

Description of Georgia Tech's Budget Process

Overview

The President of Georgia Tech, within the constraints established by the Board of Regents (BOR), ultimately determines Georgia Tech's internal budget allocations within the constraints imposed by sponsoring organizations, donors, and the BOR of the University System of Georgia (USG). Georgia Tech's internal budget process requires all campus units to develop requests on the basis of the [Strategic Plan of Georgia Tech](#) and their own units' strategic plans. Executives within the Office of the President receive input from the college deans and division heads of other units and also from committees that make recommendations on fees for the coming year.

The following factors influence decisions about resource allocations to colleges and other units:

- Revenue projections (includes the level of expected state funding, tuition and fee, and other revenue)
- Budget requests from the units
- Expected impact of requests on Georgia Tech's overall strategic plan and on individual unit plans
- Committee recommendations.

The process begins in the fall with a review by executive staff and division heads of [performance metrics](#) that are to be used to help determine budget allocations. The process also involves the review of mandatory and elective fee increase requests from Auxiliary and other units funded through student fees and the development of tuition recommendations to be provided to the BOR. Early in the calendar year units are required to prepare budget requests for the following fiscal year. Budget proposals address funding above base budgets and, if required, reallocations or reductions. Requests include the assignment of unit-wide priorities and an explanation of how the requests address their strategic plans. In most years the President's Office conducts meetings with deans and other division heads on unit budget priorities.

Budget Allocation Process

The process for determining resource allocations for the next fiscal year generally follows the outline below. The attachment to this document is a flow chart that illustrates how Georgia Tech's internal budget process synchronizes with the state's and the BOR's processes.

July through January

- Institute and Unit Strategic Planning Activities
The Executives within the Office of the President are the President, Provost, Executive Vice President for Research, and the Executive Vice President for Administration and Finance. This team reviews the Institute's [The Strategic Plan of Georgia Tech](#) and the related action plans as these relate to the budget. This is to ensure that the budget for the current year contains adequate funding to meet the priorities for the year. By the end of the calendar year the President establishes unit [operating and capital budget request guidelines](#) and Institute operating budget priorities for the following year. All Georgia Tech units are requested to review their own strategic

plan, including strategies, objectives, and action plans, accompanied by resource requirements. All unit plans must be tied to the GT Strategic Plan. Also, each unit reviews its performance and workload metrics, to be used in developing budget requests for the following year. These performance measures are provided online by the [Office of Institutional Research and Planning](#) (IRP) and are later compiled for the Office of the President as part of the budget process.

- Preliminary Central Budget Analysis

Offices of the [Institute Planning and Resource Management](#) (IPRM) team perform preliminary planning activities, including revenue estimates, preparation of fee and tuition recommendations, and determination of mandatory cost increases anticipated for the following fiscal year. The IPRM office coordinating this effort is the [Office of Institute Budget Planning and Administration](#) (IBPA, or “Budget Office”). Other key units participating in budget planning are IRP and the Office of Capital Planning and Space Management.

- Revenue Projections

The Budget Office, in cooperation with IRP and the Office of Enrollment Management, prepares revenue projections submitted to the BOR in December per the Board’s [budget calendar](#). The most complex projection is tuition, based on enrollment projections from Enrollment Management and IRP by student status. The other two major revenue sources projected are state allocations and indirect cost recoveries. The Budget Office relies on the Office of Grants and Contracts for projections of sponsored funding. Throughout the budget process, the projections are updated as new data are available, such as student applications, sponsored awards, and state budget information.

- Tuition and Fee Recommendations

The following four efforts related to tuition and fees proceed during the November through January time period:

- IPRM staff prepares recommended graduate and undergraduate tuition recommendations on the basis of comparisons of Georgia Tech with its peer institutions. The primary office conducting this work is IRP.
- The [Mandatory Student Fee Advisory Committee](#) receives recommended fee changes from the following units partially funded through these fees paid by all students: transportation, student activities, technology, student health, and athletics. The Committee recommends the fee levels to the President, who in turn recommends mandatory fees to the BOR. See the separate [policy](#) describing this fee process, which is coordinated by the Budget Office.
- Units administering other fees may recommend changes to these fees for the following year to the Budget Office for review. Except for the mandatory fees noted above, the President approves new fees or changes to existing fee levels. See the [separate policy](#) on non-mandatory fees and the list of Georgia Tech’s fees as posted to the [BOR website](#).
- Academic units with tuition differentials for specific professional masters programs may propose new differentials or changes to existing differentials, consistent with the [policies and procedures prescribed by the BOR](#) and [Georgia Tech requirements](#). Departments and schools submit these to the Budget Office for initial review. The President recommends any changes to the BOR, which approves all tuition differentials.

- BOR Budget Request to Governor

The BOR submits a budget request to the Governor in the fall, including the following items:

- Formula funding based on the enrollment-based formula, which considers enrollment by group (discipline) and level (lower level, upper level, and graduate)

NOTE: For Fiscal 2016 the enrollment factors in the state funding formula are expected to be replaced by success measures such as student graduation and progression metrics.

- Plant operations and maintenance funding based on facility square footage
- Major capital projects, based on submissions from USG institutions
- Major Repair and Renovation funding
- Cost increases to health insurance and other fringe benefits
- Earmarked funding items.

The Governor considers this request along with requests from other state agencies and institutions as he prepares his proposal to the General Assembly.

January through March

- Governor's Budget Proposal; General Assembly Budget Review and Approval

The Governor submits his budget proposal to the General Assembly in early January. This document contains recommendations on funding of the items listed in the BOR Budget request list above. The Governor's budget documents are shown here on the Governor's [Office of Planning and Budget \(OPB\) website](#). Based on the Governor's recommendations, the General Assembly creates an Appropriations Bill, which serves as the basis for its budget review. Following approval by the House, the bill is then considered by the Senate and finally, by the House/Senate Conference Committee, which works out any differences between the two bills. After ratification of the bill by both houses, the bill goes to the Governor, who may issue line item vetoes on the bill. After consideration by the General Assembly of the vetoes (to override or sustain), the bill then becomes an act. The legislative budget process, which is described on the [OPB website](#), generally is completed by the end of March. The BOR may then proceed with its approval of budget allocations and tuition and fee levels for USG institutions, generally at its April meeting.

- BOR Budget Review of Institutions' Budget, Tuition, and Fee Proposals

Early in the calendar year the Chancellor holds budget meetings to review USG institutions' budget and tuition proposals. The President and other executives present Georgia Tech proposals to the Chancellor and to other key BOR staff. These meetings focus on strategic plans as well as budget needs. BOR staff review of the proposals continues through the end of March, when they prepare recommendations to the full BOR for approval at its April meeting. The [meeting minutes](#) reflect these decisions, which are then transmitted to institutions via allocation reports, posted on a website accessible to individual institutions.

- Central Georgia Tech Internal Budget Actions

In February or March the Budget Office prepares and distributes to units their preliminary allocation figures for the upcoming year and also detailed budget instructions, including salary administration guidelines. The Office of the President approves all [instructions and guidelines](#). Throughout the January through May time period the Budget Office updates the revenue and institutional spending estimates on the basis of preliminary information from the BOR and General Assembly, and a review of the current year's financial status.

- Unit Budget Request Activities
College deans and other division heads prepare budget requests for the following fiscal year based on guidelines issued by the Budget Office. Requests must be linked to the Institute and unit strategic plans and must reference performance metrics to justify the requests. The [performance data](#) are presented to the Office of the President for review during the process. The requests could involve reallocation of existing resources or budget reduction plans, depending on the Institute's expected budget status and the guidelines provided by the President. The Office of the President reviews the Institute budget situation with input from IPRM staff and conducts strategic planning meetings with all deans and the other major division heads. The President attends and leads these meetings.
- Preliminary Resource Allocation Decisions
The Office of the President determines preliminary allocations and/or budget reductions or reallocations on the basis of expected resource level information available at the end of March. The executives base their decisions on priorities as they relate to the [Georgia Tech Strategic Plan](#) and previous and projected performance data such as student enrollment.

April and May

- BOR Approvals
The Board of Regents is scheduled to approve the following at its April meeting, to be affirmed at its May meeting:
 - Tuition rates, including tuition differentials for professional masters programs;
 - Mandatory fee rates (fees paid by all students for student activities, student health, transportation, and athletics);
 - Budget allocations to Georgia Tech on the basis of the approved State Appropriations Act.
- Georgia Tech Budget Allocation Activities
Following receipt of BOR approvals, the Office of the President approves budget allocations on the basis of final revenue estimates by the Budget Office. Some of the decisions will wait until the fall semester enrollment and tuition revenue are known in October. Executives within the Office of the President transmit budget approvals to their respective division heads, along with spending guidelines.
- Detailed Budget Preparation
Upon receipt of their allocations, campus units prepare detailed "Original Budgets," consistent with the allocation instructions received. Units enter their own budgets, which are then reviewed approved by the Budget Office to ensure consistency with allocation instructions. The tool used for this preparation is the [Internet Budgeting Solution \(IBS\)](#). Campus units use this same application to enter budget amendments during the year. IBS contains a detailed, unique database that is linked to other Georgia Tech systems – General Ledger, HR/payroll, and the Salary Planning and Distribution System.

May and June

- Final Budget Activities
The Budget Office reviews individual unit budget submissions and incorporates these into the Institute's official [Original Budget](#), which is then submitted to the BOR for final approval at its May

meeting. These budgets include details by position and by account (object) code for each project, which is the lowest level of accounting at Georgia Tech. The project budgets “roll up” to the departments, and the departments roll up to the divisions, which are colleges or administrative units whose heads report directly to the Office of the President. This detailed document includes a variety of schedules required by the BOR.

- Establishing and Executing Approved Original Budget

The Budget Office works with campus units to establish final budgets for implementation in the new fiscal year. Final budgets are posted to the General Ledger, which remains in “synch” with the budget system throughout the fiscal year.

References:

State of Georgia Appropriations Bills: <http://opb.georgia.gov/appropriations-bills>

Governor’s Budget Reports: <http://opb.georgia.gov/governors-budget-reports>

Georgia Tech Planning, Budgeting, and Financial Accounting References:

Financial Reports: <http://www.fin-services.gatech.edu/financial-reports>

Office of Institute Budget Planning and Administration: <http://www.budgets.gatech.edu/>

Office of Institute Research and Planning (including Fact Book and data links):

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

Annual Report: <http://www.president.gatech.edu/publications-presentations/publications>

Strategic Plan: <http://www.strategicvision.gatech.edu/>

Financial and Budget Policies: <http://policies.gatech.edu/business-finance>

University System of Georgia References:

Selected Georgia State Code authorizations: <http://www.lexisnexis.com/hottopics/gacode/Default.asp>

§ 20-3-32. Powers as to institutions, departments, courses, and degrees of university system

§ 20-3-53. Authority to allocate appropriations among institutions

§ 20-11-5. Appropriations for research institute (funds for Georgia Tech Research Institute)

BOR Budget Office

http://www.usg.edu/fiscal_affairs/functions/budgeting

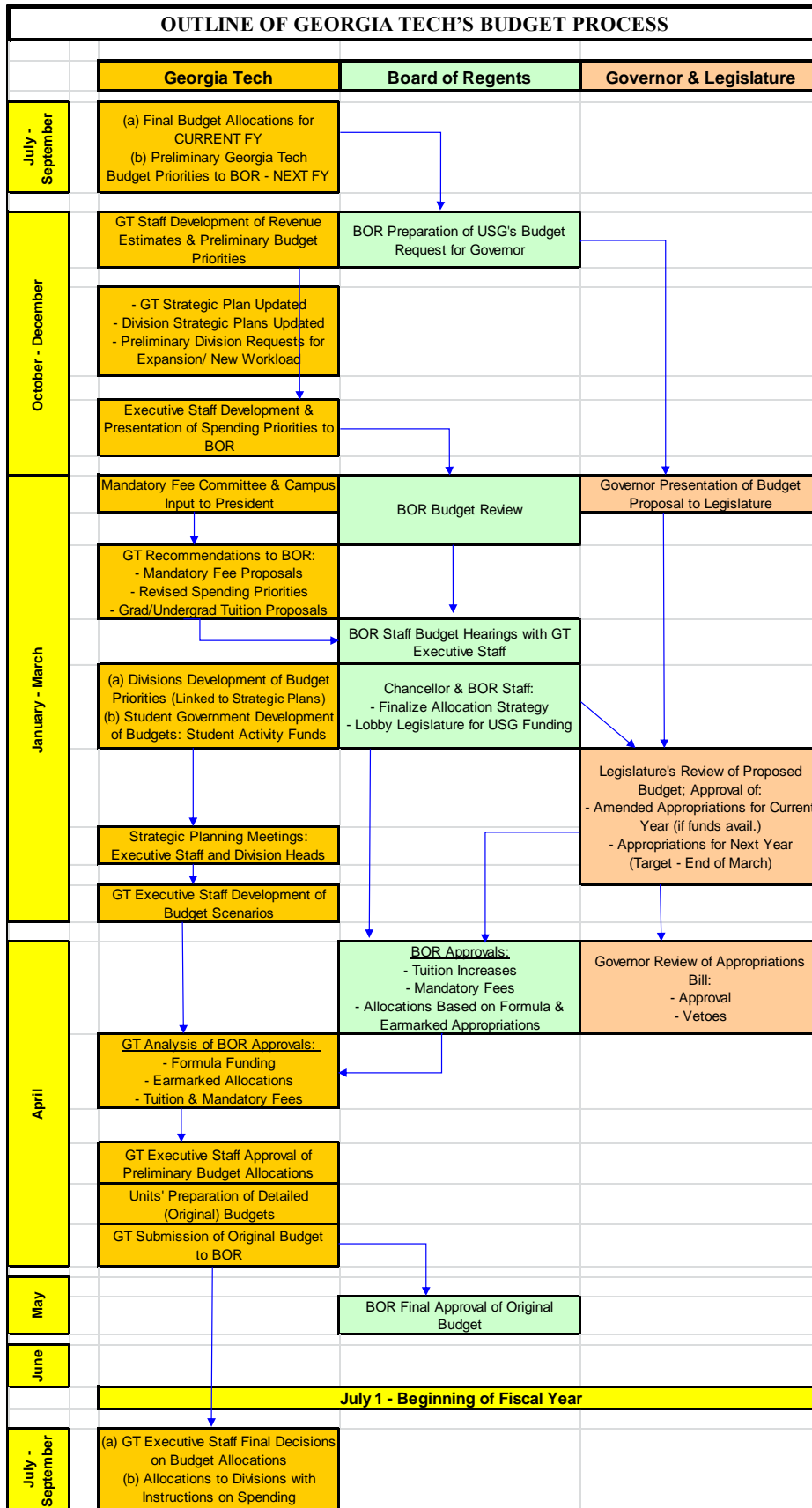
BOR Policies and Procedures for Budgets:

http://www.usg.edu/policymanual/section7/C447/#p7.2.3_operating_budgets

http://www.usg.edu/policymanual/section7/C447/#p7.2.4_budget_amendments

http://www.usg.edu/business_procedures_manual/section8/

Attachment to Budget Process Description



Abbreviations: BOR/USG – Board of Regents of the University System of Georgia