

Guidelines for Fiscal 2020 Budget Submissions

Executive Summary

Georgia Tech is continuing its *priority-based budgeting process* in preparation for Fiscal 2020. The process is intended to address future resource challenges by ensuring that the current base budget funding is being targeted to the highest priorities, consistent with the [Georgia Tech Strategic Plan](#). The resource challenges continue to be the following:

- Tuition and fee considerations – It is best for us to plan by assuming minimal tuition and fee adjustments will be available in Fiscal 2020.
- Extensive demands compared to limited resource growth potential – Current and future funding demands include the following:
 - New faculty and other teaching resources to address enrollment growth, instructional quality, and faculty support;
 - Student mental health services, including counseling and psychiatric services;
 - Other student support services, including student health and well-being and improved student progression;
 - Institutional mandatory, “must pay” items next year, especially – retention of top faculty and staff, legal compliance, facilities operations and maintenance, cybersecurity, research data protection, research equipment refreshment, and the forthcoming CODA High Performance Computing and Campus Center buildings.
- State resources – Georgia Tech is grateful to have received an increase in our State Appropriation for each of the last seven years. We will probably not know our state allocation from the Board of Regents (BOR) until its April or May Board meeting, following the General Assembly’s and Governor’s approval of the state Appropriations Act for Fiscal 2020. It is important to note that the Governor has included three very positive funding items in the University System of Georgia budget recommended to the Legislature:
 - Full funding of the state funding formula portion based on enrollment;
 - Full funding of the state formula based on added facility square footage;
 - Funding of an average 2% merit pay raise for all employees.

NOTE: The guidelines for any merit pay program, if the funding is approved by the General Assembly, will probably be approved by the BOR at its April or May meeting. The Institute will issue preliminary guidelines as soon as possible.

Budget Planning with Individual Executive Leadership Team Members

(February through early March)

The Fiscal 2020 budget process begins with the individual Executive Leadership Team (ELT) members' budget planning reviews with their direct reports, as indicated in the attached calendar (*Attachment A*). The ELT is comprised of the President, Provost, Executive Vice President for Research, Executive Vice President for Administration and Finance, and the Associate Vice President/Chief of Staff. Each executive will provide more detailed guidance to their respective division heads for this preliminary planning effort. The focus of this initial planning process will be on enhancing educational and support services for students and on research support, with the following five components:

1. Review of updated performance data and college/division strategic plans;
2. Evaluation of results from new funding allocated in the current fiscal year;
3. New initiatives or program expansion proposals (link to form on page 3);
4. Enhanced revenue opportunities, with an emphasis on affordability for students and their families;
5. Funding re-direction generated by administrative efficiencies within the unit and also among each ELT member's divisions.

Redirection Guidelines for Fiscal 2020

The purpose of the redirection effort is to create a framework for priority based budgeting. The focus of the redirection efforts should be on identifying administrative and other efficiencies that will enable additional investments in:

- More productive and effective administrative and support services,
- Core functions of teaching, research, and service, and
- Expansion of direct services to students.

The recent Comprehensive Administrative Review (CAR) was initiated to address the challenge of how to provide quality education in the most cost-effective manner and also to help identify areas for redirection of resources. The areas of focus of the CAR effort listed below are being considered at the Institute level, but these same areas should also be considered as possible areas of efficiency at the unit level. The CAR Assessment Results [document](#) summarizes these four focus areas:

- Talent/people management
- Communications
- Information technology
- Procurement, travel, and expenditure management.

When identifying funds for re-direction, unit leaders are encouraged, but not required, to consider possible efficiencies in these areas and others that would identify funding for reallocation to the

teaching, research, and service mission. The recommended redirection target for Fiscal 2020 is 1% of each executive vice-president's divisions' Resident Instruction/General Operations budgets. Each EVP will provide instructions for reallocation of the redirected funding for his units.

Budget Planning Presentations to the Full Executive Leadership Team

(Mid- to Late March)

As in previous years the entire Executive Leadership Team will receive planning documents and verbal presentations from each dean and other division head. These presentations should be developed in light of the planning conducted between the division head and his ELT member. The focuses should be the following three areas:

1. How new funds allocated to the division in Fiscal 2019 have been utilized (and/or plan to be utilized) to the benefit of instruction and research efforts and how the efforts are related to the [Georgia Tech Strategic Plan](#);
NOTE: If a unit has not yet utilized any or all of the new funding, then the description should indicate the immediate and future year plans for the funding, with a focus on planned results.
2. Prioritized program expansion and new initiatives proposed for Fiscal 2020 – new funding proposed *and* funding from the division's internal budget to be applied;
3. Description of redirection efforts proposed for Fiscal 2020.

List of Required Budget Documents

- ✓ "[Program Expansion Form](#)" – In-depth justification of any new program initiatives or significant expansion of current programs
- ✓ "[Form 1](#)" – Base budget Computation Form initiated by Budget Office and adjusted by unit for internal funding shifts
- ✓ "[Form 2](#)" – Summary of new request items
- ✓ Presentation to the ELT (no specific format defined) on the three topics noted in the previous section

NOTE: See Attachment B for description of forms and the links for the form templates.

Georgia Tech Budget Calendar - FY20 Preparation		
Fiscal Years 2019 and 2020		
When	What	Who
July 2, 2018	- Submission of projection data & budget development templates to BOR:	- Budget Office
	- Projected new square footage	- Capital Plg & Space Mgt
	- Projected health insurance and retiree fringe benefits (M&O due July 9th)	- Office of Human Resources
September 2018	- Budget Hearing instructions issued	- BOR
October 2018	- Revenue projection instructions issued	- BOR
November 13, 2018	- Submission of budget data and narratives to BOR	- Budget Office, Institute Research & Planning (IRP) - Ofc of the President
December 4, 2018	- Revenue projections to BOR	- Budget Office
December 6, 2018	- Budget hearing with Chancellor	- President & ELT - Selected other Staff
January 20, 2019	- Preliminary calendar and budget instructions issued to campus - Update of current/future year financial projections and budget outlook	- Budget Office
February 2019	- Updated enrollment and other workload/performance data to ELT	- Budget Office - Institutional Research & Planning
	- Submissions/planning meetings required with individual ELT members:	- Deans & other Division Heads - Individual ELT Members
	• Review of updated performance data & college/division strategic plans	
	• Evaluation of results from new funding allocated in current year	
	• New program or program expansion proposals	
• Funding re-direction to address administrative improvements		
• Enhanced revenue opportunities		
February through early March 2019	- Review of updated performance measures, revenue projections, "must pay" items, and overall budget outlook	- Executive Leadership Team
	- ELT members determination of priorities for program expansion & funding reallocations	- Budget Office
1st two Weeks of March 2019	- Distribution/confirmation of base budget figures (via "Form 1")	- Budget Office - Campus Units
	- Budget kickoff session for H.R. reps and H.R. business partners	
	- Preliminary GT pay adjustment guidelines issued (per BOR and ELT)	
	- Preliminary salary plans & merit tool issued via oneBudget	
	- Preliminary expansion and/or redirection targets to campus divisions	
March 4, 2019	- Unit submissions of final Form 2 requests and backup documents to ELT	- Campus Units
	- Submission of Form 2A for items tentatively pre-approved by ELT	- Executive Leadership Team
1st Week in March 2019	- Budget kickoff session for oneBudget users and division finance directors	- Budget Office - Campus Units
3 Working Days before Strategic Planning Mtgs	- Submission of full presentations to <u>Budget Office's assigned budget analyst</u> for strategic planning meetings with Executive Leadership Team	- Campus Units
March 18, 25, 2019	- Strategic planning and budget presentation meetings	- Deans/Other Division Heads - Executive Leadership Team
Late March 2019	- Approval of Appropriations Bill (pending Governor's vetoes)	- General Assembly
April 1, 2019	- ELT approval of redirections and increases pending final BOR allocation and tuition/fee approvals	- ELT - Budget Office
1st Week in April 2019	- Communication of preliminary allocations and redirections to units	- Budget Office
	- Form 1 revisions to campus units based on March BA & FY20 decisions	
April TBD, 2019	- Optional hands-on budget workshops for oneBudget users	- Budget Office
April 9, 2019	- oneBudget system open to campus	- Budget Office
	- Final salary plans available to campus units via OneBudget (Bud707)	
	- Detailed Budget instructions and merit policy to campus units	
April 16, 2019	- Approval of: state allocations, tuition levels, mandatory/other fees	- Board of Regents (pending General Assembly Appropriations Act approval)
	- Approval of merit raise policy	
	- Approval/acceptance of elective fees proposals	
Late April 2019	- Final budget approval/allocations to units for Original Budget	- Office of the President
April 26, 2019	- Detailed Original Budget submissions due via oneBudget	- Campus Units
TBD	- E-rates submission to BOR	- GT Professional Education - Budget Office
May TBD, 2019	- Original Budget submission to BOR: online submission & detailed scheds.	- Budget Office
May 14, 2019	- Final BOR approval of FY20 Original Budget	- BOR
June 1, 2019	- Initial Annual Operating Budget submitted to OPB	- BOR
July thru Sept 2019 & Mid-February, 2020	- Additional Fiscal 2020 allocations (or reductions) to units, per budget status (following final fall and spring enrollment results)	- Exec Leadership Team

Descriptions of Forms

NOTE: Forms appended to this document are not “live” and are provided as examples only. Units should use the Excel versions of the forms accessed through the links provided. The Budget Office will provide the initial Form 1 to units.

Base Budget and Request Summary Forms (*Forms 1, 1a, 2, 2a*)

- [Form 1](#) – Budget Office computation of division base budgets issued in early March, to be updated throughout the budget process:
 - Starts with the Fiscal 2019 Original Budget and adds or deducts funding based on changes that have occurred during Fiscal 2019.
 - Computes a base budget for Fiscal 2020 adjusted for changes made during the budget process, including merit pay allocations, new workload funding, and budget reductions, where applicable
- [Form 1a](#) – details new or reduced permanent funding in Fiscal 2019 – included in Form 1
- [Form 2](#) – final summary of all unit requests *in priority order* (no “ties”), including items presented in Program Increase Proposals, and also *authorized by Executive Vice-Presidents for submission to all executive staff*
- [Form 2a](#) – list of new funding items pre-approved by executive staff – only included on this form and not on Form 2; backup documentation for all items required, to be verified by Budget Office with executive staff concurrence

Program Expansion Form

- Focus on new initiatives and major program expansions
- Pay adjustment and retention issues addressed separately with each respective Executive Leadership Team member (Provost, Executive VP, or President)
- Submitted by deans and other division heads to their respective ELT members
- Proposal narrative to include:
 - The expected results/benefits from initiative, including appropriate metrics to describe impact of initiative
 - How the program will link to current programs in place
 - Criteria for evaluating the success of initiative
 - Description of internal resources to be supplied by unit
 - Consequences if the request is NOT approved
- Proposed budget:
 - Presented by major expenditure areas and by recurring versus one-time costs
 - Fiscal 2020 cost projection plus two out-years
 - Personal services detail by position proposed
 - *Identification of internal division resources to be applied to the effort*