

Georgia Institute of Technology Fiscal 2018 Operating Budget

Executive Summary

This document summarizes Georgia Tech’s Fiscal 2018 operating budget. The budget figures in this document are based on the original budget as of July 1, 2017. Excluded from this report are major capital projects and budgets of affiliate organizations such as the GT Foundation, GT Research Corporation, and GT Athletic Association. The report presents the budget at the time the Fiscal 2018 Original Budget was submitted to the Board of Regents. The last section of the report contains a glossary of key terms applicable to budget and finance at Georgia Tech.

Total Institute Revenues

Georgia Tech’s Fiscal 2018 revenue budget, excluding affiliate organizations and major capital projects, totals \$1.8 billion, presented below **by major unit**, described subsequently:

Table 1				
Georgia Tech Revenue by Major Unit				
Fiscal 2017 and 2018 Original Budget (in millions of dollars)				
	Fiscal 2017		Fiscal 2018	
Resident Instruction (RI)	1,096.4	66%	1,158.6	65%
Georgia Tech Research Institute (GTRI)	367.6	22%	412.3	23%
Enterprise Innovation Institute (EI2)	30.2	2%	30.4	2%
Student Activities	14.6	1%	15.0	1%
Auxiliary Enterprises	156.2	9%	165.9	9%
Total Revenue Budget	1,665.0	100%	1,782.2	100%

The major programs listed in this table are the following:

- **Resident Instruction** is a designation established by the State of Georgia that includes Georgia Tech’s colleges, interdisciplinary research centers, student support services, facilities operations and maintenance, and major administrative functions.
- **Georgia Tech Research Institute** is the applied research and development arm of Georgia Tech. (<http://www.gtri.gatech.edu/>)
- **Enterprise Innovation Institute** is Georgia Tech’s economic development operation that “helps enterprises improve their competitiveness through the application of science, technology and innovation.” (<http://www.innovate.gatech.edu/>)
- **Student Activities** functions include the Campus Recreation Center (CRC), the Student Center (SC), and student organizations. The student organizations include the Student Government Association, campus radio station, student newspaper, and clubs. These functions are principally funded through mandatory student fees and earned revenues such as fees paid by faculty and staff for use of the CRC and space rentals by the CRC and the Student Center.
- **Auxiliary Programs** are Georgia Tech’s business-like operations that cover operating costs through student and other fees. Included are Dining, Housing, Parking, Transportation, Health Services, the Buzz Card Center, retail operations, and telecommunications. All functions except telecommunications are part of Campus Services. (<https://campusservices.gatech.edu/>)

The major **source of revenue** for Georgia Tech is sponsored funding from grants and contracts, followed by tuition, and state appropriations, as summarized in Table 2 and Schedule A. Departmental Sales and Services (DSS) represents revenue generated by departments for services provided to the public, corporations, and other Georgia Tech departments. DSS includes revenue from non-credit, professional education courses.

	Fiscal 2017		Fiscal 2018	
	Amount	Percentage	Amount	Percentage
Sponsored Operations	573.3	34%	601.3	34%
Student Tuition	377.2	23%	393.8	22%
State Appropriations*	267.4	16%	291.3	16%
Indirect Cost Recoveries - Grants & Contracts	175.4	11%	197.9	11%
Other Revenues	53.4	3%	54.9	3%
Departmental Sales and Services	47.4	3%	62.1	4%
Student Activities	14.6	1%	15.0	1%
Total Educational and General Revenue	1,508.8	91%	1,616.3	91%
Auxiliary Services	156.2	9%	165.9	9%
Total Georgia Tech Revenue	1,665.0	100%	1,782.2	100%

Schedule A

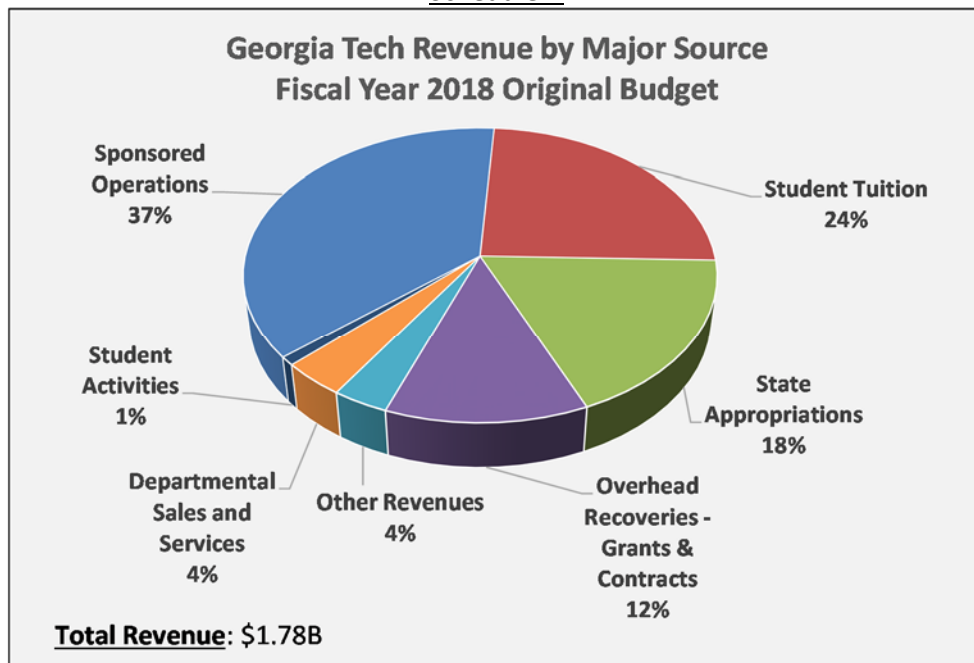


Table 3 below combines Tables 1 and 2, with major units in rows and funding sources in columns. The last section of this preface focuses on the “Resident Instruction/General” total of \$724.9 million. This represents Georgia Tech’s General Operating Budget and excludes funding from sponsored programs and departmental sales and services. This is the portion of Georgia Tech’s budget that contains the colleges, research institutes, student services, and the facilities and administrative services required to support these functions.

Table 3							
Georgia Tech Revenue Budget Summary							
Original Budget Fiscal Year 2018							
(millions of dollars)							
Major Program Area	State	Other General	Subtotal - General	Dept Sales & Svc	Sponsored	Auxiliary & Stdnt Acts	Total
Resident Instruction	265.7	505.1	770.9	50.0	337.7		1,158.6
GT Research Institute (GTRI)	6.1	140.0	146.1	10.6	255.6		412.3
Enterprise Innov Institute	19.5	1.4	20.9	1.5	8.0		30.4
Total Educ & Genl	291.3	646.6	937.9	62.1	601.3		1,601.3
Auxiliary & Student Activities						180.9	180.9
TOTAL BUDGET	291.3	646.6	937.9	62.1	601.3	180.9	1,782.2

NOTE: See Table 6 for a breakdown of the Resident Instruction/General total of \$770.9 million.

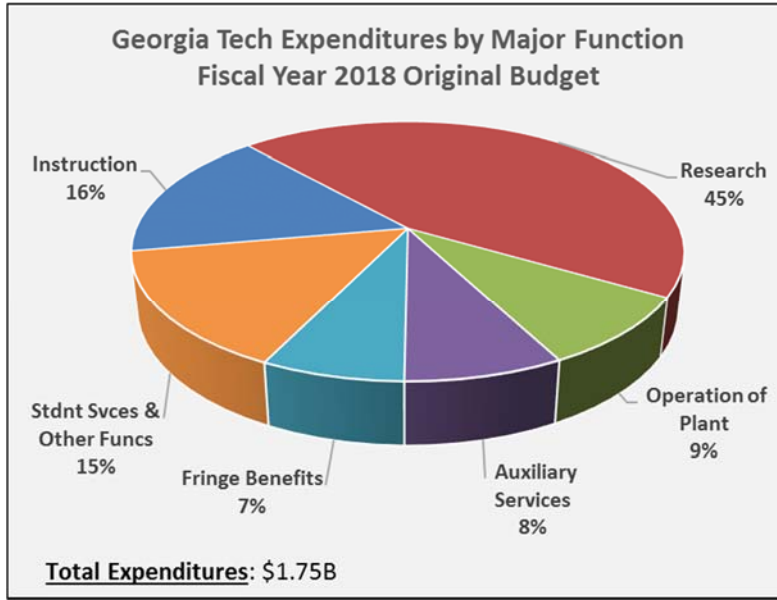
Total Institute Expenditures

Georgia Tech's expenditures are presented by the **functional categories** defined by the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), shown in Table 4 and Schedule B.

Table 4				
Georgia Tech Expenditures by Function				
Fiscal 2017 and 2018 Original Budget (in millions of dollars)				
	Fiscal 2017		Fiscal 2018	
Academic Areas:				
Research	731.8	45%	790.3	45%
Instruction	267.5	16%	282.8	16%
Public Service	38.2	2%	33.5	2%
Academic Support	56.9	3%	55.7	3%
Scholarships & Fellowships	43.8	3%	47.7	3%
Subtotal - Academic Areas	1,138.3	69%	1,210.0	69%
Student and Campus Support Areas:				
Student Services	29.9	2%	30.7	2%
Institutional Support	81.2	5%	95.1	5%
Operation of Plant	147.6	9%	156.2	9%
Auxiliary Services	131.9	8%	138.5	8%
Subtotal - Support Areas	390.6	24%	420.5	24%
Fringe Benefits	111.8	7%	124.3	7%
Total Expenditures	1,640.7	100%	1,754.8	100%

Total budgeted revenues for Georgia Tech exceed expenditures because Auxiliary Services must allocate surpluses to reserves to be used to cover its future capital requirements, to be covered by revenues generated by these enterprises.

Schedule B

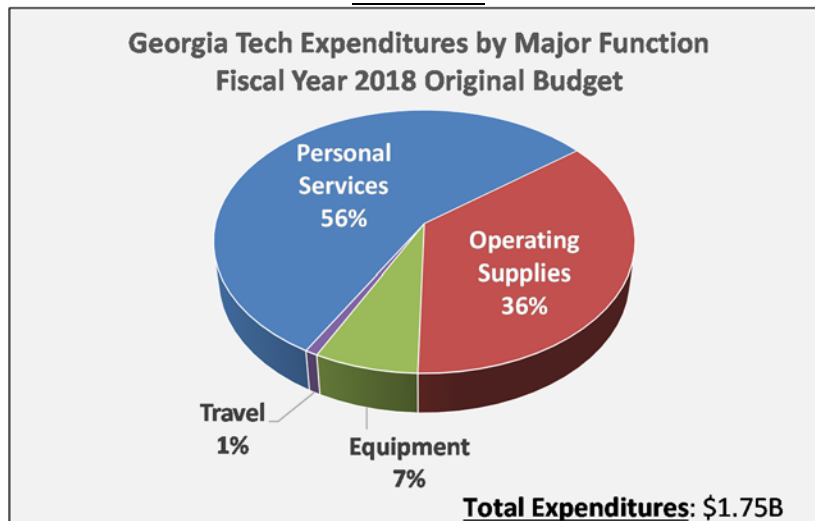


The expenditure budget is broken down by **object of expenditure category** in Table 5 and Schedule C:

	Fiscal 2017		Fiscal 2018	
	Amount	Percentage	Amount	Percentage
Personal Services	913.7	56%	986.1	56%
Operating Supplies	594.4	36%	630.1	36%
Equipment*	116.3	7%	123.6	7%
Travel*	16.3	1%	15.0	1%
Total Expenditures	1,640.7	100%	1,754.8	100%

* Substantial portion of equipment and travel expenditures from sponsored funding

Schedule C



General Operating Budget Summary

As explained on the first page, the state term “Resident Instruction” applies to Georgia Tech’s core operations excluding GTRI, E12, Auxiliary Enterprises, and Student Activities. *The General Operating Budget is comprised of the portion of Resident Instruction not funded through sponsored and departmental sales (earned) funding.* The General Operating budget includes all colleges, interdisciplinary research organizations, facilities operations and maintenance, student support, and administrative support functions. The President has extensive discretion in allocating these funds, subject to state limitations.

The General Operating Budget revenues and expenditures are summarized below in *Table 6*. As shown, the principal funding sources are student tuition and state appropriations, and the principal program area is instruction, followed by research.

Table 6 Georgia Institute of Technology General Operating Budget (Resident Instruction) Fiscal 2018 Revenue & Expenditure Summary		
	Original Budget(\$M)	% Distrib.
Revenue		
Student Tuition*	393.8	51%
State Appropriations	265.7	34%
Other General	54.9	7%
Indirect Cost Recoveries	56.5	7%
Total General Operating Budget Revenue	770.9	100%
Expenditures		
Instruction	259.2	34%
Research	161.3	21%
Operation of Plant	161.2	21%
Institutional Support	91.8	12%
Academic Support	71.0	9%
Student Services	20.5	3%
Public Service	5.9	1%
Total General Operating Budget Expenditures	770.9	100%

NOTE: This schedule represents the budget for Georgia Tech's core operating budget functions (Resident Instruction/General Operations). The President has discretion in allocating these funds, subject to state limitations. Excluded are GTRI, E12, Sponsored, Departmental Sales, Auxiliary, and Student Activities Funds, which all have earmarked funding sources.

* The revenue category "Student Tuition" includes tuition paid by sponsors (\$29.0M) and distance education tuition (\$8.5M). "General tuition" excluding these categories = \$356.3M, or 49% of general operating budget.

July 1, 2017

Institute Budget Planning Administration

<http://www.budgets.gatech.edu/>