GEORGIA INSTITUTE OF TECHNOLOGY
Budget-in-Brief
Fiscal Year 2020

Size of operating budget? $2.02 Billion

> **NOTE**: The "operating budget" is for ongoing operations and excludes major capital items (construction and major renovations) and the budgets of affiliate organizations such as the Georgia Tech Foundation and the Georgia Tech Athletic Association.

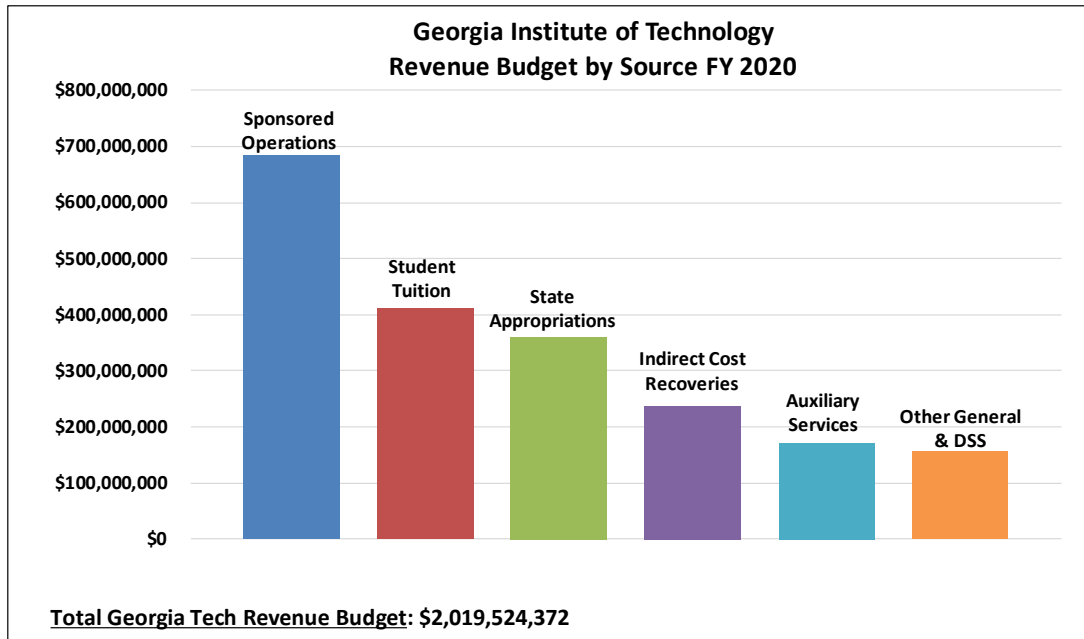**Where does the money come from?** Five major revenue sources (92% of total):

1.	Sponsored funding [a] (grants and contracts)	$683M	34%
2.	Tuition [b]	$412M	20%
3.	State appropriations*	$361M	18%
4.	Indirect cost recoveries from sponsored funding	$238M	12%
5.	Auxiliary Services [c]	$171M	8%

NOTES:
(a) "Sponsored" includes an estimated $83 million paid by the GT Foundation to Georgia Tech for scholarships and other purposes.
(b) Tuition components: $342M "general tuition" + $31M tuition paid by sponsors + online masters $30M + $9M tuition generated by distance education classes
(c) The "Auxiliary Services" category is Georgia Tech's business-like operations including the following: housing, transportation, parking, dining, student health, bookstore, post office, retail, and telecommunications.

Georgia Institute of Technology Revenue Budget by Source FY 2020

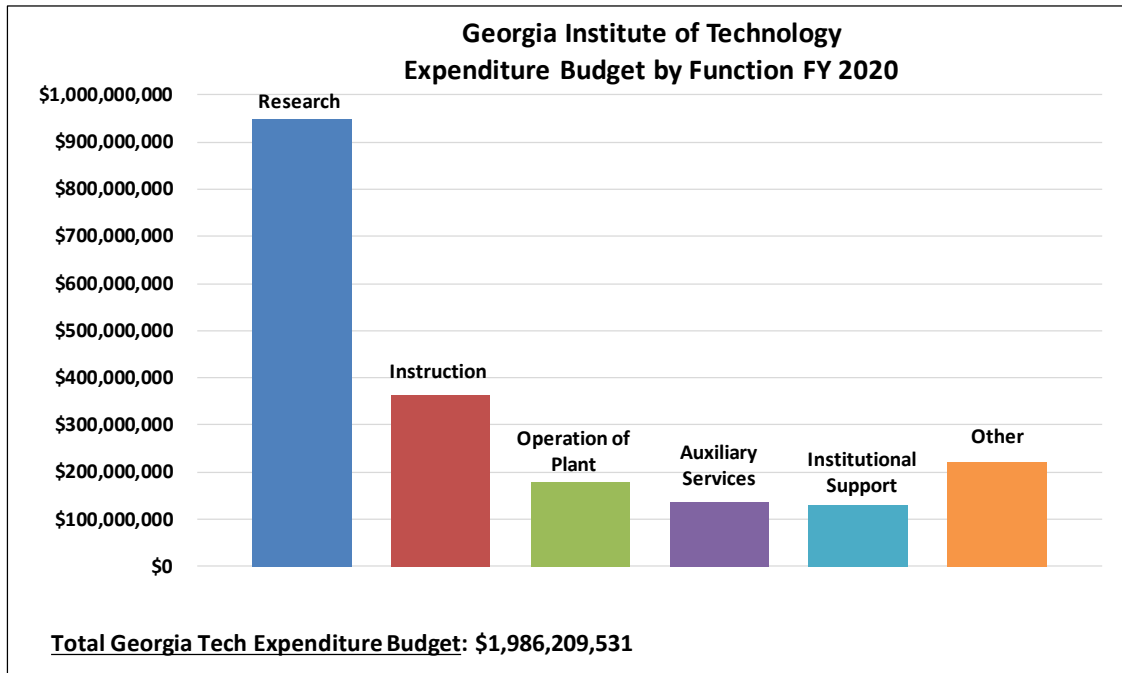**Total Georgia Tech Revenue Budget: $2,019,524,372**

NOTE: Chart excludes affiliate organizations such as GT Foundation, GT Athletic Association, Alumni Association, and GT Research Corporation, but includes funding paid by organizations to Georgia Tech such as sponsored funding for scholarships and faculty chairs.

*Note: The FY20 Original Budget does not reflect a $6.6M BOR reduction in RI State Appropriations.   1

Where does the money go? Four main uses by program category (82% of total):

• Research	$948M	48%
• Instruction	$366M	18%
• Operation and Maintenance of Plant (including utilities & leases)	$181M	9%
• Auxiliary Services	$138M	7%

Georgia Institute of Technology Expenditure Budget by Function FY 2020

Total Georgia Tech Expenditure Budget: $1,986,209,531

NOTE: *The revenue budget total exceeds the expenditure budget because the business-like operations, Auxiliary Services, are required to develop capital reserves for facility renovations and equipment replacement.*

How is Georgia Tech's funding determined each year?

State Allocations: Most state funding for higher education appropriated by the General Assembly to the University System of Georgia (USG) is based on a funding formula driven that is principally by student enrollment. The enrollment figures are determined as follows:

- Level of students – lower level (freshmen/sophomores), upper level (juniors/seniors), and graduate
- Students' course of study as assigned to "groups," designed to reflect the assumed cost of educating students (class size, labs required, etc.).

Each January the Governor submits a proposed budget to the Legislature, which includes formula and other funding for the USG. He may or may not recommend full funding of the formula, and the Legislature considers his recommendations as they review the state budget proposal.

The General Assembly approves state funding via the Annual Appropriations Act. These funds are principally intended to cover a portion of state institutions' instructional costs for Georgia residents, with the balance coming from tuition and other sources. The Legislature approves funding for the entire USG, and the BOR then allocates funding to individual institutions. As part of the formula funding, the Legislature may approve appropriations for pay raises and increased fringe benefit costs, such as employee health insurance and retirement.

*Note: The FY20 Original Budget <u>does not</u> reflect a $6.6M BOR reduction in RI State Appropriations.   2

After the Legislature approves funding for the system via the Annual Appropriations Act, the Governor may veto individual line items, which are subject to override by the General Assembly. Following completion of the final Appropriations Act, usually in late March or early April, the Board of Regents (BOR) approves the allocations to individual USG schools, generally at its April meeting. Besides formula funding, the Legislature earmarks funds for specific programs, such as funding for the Georgia Tech Research Institute (GTRI) and the Enterprise Innovation Institute (EI[2]).

Tuition and Fees: Following the General Assembly's approval of the state budget, the BOR approves tuition and fee levels for Georgia Tech and other institutions by student classification – graduate, undergraduate, resident, and non-resident. At the same time the BOR determines institutions' mandatory fee levels based on recommendations from institutions' presidents. At Georgia Tech the President receives recommendations from the Mandatory Student Fee Advisory Committee, comprised of eight students and four faculty/staff.

The President generally approves the elective fees, which are paid by students on the basis of their optional utilization of services and facilities. These fees are then reported to the BOR for posting on their website. These include housing and dining fees paid by students and parking fees paid by both students and employees.

Other Revenue Generated by Georgia Tech: The balance of Georgia Tech's budget is generated from its own sources, including indirect cost ("overhead") revenue from grants and contracts. Various laws and regulations govern these revenue sources.

What is Georgia Tech's budgeting structure?

Most of Georgia Tech's activities are budgeted in "Resident Instruction," which includes not only instruction, but also, research, public service, facilities, and support functions. In addition to "R.I.," there are separate funds for the following areas:

- Student activities – funded by student fees
- Auxiliary services – funded by fees and other earmarked revenue
- Georgia Tech Research Institute and Enterprise Innovation Institute (GTRI and EI[2]) – each with earmarked state funding and external sources.

The table below summarizes these major functions:

Georgia Tech Fiscal 2020 Revenue by Major Unit (in millions of dollars)		
Resident Instruction (colleges, facilities O & M, support functions)	1,313.2	65%
Georgia Tech Research Institute (GTRI)	484.1	24%
Enterprise Innovation Institute (EII)	34.4	2%
Student Activities (funded by Student Activity Fees)	17.0	1%
Auxiliary Services (funded by fees for service)	170.8	8%
Total Georgia Tech	**2,019.5**	**100%**

*Note: The FY20 Original Budget does not reflect a $6.6M BOR reduction in RI State Appropriations.   3

What are Georgia Tech's tuition and fees levels?

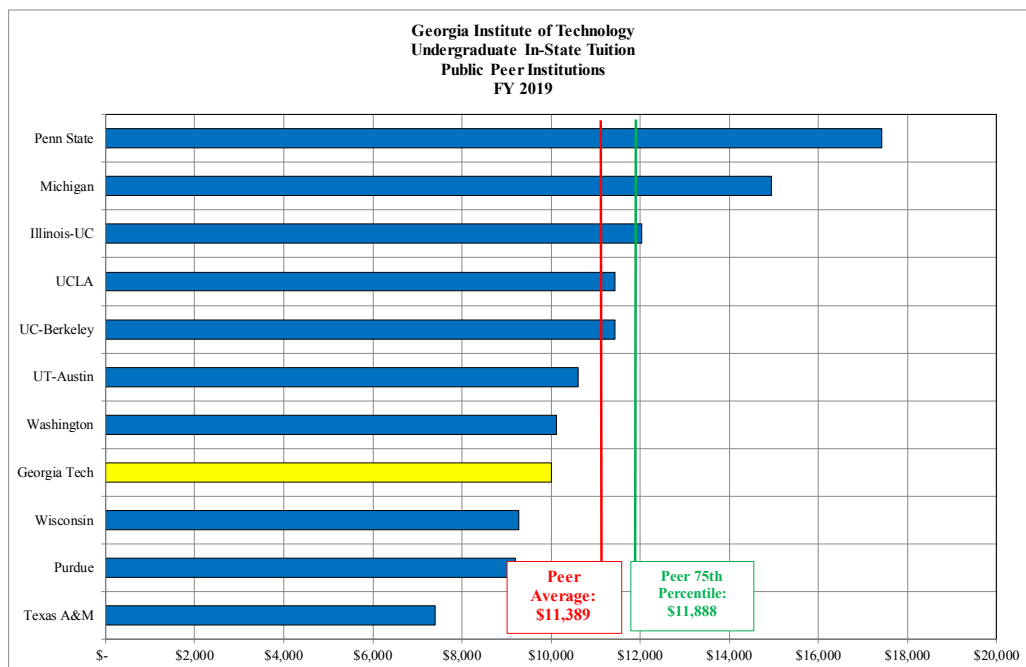Georgia Tech's tuition and mandatory fee levels per semester for Fiscal 2019 are shown below:

Full Time Tuition & Fees/Semester	Undergraduate		Graduate	
	Residents (in-state)	Non-Residents	Residents (in-state)	Non-Residents
Tuition	$5,129	$15,685	$7,032	$14,570
Mandatory Fees (Fall 2019)	$1,212	$1,212	$1,012	$1,012

These **mandatory fees** are earmarked for specific purposes, with the exception of the Special Institutional Fee:

- Transportation
- Student Health
- Student Activities
- Athletics
- Technology
- Special Institutional Fee (implemented by BOR for general educational use).

The Special Institutional Fee (SIF) was initially approved by the Board of Regents to assist schools in absorbing budget reductions. For Fiscal years 2016 and 2019 the BOR approved a $100 shift of the SIF to tuition for graduate students only, with the intention of gradually phasing out this fee for graduate students. See the Bursar's Office link for Georgia Tech's current tuition and fees and an explanation of mandatory fees at this Budget Office link.

Despite recent increases, Georgia Tech's tuition for undergraduate, resident residents remains lower than many of its peer institutions. The chart below shows that Georgia Tech's *annual* tuition (two semesters) for undergraduate resident students was well below the weighted average of its public peer schools in Fiscal 2018.

Georgia Institute of Technology
Undergraduate In-State Tuition
Public Peer Institutions
FY 2019

(Peer Average: $11,389; Peer 75th Percentile: $11,888)

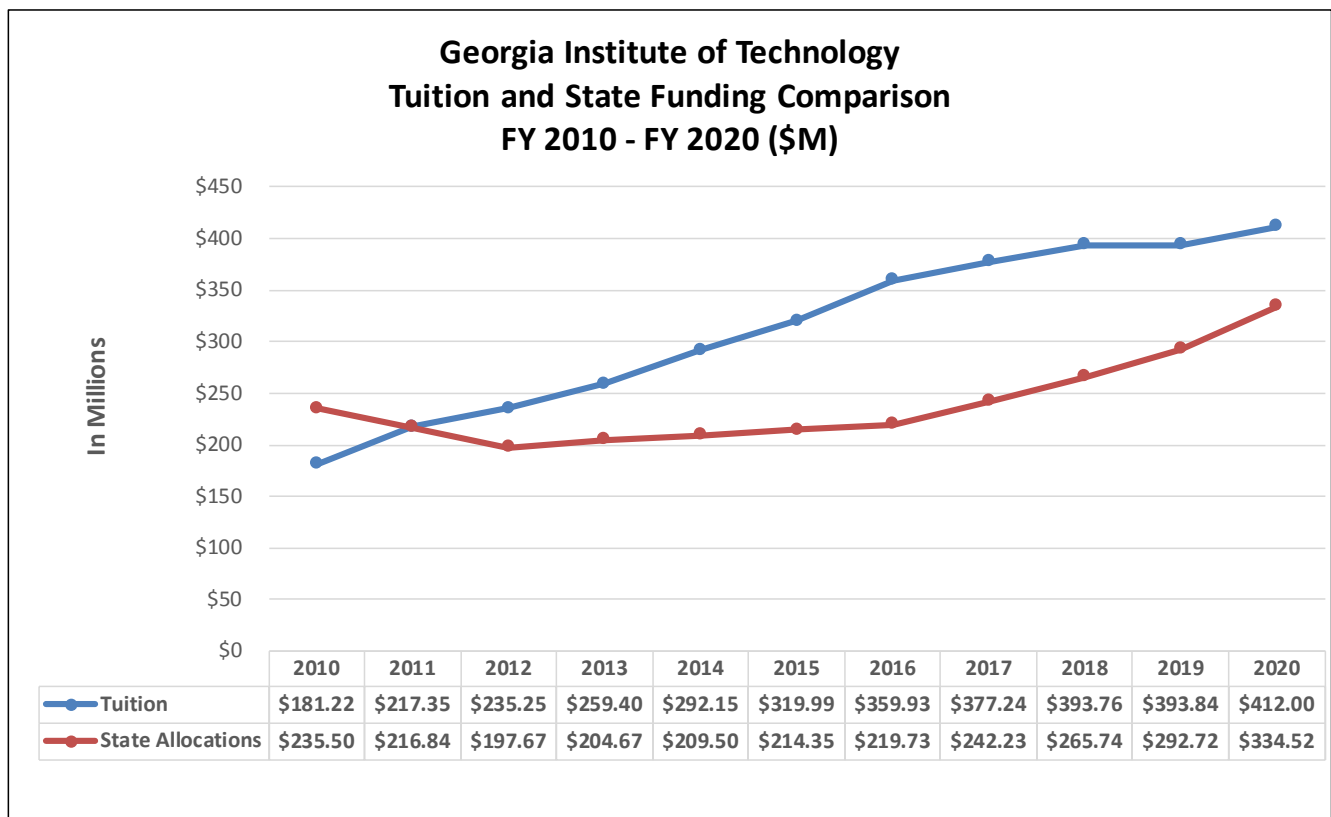**Source**: GT Institutional Research and Planning

*Note: The FY20 Original Budget <u>does not</u> reflect a $6.6M BOR reduction in RI State Appropriations.   4

Elective fees for such services as housing, dining, and parking are based on the use of these services and are not required for all students. Fee schedules for Fiscal 2020 elective fees for all USG institutions are included at the following links:

- Food Services
- Housing Rates
- Miscellaneous Fees
- E-Tuition Rates

What has been the trend of tuition versus state funding in GT's Resident Instruction budget?

In Fiscal 2011 tuition revenue exceeded state funding for the first time. This trend, similar to the national trend, has continued since that year when these lines crossed, as shown in the following chart.

**Georgia Institute of Technology
Tuition and State Funding Comparison
FY 2010 - FY 2020 ($M)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tuition	$181.22	$217.35	$235.25	$259.40	$292.15	$319.99	$359.93	$377.24	$393.76	$393.84	$412.00
State Allocations	$235.50	$216.84	$197.67	$204.67	$209.50	$214.35	$219.73	$242.23	$265.74	$292.72	$334.52

*Note: The FY20 Original Budget <u>does not</u> reflect a $6.6M BOR reduction in RI State Appropriations. 5