

## The Graduation Fund

Untouched since 2015!

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Groningen is unique on many levels: the youngest population in the Netherlands, high quality of education, and vibrant student life, to name a few. These factors play a role in that Groningen provides opportunities to broaden your horizon. These opportunities are to be found on a personal, professional and academic level, enabling students to develop in all three dimensions. Student organisations play a vital role in facilitating professional and personal growth and opportunities by organising activities which, in turn, aid students in their career orientation, network expansion and introduce them to the University and its community. These events are organised by students, for students. The board members of these organisations put in an immense amount of time and effort to ensure their continuity, catering to students' needs and keeping the organisation healthy.

SOG has intensive and frequent contact with student board members of the various organisations in Groningen. We continuously hear that there is great unrest and concern about the future of active Groningen. Voter turnout reached an all-time low in 2022 to 20,55%<sup>1</sup>, and we see and hear boards of organisations scrambling to find successors and active members within their organisation to a degree which is a concerning trend. The reasoning behind this decrease could be the Covid-19 pandemic; however, we do not believe this to be the sole reason for this decline, as student participation should be rising back to levels pre-Covid-19, which they are not.

The Faculty of Law is in the process of engaging more student participation after a report with measures from the student assessor. In this report, it is stated that the Faculty has a problem that needs fixing. The problem encountered there is not exclusive to them but is a common denominator across the entire UG: a decline in student participation. This report also has detailed solutions to increase student participation, which the Faculty Board acknowledge and wants to take steps to increase it on a faculty level. The UG should facilitate these developments and also implement central measures to increase student participation.

A student who decides to do a board year or become active invests in their future. They learn skills and competencies that you only learn through experience in such a setting, which cannot be acquired through a textbook or a lecture. However, such an investment is turning out to be larger than ever, with the current cost of living, increased energy prices, pressure to finish your studies as fast as possible, and student loan interest rates. All these factors play a role in deciding whether you should do a board year or even become active within your student organisation. With more than 100 associations in Groningen, a multitude of student board members are needed, all of whom will experience study delays to a greater or lesser extent. A few months or sometimes even a year of delay suddenly becomes an investment amounting to thousands of euros. The Graduation Fund is the only financial allowance for these students that they receive for this and is the rescue for many associations to keep their organisation running.

The Graduation Fund is in place to compensate for study delays due to unforeseen circumstances, such as illness, personal circumstances, and students with a disability. The Graduation Fund also has a part for students engaging in professional sports, co-governance of the UG, and board members of student organisations. The entire Graduation Fund has yet to be indexed or increased since 2015. Whilst all other aspects of the UG have been increased or indexed, such as tuition fees and study costs (materials needed for the program), the Graduation Fund seems to be forgotten repeatedly. As the

<sup>&</sup>lt;sup>1</sup><u>https://www.rug.nl/about-ug/organization/administrative-organization/participation-decision-making/un</u> <u>iversity-elections/images/proces-verbaal-verkiezingen-2022-uitslag.pdf</u>



Graduation Fund is allocated a total of  $\notin 1.475.700$  in 2015 and is still the same to this day, as we saw with the budget approval of December 2022.<sup>2</sup>

From 2015 to October 2022 inflation is 128,25% (CPI from CBS)<sup>3</sup>, energy prices, the increased interest rates of student loans  $(0,46\% \text{ in } 2023)^4$ , and tuition fees increased to 113,22% in 2022/23 and 119,99% from 2023/24 (compared to 2015).

We, and previous factions have been told during co-gvernance meetings there was/is no legal basis for an increase due to article 7.51f of the WHW (Wet Hoger onderwijs en Wetenschap).<sup>5</sup> This article refers to the maximum height of a grant from a graduation fund, which it states may be, at most, the maximum of study finance allocated to a student, as mentioned in Chapter 3 of the Wet Studiefinanciering 2000. This chapter refers to the maximum allocated study finances a student has the right to, around  $\notin$ 1100 per month.<sup>6</sup> We understand that the UG is bound by the law and can not alter it. However, we believe that the UG should utilize the law to the best of its capabilities to ensure the continuity of the student culture, which is unique here in Groningen.

In addition, in our strategic plan 2021-2026, "Making Connections", we state under human capital that;

"[...] the UG supports an infrastructure of student organisations, study associations, and student participation that provides students with the opportunity to learn to be self-reliant and become responsible members of the community. Two of the main characteristics of student life are self-governance and self-organisation; these are reflected by a high degree of student participation at all levels, within the University as well as in student life. Student assessors sit on the Board of the University and on Faculty Boards, while students directly influence decision-making through student boards, co-governance bodies, and advisory bodies. The study organisations provide intra- and extracurricular activities that also promote student success. The UG provides financial and other support to the many successful student and study organisations run by students in Groningen and the broader region."<sup>7</sup>

Groningen as a city and the UG as a university benefit greatly from its numerous student organisations. Organisations have a unique student culture and contribute to Groningen as the ultimate student city. In addition, these organisations offer student support, assist when the university facilities (such as study facilities) are inadequate, organise career orientation events and symposiums, and organise the largest introduction week in the Netherlands, and they have been running a Society full of traditions and history for 200 years, they ensure that sporting Groningen is provided for his/her needs, cultural and debating Groningen also gets its money's worth and guest lectures are provided in numerous fields of study. In short, nothing beats Groningen!

<sup>&</sup>lt;sup>2</sup> Detailstaten RUG 2023, Studentgerichte Activiteiten p. 68; Detailsstaten RUG 2015, Studentgerichte Activiteiten p.112; Detailstaten RUG 2016, Studentgerichte Activitieten p.102

<sup>&</sup>lt;sup>3</sup> <u>https://www.cbs.nl/nl-nl/cijfers/detail/83131NED</u>

<sup>&</sup>lt;sup>4</sup> <u>https://duo.nl/particulier/rente.jsp</u>

<sup>&</sup>lt;sup>5</sup> Minutes Commitee Governance (23-06-2022).

<sup>&</sup>lt;sup>6</sup> https://duo.nl/particulier/student-finance/amounts.jsp

<sup>&</sup>lt;sup>7</sup> <u>https://www.rug.nl/about-ug/policy-and-strategy/strategic-plan/strategisch-plan-eng-2021.pdf</u>, 24.



## Recommendations:

The SOG, therefore, advocates that the amount of the board grants should be increased. The decrease in student participation harms the student culture that we have here in Groningen, and, therefore should be protected and embraced. Otherwise, potential student board members will be put off even more by the high costs associated with a board year.

To improve the situation and keep the Groningen student culture vibrant and alive, we call on the Executive Board to make more money available for the Graduation Fund. Indexation in the contribution by the Executive Board will ensure that the enormous financial consequences of the costs of living, energy prices and increased tuition fees and study costs will be mitigated somewhat, and students will retain the opportunity to be active. Below are three scenarios, which have been calculated based on the Graduation Fund 2022/23:

The cost of such indexation depends on the variable chosen. We have created three scenarios;<sup>8</sup>

(i) indexed to inflation from 2015 to October 2022 (128,25%) would entail €336.447,95 in extra funds, which is circa 0,034% of the balance sheet of the UG 2022;

(ii) indexed to statutory tuition fees from 2015 to 22/23 (113,22%) would entail  $\in$ 157.445,73 in extra funds, which is circa 0,016% of the balance sheet of the UG 2022;

(iii) indexed to statutory tuition fees from 2015 to 23/24 (119,99%) would entail **€238.071,15** in extra funds, which is circa 0,024% of the balance sheet of the UG 2022.

We most certainly understand that we, the UG, are in tough economic times with structural savings to be put in place until 2026. However, we see an investment in the Graduation Fund as an investment that will provide huge dividends to the UG, Groningen, and the students. Moreover, such an investment would not entail millions of euros, with high risk, but merely 0,016%-0,034% of the balance sheet. The SOG is of the opinion that this is a small contribution in relation to what it yields: a unique student culture that makes an enormous contribution to a successful university, with successful students and ultimately successful alumni, and that is what a university, among other things, should strive for.

## *Timeframe/Action-Plan:*

- 1. A commitment of the Executive Board to guarantee an increase of the Graduation Fund
- 2. Clear communication to board members and student organisations before the definite version of the Financial Framework 2023 (April 2023)

<sup>8</sup> Excel sheet:

https://docs.google.com/spreadsheets/d/1XLNy-cBmyvw28hwAH02TK82We5a\_-n1ZbHwvcOmLCY8/ edit#gid=0