	3,47	3,53	3,59	3,65
CSA / student	195,67	198,98	198,98	198,98	198,98
Financial administration / invoice	27,09	27,09	27,09	27,09	27,09
Pers. & sal. adm. / IAR GAST	58,54	58,54	58,54	58,54	58,54
Pers. & sal. adm. / IAR PID	365,09	365,09	365,09	365,09	365,09
Pers. & sal. adm. / IAR PNID	175,68	175,68	175,68	175,68	175,68
Proj. Adm. / WBS rules	61,07	61,07	61,07	61,07	61,07

Table 52: Administration Centre – rates

5.4.7 Communications Office

The fee for employees, €74.50, will remain the same. The rate per student will be increased from €140.50 to €150.00. This is partly due to the incorporation of the additional services budget GPL development in 2023 in the rate. The second cause is the adjustment of the rate to its original level of €146.50. The drop to €140.50 in 2021 through 2023 was temporary, given the large increase in the number of students at the time.

Rates BC	2023	2024	2025	2026	2027
Communication / student	140,50	150,00	150,00	150,00	150,00
Corporate communication (total)	1.270	1.270	1.270	1.270	1.270
Staff advertisements / IAR PID	74,50	74,50	74,50	74,50	74,50

Table 53: Communications Office – rates

5.4.8 Student Services

In recent years, the rate per student agreed in a 2017 Operational Managers' Meeting has been used. In the event of changes in services, deviations were calculated from this rate. For 2024, a new calculation has been made based on the current formation per team, so that the actual FTE numbers are again assumed. Shifts that have taken place in recent years are corrected by this. In addition, a number of changes have been made for 2024, which are explained below:

- The inclusion of the Educational Leadership Programme Committee in the line and the implementation of the planned innovations from the programme (information provision cluster) will require 2 FTEs: decentralised web editing ('WISH'), additional deployment from the CSSD (ask-a-question, live chat, arrange it online, etc.).
- The student welfare project leader appointed from National Education Programme funds will be retained (1 FTE). In addition to continuing the project, this will focus on direction from the student support cluster, for which Student Services will initiate a number of projects.
- Over the past year, Student Services has focused on process support, with the construction of applications in Power BI (e.g. sign-up chain student psychologists, notification & placement exchange). To continue managing and developing these apps, 0.5 FTE is required.
- The Profiling Fund is an open-ended scheme, for which an amount is fixed in advance. In recent years, this amount has been exceeded, so it has been adjusted upwards. The rate has been adjusted accordingly.
- CAO-based increases of 3% in 2023 and 4% in 2024 are included in the rate.
- Based on increased student numbers, the rate amount per student of the fixed grants has been adjusted downwards. This does not apply for the University Sports Centre, which, based on the new collaboration agreement, will receive a subsidy from 2023 onwards. In this agreement, it was agreed that the subsidy will be calculated based on the number of students who actually purchase services from the University Sports Centre.

The proposed rate does not include a project manager for the projects discussed in the tactical consultations. The project outline will be further coordinated with the heads of the Education Service Centre/education offices of the faculties. Whether the cost of the required additional project leader will need to be included in the rate depends on the yet-to-be-allocated funds from the administrative agreement in the area of student welfare.

Rate StS	2023	2024	2025	2026	2027
Student services / student	316,58	326,14	326,14	326,14	326,14

Table 54: Student Services – rates

5.4.9 Occupational Health and Safety Service

From 1 January 2024, we will enter into a new contract with a health and safety service provider. The costs for this are expected to be higher than they currently are with the Amsterdam UMC health and safety service. By mid-2023, we will have a better idea of its size and impact. For now, the rate for 2024 is kept the same as in 2023.

Price health and safety	2023	2024	2025	2026	2027
Occupational health / IAR PID	182,00	182,00	182,00	182,00	182,00

Table 55: Health and Safety Service – rates

5.4.10 Knowledge Transfer Office/IXA

From 2023, €1.0 million will be invested through the IXA budget on an annual basis, to strengthen support for valorisation. Funds for this were already earmarked in the 2023 budget. An interim evaluation will be conducted after 2 years, and a final evaluation before the end of year 4. In the unlikely event that the programme is unsuccessful, it will be phased out. In addition, in 2024, the regular budget for IXA will be increased from €1.7 million to €2.25 million. Due to CAO-based increases and inflation, the regular budget was no longer sufficient to provide the desired services for faculties. IXA will draw up a proposal to – by means of an SLA cycle – pass on the cost of services directly to faculties from 2025 onwards. This will include opportunities to increase IXA's own external revenues. This proposal will be discussed with the faculties in late 2023 or early 2024, so that the rates for IXA services can be included in the 2025 Framework Letter. This will release the regular budget for IXA and benefit the faculties through the allocation model.

5.4.11 Real Estate Development

Real Estate Development's budget consists of internal variable services. The variable services are determined by the budget.

5.5 Additional and other operating budgets

5.5.1 Temporary budgets for services

Additional or policy budgets related to internal services or UvA services are shown in the tables below. To the extent possible, all additional budgets related to regular services have been incorporated into the rates of the services.

Additional budgets services education	For	2023	2024	2025	2026	2027
Depreciation costs AP	UB	150	150	150	150	150
Initiatives, bottlenecks, plans - start-up costs REC location	SCZ	23	-	-	-	-
Bottleneck wage/price increases	FS	300	-	-	-	-
Bottleneck wage/price increases	UB	400	-	-	-	-
Bottleneck wage/price increases	ICTS	600	-	-	-	-
Energy price hike bottleneck	EB	3.510	1.916	-	-	-
Energy price hike bottleneck	FdG	490	268	-	-	-
CREA (include in SLA cycle)	StS	1.463	1.463	1.463	1.463	1.463
Orientation year UvA HVA (include in SLA cycle)	StS	40	40	40	40	40
Regular budget BAU (include in SLA cycle)	BAU	2.106	2.161	2.161	2.161	2.161
Finance and procurement systems development	Not distributed	200	-	-	-	-
Finance and procurement systems development	FS	300	-	-	-	-
Recovering investment from reserve - AC	AC	15-	15-	-	-	-
Recover investment from reserve - EB	EB	172-	172-	84-	84-	84-
Proposed additional use of reserves	AC	4	-	-	-	-
Total		9.399	5.810	3.730	3.730	3.730

Table 56: Additional budgets for teaching services

The budget for the Knowledge Transfer Office has been increased as described in paragraph 5.4.10.

Additional budgets for research services	For	2023	2024	2025	2026	2027
Regular budget BKT (include in SLA cycle)	BKT	1.700	2.250	2.250	2.250	2.250
Reservation for support for valorization and partnerships	Not distributed	1.250	250	250	250	250
Include temporary budget for thematic budgets in SLA (OZ)	BKT	-	1.000	1.000	1.000	1.000
Total		2.950	3.500	3.500	3.500	3.500

Table 57: Additional budgets for research services

5.5.2 Operating budgets for services and central budgets

The budgets from the percentages for Staff and Policy (paragraph 5.6) are included in the table below, under 'regular budget'. The same goes for the regular budget for Heritage and Preservation. The budget for museum work (Heritage) will be adjusted for the increase in accommodation costs and the indexation as referred to in Chapter 2. Given the large number of square metres used for this function, and the limited options for the University Library to recoup the associated costs, maintaining the budgets actually means an additional cutback. In line with the UvA's policy of making such choices explicit rather than implicit, compensation through the budget is therefore necessary. The budget for Custody is adjusted to compensate for the internal accommodation costs for the collection of the Netherlands Theatre Institute in the IWO and the indexation as referred to in Chapter 2.

Other policy budgets	For	2023	2024	2025	2026	2027
Regular budget Heritage (until.)	UB	9,340	9,457	9,517	9,579	9,642
Regular budget Storage	UB	5,921	5,921	5,921	5,921	5,921
Budget services GPL development	AC	400	-	-	-	-
Budget services GPL development	ICTS	644	-	-	-	-
Budget services GPL development	FS	346	-	-	-	-
Budget services GPL development	UB	497	-	-	-	-
Budget services GPL development	StS	237	-	-	-	-
Budget services GPL development	BC	148	-	-	-	-
Budget services GPL development	SGZ	64	-	-	-	-
Budget services GPL development	HO	34	-	-	-	-
Budget services GPL development	BAU	55	-	-	-	-
Budget services GPL development	BKT	75	-	-	-	-
Strengthening TLCs	Bestuursstaf	1,500	1,500	1,500	1,500	1,500
ICT information security	ICTS	350	-	-	-	-
ICT projects: Compensation depreciation system	ICTS	125	-	-	-	-
ICT projects: ICT & Operations	ICTS	400	400	400	400	400
ICT projects: ICTO program council	ICTS	600	600	600	600	600
ICT projects: SURF contribution	ICTS	496	534	534	534	534
ICT projects: ICTS hours	ICTS	1,360	1,360	1,360	1,360	1,360
ICT theme funding: Reserved	Not distributed	-	-	551	3,877	6,377
ICT theme funding: Education	ICTS	2,183	2,065	1,316	400	-
ICT theme funding: Lifelong Learning	ICTS	150	400	500	500	-
ICT theme funding: Research	ICTS	719	800	1,000	300	-
ICT theme funding: Education Logistics	ICTS	2,590	1,725	1,825	1,175	590
ICT theme funding: Operations	ICTS	1,630	1,504	900	450	-
ICT theme funding: Information security (3)	ICTS	100	150	-	-	-
ICT theme funding: Data and AI for the UvA	ICTS	150	340	160	-	-
ICT theme funding: Sustainability	ICTS	100	100	-	-	-
ICT theme funding: Responsible IT	ICTS	154	250	300	450	-
ICT theme funding: Collaboration	ICTS	385	300	200	-	-
ICT theme funding: improvement plan IB	Bestuursstaf	328	-	-	-	-
ICT theme funding: Use of IB Improvement Program reserves	ICTS	676	-	-	-	-
ICT theme financing: Supplementary reservation IB	Not distributed	500	-	-	-	-
IP - Financial instruments Strategic Plan	Not distributed	1,378	4,387	3,677	10,926	12,426
IP - Financial instruments - valorization part UvA	Not distributed	-	1,000	1,000	1,000	1,000
Financial instruments IP - Continuous support	FdR	150	150	150	150	-
Financial instruments IP - Continuous support	FdG	150	150	150	150	-
Financial instruments IP - Continuous support	FGW	150	150	150	150	-
Financial instruments IP - Continuous support	FMG	150	150	150	150	-
Financial instruments IP - Continuous support	Not distributed	150	150	150	150	-
Financial instruments IP - Start-up IP	FdR	150	150	150	150	-
Financial instruments IP - Start-up IP	FdG	150	150	150	150	-
Financial instruments IP - Start-up IP	FGW	150	150	150	150	-
Financial instruments IP - Start-up IP	FMG	150	150	150	150	-
Financial instruments IP - Start-up IP	Not distributed	150	150	150	150	-
IP - Pulse	Not distributed	1,000	1,000	1,000	1,000	1,000
Spending workload funds earmarked reserve	Policy	200	-	-	-	-
Regular policy budget	Policy	14,450	14,580	14,650	14,741	14,761
Support policy implementation and policy space	Bestuursstaf	1,000	1,000	1,000	1,000	1,000
Regular budget Staff	Bestuursstaf	26,884	27,125	27,256	27,425	27,462
Proposed additional use of reserves	Not distributed	200	-	-	-	-
Data Science: Coordination	UB	180	180	180	-	-
Data Science: Data engineers/scientist	FGW	189	117	40	-	-
Data Science: Data engineers/scientist	FMG	177	98	19	-	-
Data Science: Data engineers/scientist	FNWI	315	205	76	-	-
Data Science: Data engineers/scientist	FdR	50	-	-	-	-
Data Science: Data engineers/scientist	FEB	40	20	-	-	-
Data Science: Data engineers/scientist	FdT	40	20	-	-	-
Data Science: Data engineers/scientist	FdG	76	38	-	-	-
Data Science: Data engineers/scientist	UB	100	100	100	-	-
Data Science: Data engineers/scientist	Not distributed	363	482	225	-	-
Data Science: Data scientists 2nd call	Not distributed	616	616	616	616	-
Data Science: Innovation fund	UB	35	35	35	-	-
Data Science: Innovation fund	FMG	83	83	83	55	-
Data Science: Innovation fund	FdR	83	83	83	55	-
Data Science: Innovation fund	FNWI	249	249	249	166	-
Data Science: Innovation fund	FEB	83	83	83	55	-
Data Science: Innovation fund	FGW	83	83	83	55	-
Total		81,631	80,489	78,540	85,641	84,573

Table 58: Other operating budgets

5.5.3 Housing excess

The housing excess component in the faculties' budgets represents the above-standard use of space, at the time the level playing field of the costs and budgets was established in 2006. The housing excess expires after the organisational unit is definitively housed. If, at the time of the budget, it is sufficiently certain that all or part of an organisational unit will relocate during the budget year, the surplus housing cost will be adjusted pro rata, based on the expected date of relocation. The same applies to the number of square metres, and thus the recharged accommodation costs.

The UvA's average mark-up factor, corrected for 'irrelevant properties' (IWO, chem storage, etc.) is 1.40. Faculties with a mark-up factor exceeding 1.40 are compensated for this by means of a housing excess.

The table below shows the housing excesses included in this Framework Letter.

Housing excess	For	2023	2024	2025	2026	2027
Correction to bicycle parking area	FS	3.300	-	-	-	-
FdR	FdR	178	178	181	184	187
FGW	FGW	3.015	3.015	3.074	3.135	3.196
FGW - BH / OIH	FGW	381	381	381	381	381
high storage factor	FEB	144	144	149	154	160
high storage factor	FMG	902	902	919	937	955
Total		7.921	4.621	4.705	4.791	4.879

Table 59: Housing excess

5.6 Central costs

All costs that are not related to the faculties, the services or the Real Estate Administration are included in the 2024 budget under the heading of 'central costs'. These are the centrally held costs for the Board, the staff, the theme budgets, and the strategic resources for innovation. The staff and policy organisational units receive a percentage of the expected additions of the government grant and tuition fees to the allocation model.

5.6.1 Staff

The percentage for Staff for 2024 and beyond has been kept the same: 4.00%. In addition, €1 million has been included in other policy budgets to provide more resources for policy implementation. The amounts are shown in Table 60 (under the headings 'Regular budget for staff' and 'Support for policy implementation and policy latitude'). All the costs of the executive staff, including new initiatives or expansions, should be financed from this on a multi-annual basis.

5.6.2 Policy

At present, the policy budgets through the Executive Board only contain the UvA-wide policy investments that cannot be allocated to one or several units. The percentage for Policy for 2024 and beyond has been kept the same, at 2.15%: This means that the entire management budget can be used for UvA-wide policy themes and that the Board itself can make choices in this respect.

The table below outlines the currently expected policy expenditures from the management budget. In addition to the regular costs, the Staff and Policy budgets also finance temporary and other investments in UvA-wide themes, such as diversity, social safety, sustainability and the Ucademy. The Staff and Policy

budgets must be balanced over the long term.

Theme budgets	2023	2024	2025	2026	2027
(Policy) budget	14.650	14.580	14.650	14.741	14.761
Transferred government funding	4.994	5.431	5.383	5.000	5.000
Available	19.644	20.011	20.034	19.741	19.761
Internationalization	948	948	948	948	948
Personnel & Participation	4.391	4.391	4.391	4.391	4.391
Information availability	300	300	300	300	300
Strategic communication	82	82	82	82	82
University facilities	550	550	550	550	550
Strategic investments	11.653	12.151	11.350	11.094	11.094
Other	1.450	1.450	1.450	1.450	1.450
TOTAL distributed budgets	19.374	19.872	19.071	18.815	18.815

Table 60: Theme-based budgets and operational expenditure

5.7 Treasury

5.7.1 Administrative arrangement

The Treasury Administration includes the internal and other interest payments of the Real Estate Administration, external parties and the results of the participating interests that are consolidated, including UvA Ventures Holding bv. The costs include the external interest charges on the loans, the costs of feeding the valorisation fund and the costs of managing the Treasury Administration.

5.7.2 Cash availability

Currently, the UvA has a comfortable liquidity position. In addition, there are other developments that will keep the liquidity position, and ratio, well above 0.5 in the coming years. Last year, a new coalition agreement was reached that includes a substantial financial boost for academic teaching and research. This will have a positive effect on liquidity in the next few years, provided that the rate of the expected revenue growth exceeds that of expenditure growth. This positive effect has been included in the multi-year forecast. It also includes an update on investment planning. This investment planning assumes a later timing of some of the expenditure. Although a liquidity squeeze is still expected over time, the new investment planning means that it is expected to happen slightly later in time. Additional funding is still expected to be needed in 2026 as assumed in the 2023 budget. Based on these assumptions, a liquidity ratio of at least approximately 0.5, which the UvA believes is a sufficiently safe level, is feasible.

5.7.3 Valorisation Fund

The UvA's valorisation fund has an annual budget of €750,000. For several years, this amount has been financed by the results of UvA Ventures Holding bv. If the result of UvA Ventures Holding bv is not sufficient, we can draw on the contract research funding reserve of UvA Ventures Holding bv. It is conceivable that valorisation activities will not only result in costs, but in revenues as well. However, this is difficult to predict, and to be on the safe side, this has not been estimated.

Payments Valorisation	For	2023	2024	2025	2026	2027
Practice Web	FMG	100	-	-	-	-
UvA Valorization Fund	BKT	750	750	750	750	750
Total		850	750	750	750	750

Table 61: Valorisation benefits

5.7.4 Interest charges

The size of the interest costs is largely fixed. This is because the UvA has virtually no loans with variable interest; the interest on virtually all loans is fixed. However, interest income on the UvA's liquidities can be taken into account. While interest was still payable on bank balances in 2022, the negative interest rate on the money market has disappeared, which also means that the UvA can now look forward to receiving interest. Lower net interest charges are therefore anticipated in 2024 and beyond. If additional funding is raised in 2026, interest expenses will increase from that time onwards.

Appendices

Appendix – 1: Preparation of the result per organisational unit

	Budget result 2023-2026				Mutation				Results framework letter 2024-2027			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Faculties												
FGw	711	858	691	691	0	0	0	0	711	858	691	691
FdR	0	0	0	0	0	0	0	0	0	0	0	0
FNWI	-248	1.335	2.871	2.871	-4.654	-3.863	-3.304	-2.892	-4.903	-2.529	-433	-21
FEB	-4.091	-3.349	-2.602	-2.602	4.799	2.794	1.470	173	708	-556	-1.133	-2.430
FMG	0	0	0	0	-2.800	0	0	0	-2.800	0	0	0
FdG	0	0	0	0	0	0	0	0	0	0	0	0
FdT 100%	327	0	0	0	0	0	0	0	327	0	0	0
AUC 100%	-436	-140	220	220	0	0	0	-220	-436	-140	220	0
IAS	2	2	2	2	-2	-2	-2	-2	0	0	0	0
FdT - 45%	-147	0	0	0	0	0	0	0	-147	0	0	0
AUC - 50%	218	70	-110	-110	0	0	0	110	218	70	-110	0
Not distributed_F	-3.278	-1.768	-1.018	-1.018	-1.530	-5.040	983	983	-4.808	-6.808	-35	-35
TOTAL	-6.943	-2.994	53	53	-4.187	-6.111	-853	-1.848	-11.130	-9.105	-800	-1.795
Services												
BKT	0	0	0	0	0	0	0	0	0	0	0	0
AC	303	724	1.024	1.024	-303	-724	-1.024	-1.024	0	0	0	0
ICTS	0	0	0	0	0	0	0	0	0	0	0	0
ICT portfolio	0	0	0	0	0	0	0	0	0	0	0	0
FS	0	0	0	0	0	0	0	0	0	0	0	0
UB	0	0	0	0	0	0	0	0	0	0	0	0
StS	49	41	95	95	-49	-41	-95	-95	0	0	0	0
BC	0	0	0	0	0	0	0	0	0	0	0	0
SGZ	-1	-2	-2	-2	1	2	2	2	0	0	0	0
HO	0	0	0	0	0	0	0	0	0	0	0	0
EB	0	0	0	0	0	0	0	0	0	0	0	0
Not distributed_D	0	0	-1	-1	0	0	1	1	0	0	0	0
TOTAL	351	764	1.117	1.117	-351	-764	-1.117	-1.117	0	0	0	0
Executive Staff												
Executive Staff	-718	-408	-94	-94	718	408	94	94	0	0	0	0
Policy	863	553	239	239	-863	-553	-239	-239	0	0	0	0
Treasury	5.193	6.317	7.776	7.776	-400	200	600	290	4.793	6.517	8.376	8.066
Property	1.253	-6.490	-4.670	-4.670	6.852	11.248	7.792	3.111	8.105	4.758	3.122	-1.559
TOTAL	6.591	-28	3.251	3.251	6.307	11.303	8.247	3.256	12.898	11.275	11.498	6.507
Allocation education												
Allocation education	27.707	26.947	23.315	23.315	-1.922	341	-2.763	-3.959	25.785	27.288	20.552	19.356
Allocation research	-27.705	-29.991	-32.324	-32.324	-33	534	-210	-631	-27.739	-29.457	-32.533	-32.954
TOTAL	1	-3.044	-9.009	-9.009	-1.955	875	-2.972	-4.589	-1.954	-2.169	-11.981	-13.598
TOTAL	0	-5.302	-4.587	-4.587	-186	5.303	3.304	-4.298	-186	1	-1.283	-8.886

Appendix 2: Development of long-term budgets per faculty

FdG	2024	2025	2026	2027
Education				
Variable budget	35.082	36.720	39.551	39.551
- Credits	29.657	31.022	33.345	33.345
- Diplomas	5.425	5.698	6.206	6.206
State contribution/college fees passed on	4.446	4.446	4.629	4.667
Capacity budget	-	-	-	-
Policy budget	3.680	3.680	3.680	3.680
- Decentralised policy	3.680	3.680	3.680	3.680
- Central policy	-	-	-	-
- Compensation budget	-	-	-	-
Allocation Education	43.208	44.846	47.860	47.898
Research				
Variable budget	34.028	35.905	37.536	37.089
- Research storage	8.771	9.180	9.888	9.888
- Promotions	20.707	22.175	23.098	22.651
- Matching 2nd and 3rd flow of funds	4.550	4.550	4.550	4.550
Central government contribution	1.171	1.171	-	-
Capacity budget	-	-	-	-
Policy budget	14.403	14.363	13.913	13.913
- Decentralised policy	6.464	6.464	6.464	6.464
- Research priority areas	450	450	-	-
- Central policy	7.490	7.450	7.450	7.450
- Compensation budget	-	-	-	-
Allocation Research	49.602	51.440	51.449	51.002
TOTAL allocation	92.810	96.286	99.309	98.900

FGW	2024	2025	2026	2027
Education				
Variable budget	40.428	42.052	43.216	44.272
- Credits	33.027	34.499	35.546	36.226
- Diplomas	7.401	7.553	7.670	8.047
State contribution/college fees passed on	6.499	6.183	6.251	6.288
Capacity budget	5.650	5.650	5.650	5.650
Policy budget	3.941	3.941	3.941	3.770
- Decentralised policy	3.540	3.540	3.540	3.540
- Central policy	401	401	401	230
- Compensation budget	-	-	-	-
Allocation Education	56.517	57.826	59.057	59.980
Research				
Variable budget	19.700	19.857	20.156	20.472
- Research storage	10.107	10.513	10.804	11.068
- Promotions	5.621	5.565	5.621	5.705
- Matching 2nd and 3rd flow of funds	3.972	3.780	3.732	3.699
Central government contribution	1.632	1.632	1.208	1.208
Capacity budget	3.980	3.980	3.980	3.980
Policy budget	15.946	15.606	15.606	15.606
- Decentralised policy	3.565	3.565	3.565	3.565
- Research priority areas	300	-	-	-
- Central policy	12.081	12.041	12.041	12.041
- Compensation budget	-	-	-	-
Allocation Research	41.258	41.075	40.950	41.266
TOTAL allocation	97.775	98.901	100.007	101.245

FdR	2024	2025	2026	2027
Education				
Variable budget	26.883	26.622	27.076	27.331
- Credits	20.763	20.679	21.053	21.292
- Diplomas	6.119	5.943	6.023	6.039
State contribution/college fees passed on	3.566	3.566	3.388	3.387
Capacity budget	342	342	342	342
Policy budget	2.752	2.754	2.755	2.701
- Decentralised policy	1.974	1.974	1.974	1.974
- Central policy	778	780	781	727
- Compensation budget	-	-	-	-
Allocation Education	33.543	33.284	33.560	33.760
Research				
Variable budget	9.137	9.455	9.864	10.153
- Research storage	6.721	6.655	6.769	6.833
- Promotions	923	1.057	1.242	1.485
- Matching 2nd and 3rd flow of funds	1.494	1.743	1.854	1.835
Central government contribution	3.257	3.257	1.989	1.924
Capacity budget	-	-	-	-
Policy budget	10.638	10.599	9.199	8.899
- Decentralised policy	1.618	1.618	1.618	1.618
- Research priority areas	600	600	600	300
- Central policy	8.420	8.380	6.981	6.981
- Compensation budget	-	-	-	-
Allocation Research	23.032	23.311	21.053	20.976
TOTAL allocation	56.575	56.595	54.613	54.736

FdT	2024	2025	2026	2027
Education				
Variable budget	10.845	10.299	10.355	10.355
- Credits	-	-	-	-
- Diplomas	-	-	-	-
State contribution/college fees passed on	661	661	661	661
Capacity budget	-	-	-	-
Policy budget	6.547	6.547	6.547	6.547
- Decentralised policy	-	-	-	-
- Central policy	6.547	6.547	6.547	6.547
- Compensation budget	-	-	-	-
Allocation Education	18.053	17.507	17.563	17.563
Research				
Variable budget	2.510	2.703	2.690	2.484
- Research storage	-	-	-	-
- Promotions	-	-	-	-
- Matching 2nd and 3rd flow of funds	-	-	-	-
Central government contribution	275	275	275	275
Capacity budget	-	-	-	-
Policy budget	4.720	4.720	4.270	4.270
- Decentralised policy	-	-	-	-
- Research priority areas	450	450	-	-
- Central policy	4.270	4.270	4.270	4.270
- Compensation budget	-	-	-	-
Allocation Research	7.506	7.698	7.235	7.030
TOTAL allocation	25.559	25.206	24.798	24.593

FNWI	2024	2025	2026	2027
Education				
Variable budget	47.444	48.273	49.095	49.931
- Credits	38.867	39.525	40.187	40.871
- Diplomas	8.577	8.748	8.908	9.060
State contribution/college fees passed on	4.144	4.144	4.122	4.115
Capacity budget	1.933	1.933	1.933	1.933
Policy budget	5.429	5.429	5.429	5.326
- Decentralised policy	4.180	4.180	4.180	4.180
- Central policy	1.249	1.249	1.249	1.146
- Compensation budget	-	-	-	-
Allocation Education	58.951	59.779	60.580	61.305
Research				
Variable budget	41.158	41.738	42.489	43.558
- Research storage	11.861	12.068	12.274	12.483
- Promotions	10.822	10.962	11.605	12.486
- Matching 2nd and 3rd flow offunds	18.475	18.708	18.611	18.589
Central government contribution	12.217	12.217	4.165	4.111
Capacity budget	15.810	15.810	15.810	15.810
Policy budget	22.501	22.501	21.121	20.289
- Decentralised policy	7.427	7.427	7.427	7.427
- Research priority areas	300	300	300	-
- Central policy	14.774	14.774	13.394	12.862
- Compensation budget	-	-	-	-
Allocation Research	91.685	92.264	83.585	83.767
TOTAL allocation	150.636	152.043	144.165	145.072

FEB	2024	2025	2026	2027
Education				
Variable budget	34.004	34.084	33.920	33.335
- Credits	25.583	25.583	25.298	25.014
- Diplomas	8.421	8.501	8.622	8.321
State contribution/college fees passed on	2.671	2.671	2.616	2.544
Capacity budget	-	-	-	-
Policy budget	3.244	3.094	3.094	2.886
- Decentralised policy	2.886	2.886	2.886	2.886
- Central policy	358	208	208	-
- Compensation budget	-	-	-	-
Allocation Education	39.918	39.849	39.629	38.765
Research				
Variable budget	11.134	11.430	11.291	11.135
- Research storage	8.501	8.521	8.480	8.334
- Promotions	1.482	1.818	1.734	1.734
- Matching 2nd and 3rd flow offunds	1.151	1.091	1.077	1.068
Central government contribution	95	95	-	-
Capacity budget	1.706	1.706	1.706	1.706
Policy budget	6.148	5.648	5.648	5.648
- Decentralised policy	2.003	2.003	2.003	2.003
- Research priority areas	-	-	-	-
- Central policy	4.146	3.646	3.646	3.646
- Compensation budget	-	-	-	-
Allocation Research	19.084	18.879	18.645	18.490
TOTAL allocation	59.002	58.728	58.274	57.254

FMG	2024	2025	2026	2027
Education				
Variable budget	65.462	66.599	68.137	68.538
- Credits	52.506	53.643	54.780	54.780
- Diplomas	12.956	12.956	13.357	13.758
State contribution/college fees passed on	5.849	5.849	5.843	5.855
Capacity budget	1.137	1.137	1.137	1.137
Policy budget	6.774	6.274	6.274	5.854
- Decentralised policy	4.909	4.909	4.909	4.909
- Central policy	1.865	1.365	1.365	945
- Compensation budget	-	-	-	-
Allocation Education	79.222	79.859	81.390	81.383
Research				
Variable budget	32.358	32.227	32.384	32.848
- Research storage	16.365	16.650	17.034	17.134
- Promotions	7.215	7.131	6.851	7.131
- Matching 2nd and 3rd flow of funds	8.777	8.446	8.498	8.583
Central government contribution	1.113	1.113	-	-
Capacity budget	-	-	-	-
Policy budget	18.075	18.075	18.075	18.035
- Decentralised policy	5.624	5.624	5.624	5.624
- Research priority areas	-	-	-	-
- Central policy	12.451	12.451	12.451	12.411
- Compensation budget	-	-	-	-
Allocation Research	51.546	51.414	50.459	50.883
TOTAL allocation	130.768	131.273	131.849	132.267

AUC	2024	2025	2026	2027
Education				
Variable budget	10.791	11.095	11.430	11.683
- Credits	-	-	-	-
- Diplomas	-	-	-	-
State contribution/college fees passed on	624	624	624	624
Capacity budget	-	-	-	-
Policy budget	380	380	380	380
- Decentralised policy	-	-	-	-
- Central policy	380	380	380	380
- Compensation budget	-	-	-	-
Allocation Education	11.794	12.099	12.433	12.687
Research				
Variable budget	658	650	676	677
- Research storage	-	-	-	-
- Promotions	-	-	-	-
- Matching 2nd and 3rd flow of funds	-	-	-	-
Central government contribution	46	46	46	46
Capacity budget	-	-	-	-
Policy budget	476	476	476	476
- Decentralised policy	-	-	-	-
- Research priority areas	-	-	-	-
- Central policy	476	476	476	476
- Compensation budget	-	-	-	-
Allocation Research	1.179	1.171	1.197	1.198
TOTAL allocation	12.974	13.270	13.630	13.885

Appendix – 3: Accommodations Plan investment table

HvP investeringsraming, bedragen in €1000	Begroting 2023					Concept kaderbrief 2024								Wijzigingen ten opzichte van HvP 2023						Toelichting	
	2023	totaal 2024-2027	totaal 2028-2035	Aannames 2036-2040	totaal	Prognose 2023	2024	2025	2026	2027	totaal 2024-2027	totaal 2028-2035	Aannames 2036-2040	totaal	programma-uitbreiding	prijsontwikkeling	risico's	programma-kwaliteit	planningswijziging		Totaal wijzigingen
Universiteitskwartier	45.218	143.559	50.033	-	193.592	23.899	41.338	48.208	42.863	20.647	153.055	71.926	10.082	235.063	-	17.743	-	-	23.728	41.471	
Renovaties Universiteitskwartier	6.091	116.062	50.033	-	166.095	4.211	3.456	35.621	42.863	20.647	102.586	71.926	10.082	184.594		16.620			1.880	18.500	langere voorbereidingstijd voor OMHP en BG5 leidt tot planningswijziging. Investerings zijn opgenomen voor prijspeil jan 2023
Renovaties UB in uitvoering	33.734	13.099	-	-	13.099	18.571	21.887	9.894	-	-	31.782	-	-	31.782					18.683	18.683	planningsverschuiving
Funderingsherstel	5.394	14.399	-	-	14.399	1.111	15.995	2.692	-	-	18.687	-	-	18.687		1.123			3.165	4.288	Dit bedrag bestaat uit risicoraming voor funderingsherstel van BG5 en GHK. In de begroting 2022 was een risicoraming voor funderingsherstel OMHP opgenomen van circa 4 mln. Het funderingsherstel wordt niet nodig geacht en komt te vervallen. Het funderingsherstel van BG5 is conform laatste raming opgenomen en is met circa 4 mln verhoogd.
Roeterseilandcampus	22.201	17.354	32.096	49.481	98.931	21.350	7.744	-	1.291	9.512	18.547	33.429	51.537	103.512	-	3.590	-	-	991	4.581	
Onderwijsruimten	10.688	11.967	32.096	-	44.063	12.467	2.155	-	1.291	9.512	12.958	33.429	-	46.387					991	2.324	prijsontwikkeling, en planningsverschuiving
Programmauitbreiding REC	11.513	5.387	-	49.481	54.868	8.883	5.589	-	-	-	5.589	-	51.537	57.125		2.257				2.257	prijsontwikkeling
Amsterdam Science Park	6.127	61.788	-	-	61.788	6.733	6.800	27.497	47.315	8.013	89.624	-	-	89.624	20.245	4.752	-	2.839	-	27.836	
LAB 42	3.500	-	-	-	-	2.905	-	-	-	-	-	-	-	-							
Programmauitbreiding ASP	2.627	61.788	-	-	61.788	3.828	6.800	27.497	47.315	8.013	89.624	-	-	89.624	20.245	4.752		2.839		27.836	bijstelling raming LabQ voor ENG, uitbreiding programma (fiets, plint) en prijsontwikkeling, en toegevoegd vervangingsinvestering kantooromgeving ASP 904 (projectopdracht in voorbereiding)
Extra investeringsruimte	1.841	4.273	-	-	4.273	1.427	-	4.590	-	-	4.590	-	-	4.590	-	318	-	-	-	318	
Verhuurklaar maken kantoren	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Handboogstraat (tijdelijke maatregel UK)	-	-	-	-	-	45	-	-	-	-	-	-	-	-							
Extra investeringsruimte aanpassing tbv studieplekken	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Huisvesting diensten	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Museumcafe APM	783	-	-	-	-	819	-	-	-	-	-	-	-	-							
UB Singel	1.058	4.273	-	-	4.273	564	-	4.590	-	-	4.590	-	-	4.590		318				318	prijsontwikkeling
Tijdelijke voorzieningen REC	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Portefeuillebreed	6.177	42.223	49.138	26.721	118.081	4.863	6.368	13.628	6.112	11.231	37.339	34.158	39.900	111.398	-4.689	-1.995	-	-	-	-6.684	
Extra risicoraming prijsstijgingen (naar einde werk)	1.303	20.815	20.801	-	41.616	-	684	3.302	5.002	2.889	11.878	13.040	11.955	36.872		-4.744				-4.744	In B23 was een schatting voor bouwinflatie van 7% opgenomen over 2022. Deze blijkt 10,5% te zijn en is verwerkt in de projectramingen van de campussen. Voor de jaren 2023, 2024 en 2025 is rekening gehouden met 2%, 2% en 1% boven modelindexatie van 1%
Vervangings investeringen beveiliging	1.712	1.739	-	-	1.739	-	-	-	-	-	-	-	-	-	-1.739					-1.739	vanaf 2024 onderdeel van MJOP
Duurzaamheid	3.162	19.669	28.336	26.721	74.726	4.863	5.684	10.326	1.109	8.343	25.461	21.119	27.945	74.525	-2.950	2.749				-201	verschuiving duurzaamheid naar vervangingsinvestering kantooromgeving ASP904 als onderdeel van de opgave. Ophoging met M€3 voor investeringen in klimaatadaptatie en natuurinl.
Investeringsverlaging (o.a. via ruimtenorm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-						-	Het bedrag in de begroting 2022 gaf de verwachting weer dat het mogelijk blijft om ook in de toekomst tot verdere verlaging van investeringen te komen. Deze regel is in de concept begroting 2023 komen te vervallen.
Instandhouding en FA	15.831	74.660	-	-	74.660	17.455	14.286	11.859	16.789	21.269	64.203	-	-	64.203	-11.762	477	-	1.798	-970	-10.457	
Meerjaren Onderhoudsplan (structureel)	12.363	30.812	etc	n.t.b.	30.812	13.278	9.934	6.706	6.469	6.734	29.842	etc	n.t.b.	29.842					-970	-970	planningsverschuiving in projecten leidt tot latere ingebruikname van gebouwen en opname in onderhoud. NTB effect van nog weer langer gebruik PCHH, OMHP en UBSingel
Functionele Aanpassingen (structureel) plus wet- en regelgeving/toegankelijkheid	3.468	14.224	etc	n.t.b.	14.224	3.668	3.503	3.538	3.573	3.609	14.224	etc	n.t.b.	14.224							voorzichtigheidsreserve voor komende jaren nog rekening gehouden met extra benodigde middelen voor toegankelijkheid
Herinvesteringen (modelraming, na afloop van afschrijftermijn 30%)	-	27.666	etc	n.t.b.	27.666	-	-	-	4.978	10.927	15.904	etc	n.t.b.	15.904	-11.762					-11.762	opname op investeringsregel bij ASP voor vervangingsinvestering kantooromgeving ASP 904
Kwaliteit kades	-	1.958	-	-	1.958	509	848	1.616	1.769	-	4.233	-	-	4.233		477		1.798		2.275	herbeoordeling investeringsraming
Kwaliteit ventilatie/klimaat gebouwen	-	-	-	-	-	-	-	-	-	-	-	-	-	-							pilots lopen om inzicht te krijgen in omvang en aard van aanpak, dan volgt beoordeling of dit in bestaande onderhoudsprogramma's kan worden opgenomen
Effect pre- pro rata BTW regeling	-1.668	-5.607	-	-	-5.607	-1.326	-1.347	-1.782	-1.901	-1.176	-6.206	etc	n.t.b.	-6.206		-600				-600	Schatting van het effect van de pre- pro rata btw regeling voor de begrotingsperiode (uitgangspunt is 10% teruggave van de BTW).
Totaal in plannen opgenomen	95.728	338.250	131.267	76.202	545.719	74.395	75.188	104.000	112.468	69.496	361.152	139.513	101.519	602.185	3.794	24.286	-	4.637	23.749	56.466	

Appendix 4: Calculation method for funding factors

The costing factors were revised in the 2022 budget. For more information on this revision and the method of calculating the funding factors, see the memo included in the appendices to the 2022 budget.

Opleiding	Aantal EC		Tarief:	rijksbijdrage	collegegeld	Externe vergoeding per EC	Factor vergoeding t.o.v. Laag 240 EC	Aantal bekostigde inschrijvingen Ba en Ma	Factor x bekostigde inschrijvingen
	Ba + Ma	Rijksbijdrage	€ 3.942,82	€ 2.168					
Alfa/Gamma Laag	240	(4 jaren inschrijving + 2 graden) x rijkstarief (4 + 2) x € 3.942,82		€ 3.942,82	0,5 + 3 jaren collegegeld 3,5 x € 2.168,00	€ 130,19	1,00	15.643	15.643
Alfa/Gamma Laag	270	(4 jaren inschrijving + 2 graden) x rijkstarief (4 + 2) x € 3.942,82		€ 3.942,82	0,5 + 3,5 jaren collegegeld 4 x € 2.168,00	€ 119,74	0,92	147	135
Alfa/Gamma Laag	300	(5 jaren inschrijving + 2 graden) x rijkstarief (5 + 2) x € 3.942,82		€ 3.942,82	0,5 + 4 jaren collegegeld 4,5 x € 2.168,00	€ 124,52	0,96	557	533
Bèta Hoog	300	(5 jaren inschrijving + 2 graden) x rijkstarief (5 + 2) x 1,5 x € 3.942,82		€ 3.942,82	0,5 + 4 jaren collegegeld 4,5 x € 2.168,00	€ 170,52	1,31	4.980	6.523
Bèta Hoog	240	(4 jaren inschrijving + 2 graden) x rijkstarief (4 + 2) x 1,5 x € 3.942,82		€ 3.942,82	0,5 + 3 jaren collegegeld 3,5 x € 2.168,00	€ 179,47	1,38	374	516
Medisch Top	360	(6 jaren inschrijving + 2 graden) x rijkstarief (6 + 2) x 3 x € 3.942,82		€ 3.942,82	0,5 + 5 jaren collegegeld 5,5 x € 2.168,00	€ 295,98	2,27	2.149	4.886
								23.850	28.235

Bekostigingsfactor	#	x factor
LAAG	16.347	16.311
HOOG	5.354	7.038
TOP	2.149	4.886
Inschrijvingen	23.850	28.235

Annex 5 - Rules framework for tariff adjustment



UNIVERSITEIT VAN AMSTERDAM

To : Directors (operations) and Controllers
From : Finance & Control
Date : 07 October 2013 DEFINITION
2.0 Subject : Rules framework for tariff
adjustment

As included in the SLA cycle, an annual review of internal service provision takes place and future service provision is discussed. This may lead to new services or a new fee structure. It is important that these structures fit within the frameworks of the UvA as a whole. To this end, an assessment framework has been developed. Services and customers can use this framework to see whether their wishes and ideas fit within the UvA's frameworks. For the Executive Board, the assessment framework is the basis for determining whether new structures can be established. This memo includes and explains the assessment framework. It also indicates the process to be followed for tariff proposals.

Background

Demand for new services

Customers pay the UvA's internal services for the services they provide. For the most part, these are fixed packages that customers are obliged to purchase internally at a price set by the CvB. The volume of services purchased changes annually based on the observed quantity purchased on the reference date. This methodology has been in use virtually unchanged since 2006 when the UvA switched to an integral cost allocation model.

Opportunities to improve cost allocation

In any case, based on the experience with the cost allocation system, there is a desire in new proposals to ensure that cost drivers better reflect the cost relationship and that desirable behaviour is better rewarded.

The cost drivers chosen in 2006 do not do optimal justice to the relationship between costs and added value in all cases. The premise that the unit had to be "easily measurable at acceptable costs" prevailed over the fact that the unit had to be a good expression of the direct cost relationship. A number of cost drivers were obviously "too coarse". If the total amount involved in such a package is not relatively high, or if the allocation to customers would not be substantially different with more accurate measurement of off-take, this is not such a problem. In recent years, however, at least a number of service packages have shown that there is a substantial distortion of actual costs, resulting in an "injustice" felt in the organisation. Because faculties were 100% compensated for the allocated costs when they were introduced, there is no

real injustice; but with that fact being forgotten due to personnel changes, it is good for services and customers to rethink this relationship.

In terms of rewarding desirable behaviour, two elements are important. First, new, better, tariff structures give customers new opportunities to influence the size of their costs and lead to new incentives for efficient behaviour of services. Second, a different allocation between fixed and variable package can provide better incentives. Most of the services are accommodated in fixed service packages, for which both costs and numbers of units are calibrated only once a year. For the sake of seeking greater efficiency and building in incentives to purchase only the necessary services and bear the costs for them, a larger part of the service could be made variable (actual costs, actual purchase).

Departments and faculties are free to make their own agreements on the variable packages. From the interest of the UvA as a whole, the fee agreements in this domain must also comply with the assessment framework. The intention is to test this more heavily in future budgets.

Review framework tariff structure.

The overview below shows the requirements for tariffs. There is a trade-off between the requirements. A highly recognisable, direct and activity-based tariff, for which the required information can only be provided at high cost by current information systems, is less desirable than a tariff that is reasonably recognisable and direct, but for which information is readily available. The preference is for tariffs that score as high as possible on all criteria.

Recognisable

Rates are charged for clearly defined services that are recognisable to customers. It must be clear what (general) quality requirements the service must meet. Preferably, the description of the service is approved by customers before it is submitted for decision-making.

Integral

At the UvA, integral costs are used. Tariffs provide coverage for both direct and indirect costs, for both fixed and variable costs. Conversely, all unit costs are allocated to a tariff.

Direct

Costs are allocated to services as directly as possible. In calculating tariffs, auxiliary cost carriers are used as much as possible. That is, where possible and practical, intermediate products are defined to determine the cost of the service.

Activity-based

When setting tariffs, cost drivers are based on cost drivers as much as possible: there should be a relationship between volume increase and cost increase.

Measurable

The amount of service is measurable. In other words, it can be established which customer receives what amount of service. This information should be obtainable at the lowest possible cost on the basis of accepted (group) records.

Pre-calculated

The tariff is set on the basis of budgeted costs for year t and realised number of units from year t-1. There is no recalculation of the tariff based on actual costs and actual number of units purchased.

Effective

The proposal shows what effect the new tariff structure aims to have, both in financial and qualitative terms. These include incentives for efficiency (for customer and supplier), better alignment of revenues and costs, better alignment with customer demand.

Process

Arising from an evaluation of the past budget year (t-1) between representatives of supplying services and receiving units, the supplying service makes a proposal for new tariffs and/or tariff structure for the coming budget year (t). This proposal is introduced in the appropriate forum according to the SLA calendar and discussed. The proposal shall at least contain a description of the service, tariff structure, the motivation for the change, a calculation of the cost price and an estimate of the financial impact on customers. An overview of tariffs is provided with t-1 numbers, showing how the total cost of the service would have been (re)distributed across the different packages if the recalibration had already taken place in t-1.

Changes in tariff structure or new services are submitted to F&C. F&C tests these against the above-mentioned ground rules framework and feeds the findings back to the unit so that the unit can make changes. Subsequently, the supplying services and receiving services have the opportunity to discuss and fine-tune this proposal until there is a final proposal. In the Directors' Consultation, the proposals and remaining bottlenecks are discussed and finalised. The Executive Board sets the rates by Framework Letter.

Once the structure is established, the tariffs will be processed in the framework letter. The framework letter is the moment that determines how to deal with budget-neutral imports. In general, the basic principle is that changes in tariff structure should not lead to major changes in purchasing power of declining units. For (the totality of) changes, the extent to which additional measures should be taken to counteract this should be considered. The intention is to jointly assess this for all adjustments and determine the compensation for budget neutrality per unit. These calculations will be provided to the controllers together with the draft Framework Letter for a technical review.

Bijlage – 6: Diensten en costdrivers

Vastgoed / m2	m2 vvo	(01/06/t-1)	PLANON
Energie / m2	m2 vvo	(01/06/t-1)	PLANON
WPS UvAwerkplek (Standaard) desktop	Werkplek	(01/06/t-1)	ICTS
WPS UvAwerkplek (Standaard) laptop	Werkplek	(01/06/t-1)	ICTS
WPS UvAwerkplek (Speciaal) desktop	Werkplek	(01/06/t-1)	ICTS
WPS UvAwerkplek (Speciaal) laptop	Werkplek	(01/06/t-1)	ICTS
WPS UvAwerkplek (Zelfsupport)	Werkplek	(01/06/t-1)	ICTS
MIB Medewerker ICT Basisservices	IAR (headcount)	(01/06/t-1)	SAP-HR
OOS Onderwijs- en onderzoekdiensten / student	Ingeschreven studenten cursusjaar t-1 – t	(01/10/t-1)	SIS
RIS Research IT Services	# fte WP PID	(01/06/t-1)	SAP-HR
Connectiviteit / m2	m2 vvo	(01/06/t-1)	PLANON
Faciliteiten / m2	m2 vvo	(01/06/t-1)	PLANON
Schoonmaak	Gewogen m2 vvo	(01/06/t-1)	PLANON ¹
Openingstijden beveiliging	Beveiligings-uren	(01/06/t-1)	Bedrijfstijden beveiliging (i.c.m. m2 uit planon)
Faciliteiten / IAR PID	IAR PID (headcount)	(01/06/t-1)	SAP-HR
Faciliteiten / IAR PNID	IAR PNID (headcount)	(01/06/t-1)	SAP-HR
Faciliteiten / IAR GAST	IAR GAST (headcount)	(01/06/t-1)	SAP-HR
Faciliteiten / student	Inges. studenten cursusjaar t-1 – t	(01/10/t-1)	SIS
Digitaal toetsen	Afname aantal toetsen	(01/10/t-1)	SIS
Inkoop / k€ Overige kosten + inhuur PNID	K€ Overige kosten + inhuur PNID jaar t-2	(01/06/t-1)	SAP-FICO
BOL uren grote zalen	# reserverings-uren grote zalen BOL collegejaar t-2/t-1	(01/06/t-1)	Syllabus+
BOL taartpuntzalen	# taartpuntzalen collegejaar t-1/t	(01/06/t-1)	Syllabus+
UB / fte WP PID	# fte WP PID	(01/06/t-1)	SAP-HR
Studiecentra / student	Inges. studenten cursusjaar t-1 – t ²	(01/10/t-1)	SIS
UB / Wetenschappelijke Publicaties	het aantal wetenschappelijke publicaties per faculteit, kalenderjaar t-3	(01/06/t-1)	PURE
UB / WP fte PID + student	Inges. studenten cursusjaar t-1 – t + FTE WP FTE	(01/10/t-1)	SIS + SAP HR
Bedrijfsgezondheid / IAR PID	IAR PID (headcount)	(01/06/t-1)	SAP-HR
Communicatie / student	Inges. studenten cursusjaar t-1 – t	(01/10/t-1)	SIS
Financiële administratie / factuur	aantal inkomende en uitgaande facturen	(01/06/t-1)	SAP-FICO
Basisdienst AC / k€ Baten	K€ Baten jaar t-2	(01/06/t-1)	UvA-Data
Proj. Adm. / WBS regels	# WBS-en (gewogen)	(01/06/t-1)	SAP-FICO
CSA / student	Inges. studenten cursusjaar t-1 – t	(01/10/t-1)	SIS
Pers. & sal. adm. / IAR PID	IAR PID (headcount)	(01/06/t-1)	SAP-HR
Pers. & sal. adm. / IAR PNID	IAR PNID (headcount)	(01/06/t-1)	SAP-HR
Pers. & sal. adm. / IAR GAST	IAR GAST (headcount)	(01/06/t-1)	SAP-HR
Studentvoorzieningen / student	Inges. studenten cursusjaar t-1 – t	(01/10/t-1)	SIS
Personeelsadvertenties / IAR PID	IAR PID (headcount)	(01/06/t-1)	SAP-HR
UB / Facultaire collecties		(01/06/t-1)	In afstemming met faculteiten
Corporate communicatie (totaal)		(01/06/t-1)	BC
AVC multimediasdiensten (totaal)		(01/06/t-1)	ICTS
CIS concern informatie systemen (totaal)		(01/06/t-1)	ICTS

¹ Rekening houdend met voorziene grote verschuivingen en met een weging voor het soort ruimtegebruik.

² Inclusief 50% van de AMC studenten