

# **FISCAL 2019 BUDGET KICKOFF MEETING**

**SHELLER COLLEGE OF  
BUSINESS ROOM 314**

**MARCH 8, 2018**

**CREATING THE NEXT®**

# Agenda – Fiscal 2019 Budget Kickoff Meeting

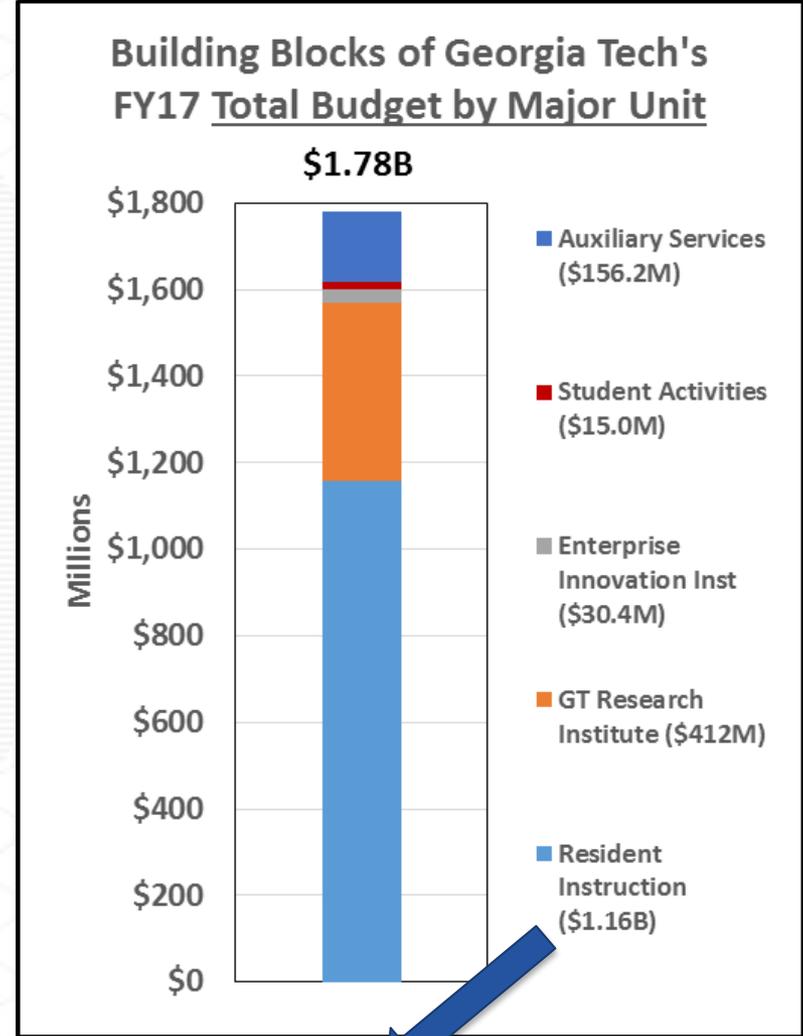
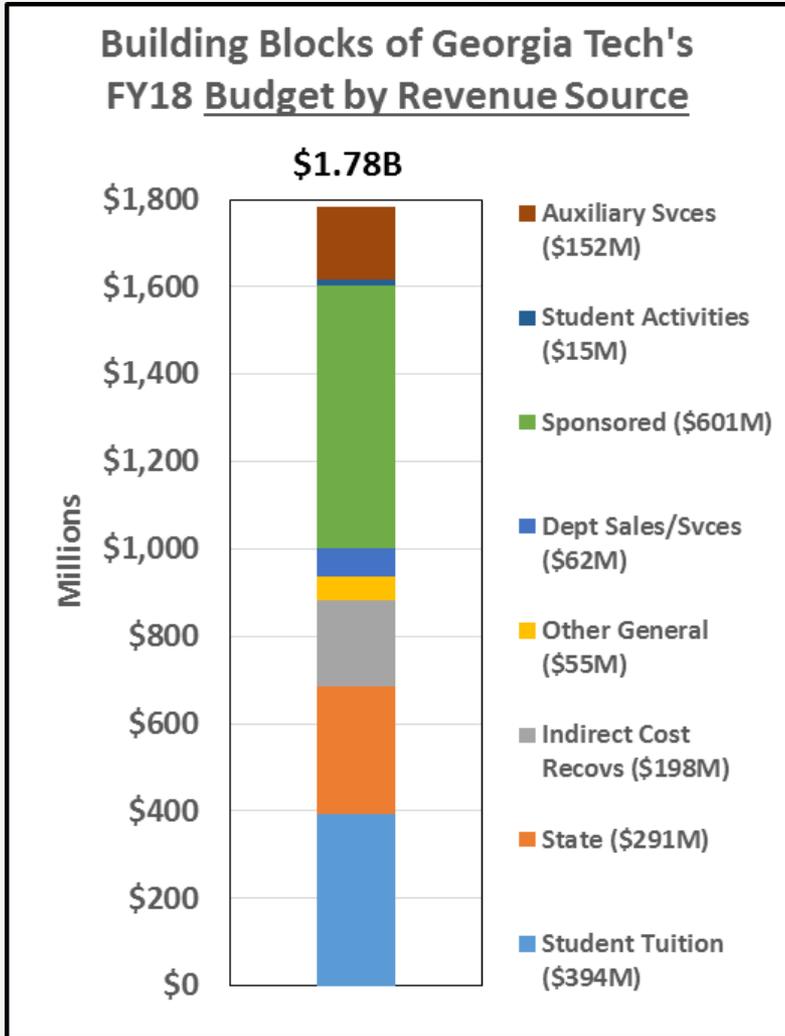
1. Fiscal 2018 Budget Overview
2. Year-End Closing Preparation
3. Fiscal 2019 Guidelines and Instructions
  - Budget Outlook
  - Priority-Based Budgeting (redirection proposals)
  - Forms
  - Calendar
4. Original Budget Preparation with oneBudget
  - New functionality and look
  - Live demonstration
  - Preliminary database for budget contacts to use
5. Discussion of FY19 Redirection Approach – *division level budget directors only* (15 minutes maximum)

# 1. FISCAL 2018 BUDGET OVERVIEW



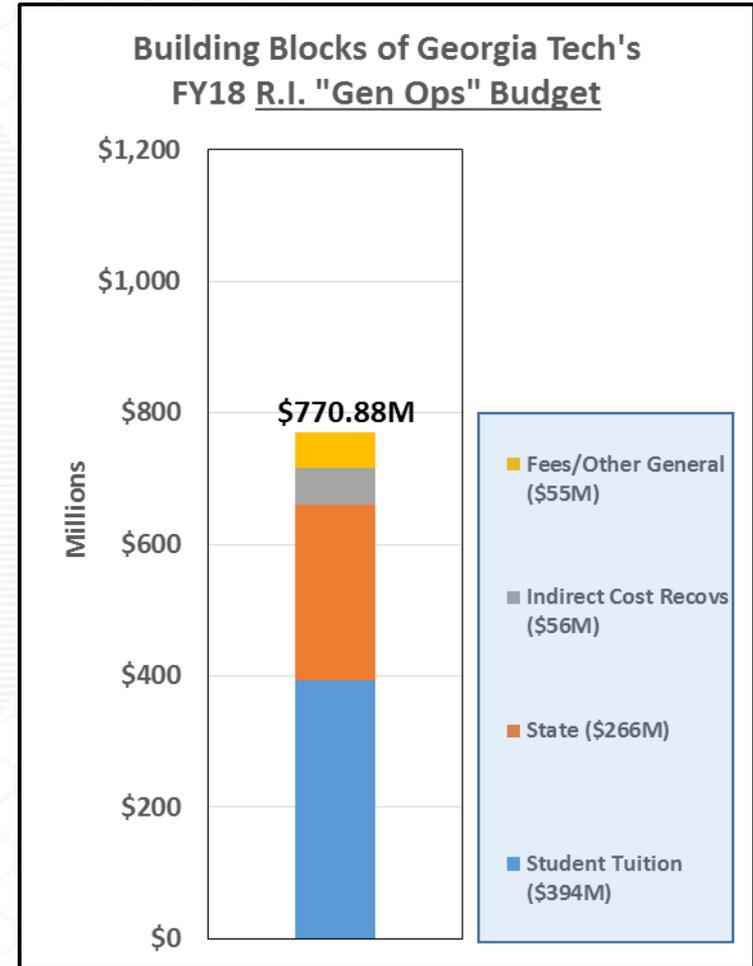
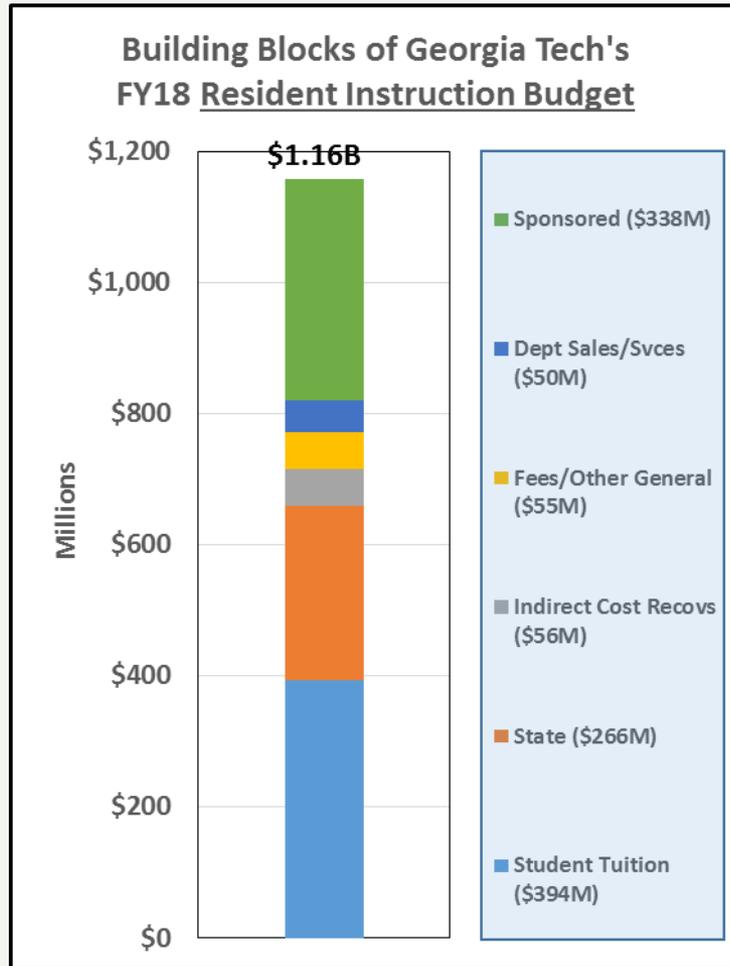
# FISCAL 2018 OPERATING BUDGET

## TOTAL FUNDING SOURCES - ALL UNITS



“Resident Instruction” – core activities of GT including colleges & excluding other units listed in chart

# FISCAL 2018 OPERATING BUDGET RESIDENT INSTRUCTION REVENUE

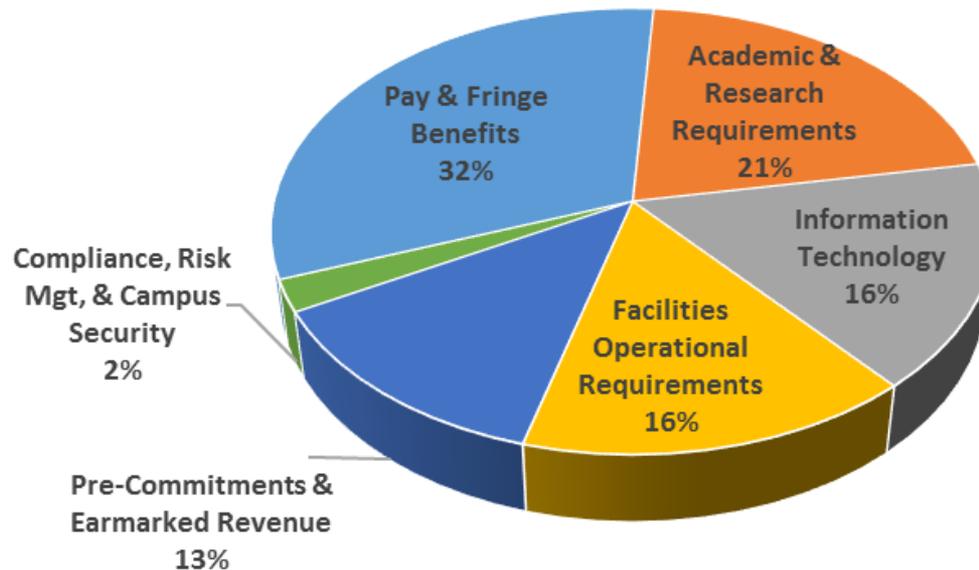


"Resident Instruction" – core activities of GT including colleges, student support services, administration, facilities O&M

# FISCAL 2018 BUDGET – NEW FUNDING REQUIREMENTS/PRIORITIES



Distribution of New Funding Allocations  
Resident Instruction - Fiscal Year 2018



Net Funding Available - New Revenue (\$M)	\$40.84
Plus Redirection Funding @ Average of 1%	\$3.70
<b>Total Funding Available for Allocation and Reallocation</b>	<b>\$44.54</b>

**NOTE:** “Redirection funding” represents an average 1% reduction in unit budgets for reallocation by the President’s Office.

## 2. YEAR-END CLOSING PREPARATION



# YEAR-END CLOSING PREPARATION

- ✓ Alignment of your Personal Services (PS) and Non-Personal Services (NPS) budgets to match expenses
  - Within NPS – Travel, Operating/Supplies and Equipment aligned as closely as possible to projected year-end actuals, per BOR
  - No use of surplus in one category to cover a deficit in another, per BOR
- ✓ Following year-end close requirement to provide explanations of variances of 10% or more between June 30 budget and actuals
- ✓ Adjustment of DSS budgets to reflect the actual revenue received, plus any remaining revenue to be booked prior to year-end close
  - Unit's bottom-line DSS revenue compared to the sum of its expenses and encumbrances as of June 30, 2018.
  - Revenue must equal or exceed your total year-end expenses and encumbrances.
  - DSS receipts at the project ID level to receive credit for department
- ✓ Carry-forward request requirements

# 3. FISCAL 2019 GUIDELINES AND INSTRUCTIONS



# SETTING THE TONE FOR FY19 – THE PRESIDENT’S GUIDELINES



*“As you prepare your budgets and plans for next year, please describe how these align with the Georgia Tech Strategic Plan.”*

- A. Evaluation of unit’s progress during previous and current fiscal years for any new spending initiatives
- B. Steps to absorb the 1% and 3% budget redirections
  - How these actions would impact your unit/division
- C. Strategic initiatives for next year
- D. How each initiative will support and advance the Georgia Tech Strategic Plan

# FY19 USG BUDGET – HOUSE APPROPRIATIONS COMMITTEE

- A. Increase in formula funding for the USG of \$51 million (*USG request \$54.3M*)
- B. Major funding (\$56.9 million) to cover 20% increase in the *employer's share* of Teachers Retirement System (TRS)
- C. No state funding for merit increases
- D. No funding for increases in health insurance and retiree's health insurance – *thus a budget cut*
- E. Major Repair and Rehabilitation (MRR) funding of \$60.0 million – physical plant renewal & preventive/deferred maintenance (*USG request \$65M*)
- F. Additional bond funding of \$30.6 million – Price Gilbert Crosland Tower Library complex renovation and \$5.0 million equipment for Georgia Advanced Biomanufacturing Center equipment

# CONTINUING BUDGET ISSUES IN FY19: RESOURCES

- **Restrictions on tuition and fees**
  - Continued “affordability” focus and limitations on rate increases
  - Maintenance of current undergraduate residency mix – 60% resident/40% non-resident
  - Pressure on auxiliary operations to manage within existing resources
- **State funding limitations**
  - Enrollment challenges at other institutions
  - Teachers’ Retirement System funding requirements
- **Sponsored funding uncertainties with federal budget**
  - Coverage of direct costs – salaries of P.I.’s and support staff
  - Indirect cost and graduate student tuition remission revenues

# CONTINUING BUDGET ISSUES IN FY19: SPENDING



- **External mandates and compliance requirements**
  - Examples: cybersecurity, research data protection, campus accessibility, grants management, other accountability requirements
- **Continued modest enrollment increases**
  - Pressure to maintain or improve student-faculty ratio
  - Adequate course and section offerings to meet student demand
  - Support to students for improving retention and graduation success
- **Facility challenges** to keep up with enrollment and research capabilities
- **Recruiting & retaining top quality faculty** – competitive salaries, faculty support, promotion & tenure raises, start-up funding
- Recruiting and maintaining **high quality staff**

# PRIORITIES FOR APPLICATION OF ANY NEW FY19 REVENUE



1. Prior year carryforward and capital commitments
2. Priority salary actions (*NOT merit increases*):
  - Faculty promotion and tenure raises
  - Retention, pay equity, compression, adjustment in classified salary grades, and targeted reclassifications
3. Compliance requirements
4. Mandatory increases in fixed institutional contracts and other mandatory increases (e.g. library subscriptions)
5. Program expansion and new program initiatives

# GT BUDGET INSTRUCTIONS – REQUIRED SUBMISSIONS



- “*Program Reduction Proposals*” at 1% and 3% levels
- In-depth justification of any new program initiatives or significant expansion of current programs via the “*Program Expansion Form*”
- Base Budget Computation Form initiated by Budget Office for each division – “*Form 1*”
- Summary of new request items via “*Form 2*”
- Description of how new funding in Fiscal 2018 for new or expanded programs has been used to address the program objectives identified (for meeting with ELT)

# SUMMARY CALENDAR



<p>&gt; Preliminary submissions to respective Executive Leadership Team Executive – President, Executive VPs, or Provost:</p>	<p>➤ Early to Mid-February</p>
<ul style="list-style-type: none"> <li>• Program Expansion Proposals</li> <li>• Program Reduction Proposals @ 1% &amp; 3% levels</li> </ul>	
<p>&gt; Planning meetings with respective ELT member on submissions</p>	<p>➤ February</p>
<p>&gt; Submission &amp; ELT review – final increase/reduction proposals</p>	<p>➤ Early March</p>
<p>&gt; Division presentations to Executive Leadership Team</p>	<p>➤ March 16 &amp; 19</p>
<p>&gt; BOR approval of tuition, fees, allocations, &amp; merit raise guidelines</p>	<p>➤ April 17</p>
<p>&gt; ELT allocation decisions for Original Budget</p>	<p>➤ Mid- to late April</p>
<p>&gt; Campus unit detailed Original Budget submissions</p>	<p>➤ April 27</p>
<p>&gt; GT submission of Original Budget to BOR</p>	<p>➤ Early May</p>
<p>&gt; ELT determination of additional budget allocations based on resources available</p>	<p>➤ June – October</p>

## Fiscal 2019 Budget Calendar

# 4. ORIGINAL BUDGET PREPARATION WITH ONEBUDGET



# ONEBUDGET RECAP – SELECTED NEW ITEMS



- Instruction roadmap on Department Home page
- PS Error Checking page – highlight potential errors before submitting
- Regular Group position personnel listing for setting rates on these people
- Ability to change displayed position information such as names, job codes, etc.

*NOTE: This only changes the display for budgeting and does not replace the need for HR documents to be submitted.*

- Salary planning and rate via spreadsheet or online
- Entering your Original Budget may now be completed using spreadsheets instead of online

# ONEBUDGET – SCHEDULE



- Preliminary information will be available in “oneBudget Pre-production” on **Thursday, March 15**
  - *Detailed information to be sent when data are available*
- oneBudget for final submission to be loaded early April with the official FY2019 Original Budget data

# QUESTIONS?

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



# 5. FY19 REDIRECTION APPROACH (WITH DIVISION-LEVEL BUDGET DIRECTORS)

