

FISCAL 2019 BUDGET UPDATE

JIM KIRK, INSTITUTE BUDGET
PLANNING & ADMINISTRATION
FINANCIAL COUNCIL MEETING
JULY 26, 2018

CREATING THE NEXT®

LEGISLATIVE ACTIONS ON FY19 BUDGET

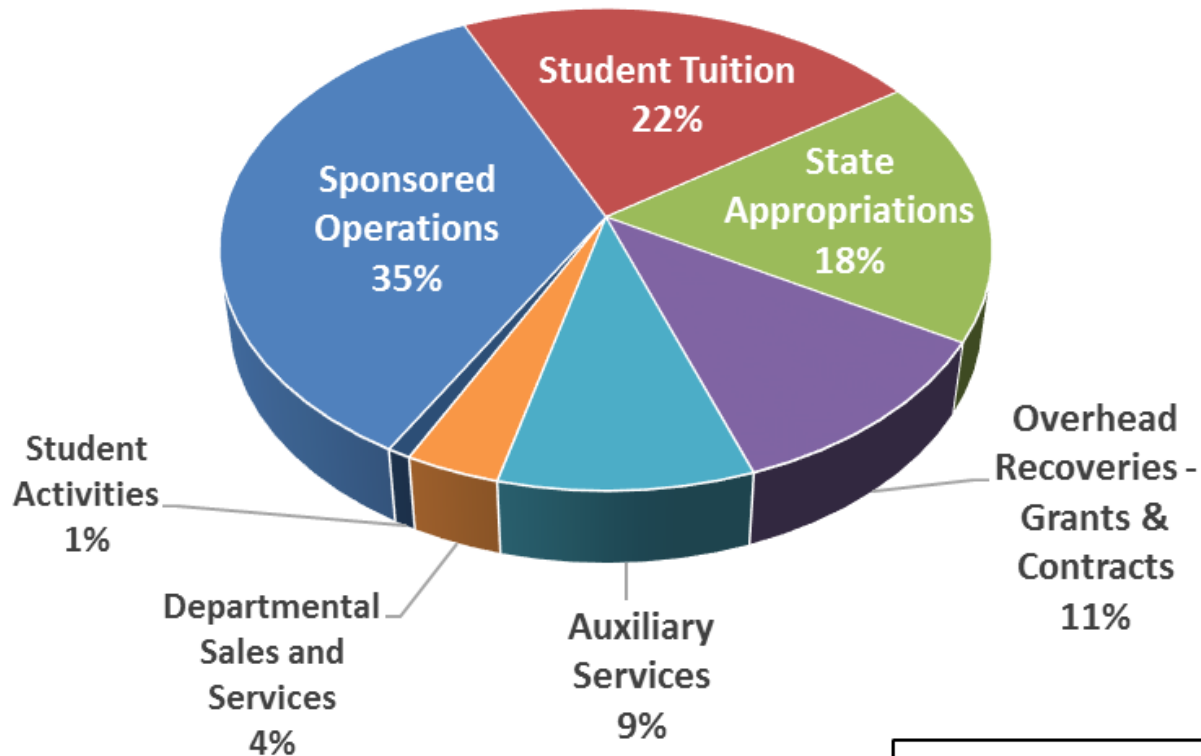


- \$51 million increase in formula funding for USG (USG request \$54.3M)
- Major funding (\$56.9 million) to cover 20% increase in the employer's share of Teachers Retirement System (TRS)
- No state funding approved:
 - Merit increases
 - Health insurance & retiree's health insurance – *a budget cut*
- Major Repair and Rehabilitation (MRR) funding of \$60.0 million – physical plant renewal & preventive/deferred maintenance
- Capital projects - bond funding:
 - \$30.6 million – Price Gilbert Crosland Tower Library complex renovation
 - \$5.0 million equipment for Georgia Advanced Biomanufacturing Center equipment

BOR'S APRIL MEETING – FY19 ACTIONS

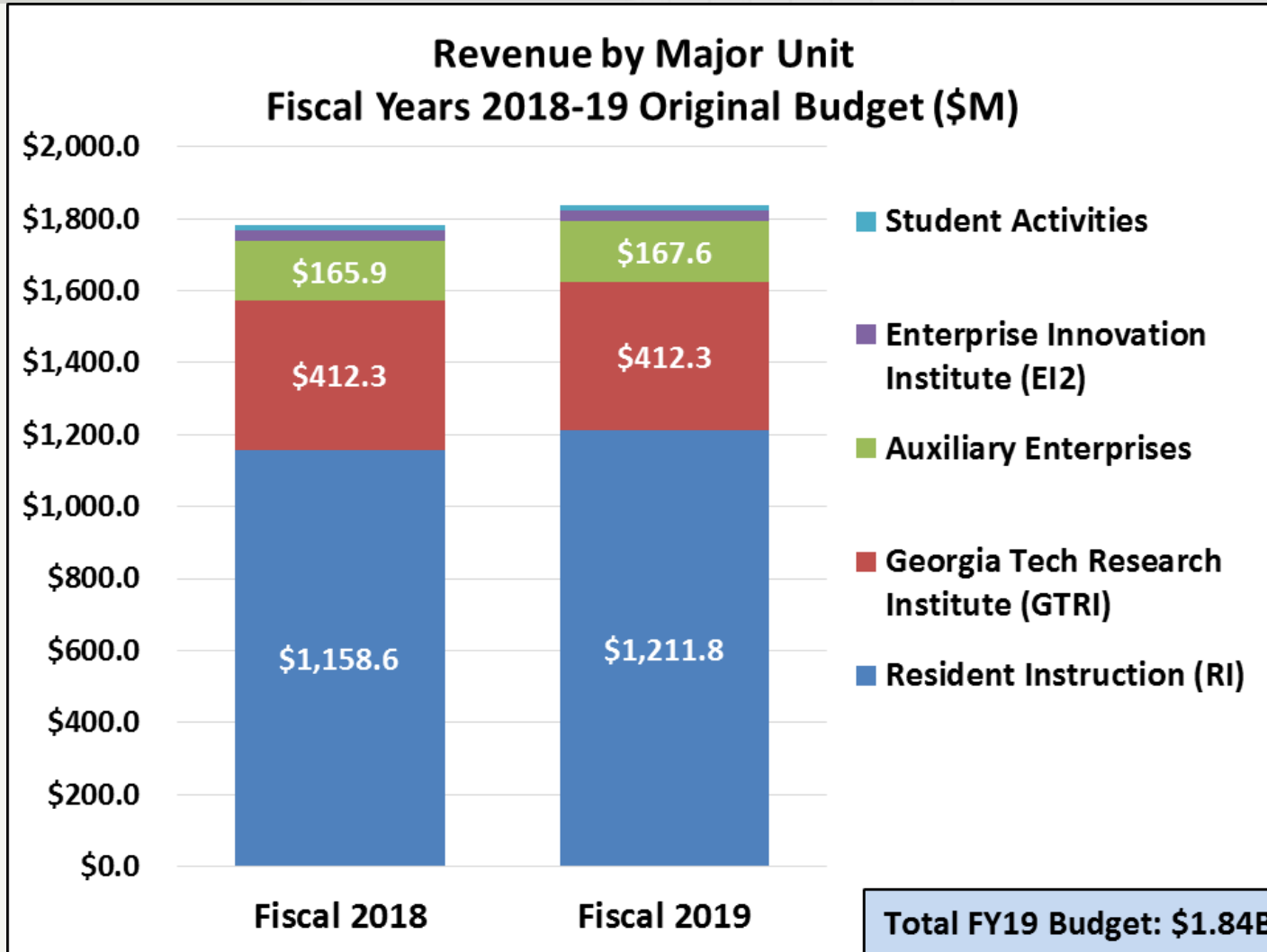
- Allocations above current state RI/Gen Ops total of \$266M:
 - GT full funding of enrollment-based formula: \$20M or 1/3 of USG total
 - TRS funding for rate increase: \$7M or 75% of GT cost
- Tuition: no increases
- Fees:
 - Mandatory Student Health Fee increase – \$3 or 1.8%
 - Reduction of Special Institutional Fee for graduate students *not approved* – due to no tuition increase to offset
- Pay policy – Chancellor approval, not Board:
 - Institutions allowed to self-fund merit program
 - GT decision on merit program – *dependent on fall enrollment results*
 - GT funding allocated for targeted pay adjustments

Georgia Tech Revenue by Major Category Fiscal Year 2019 Original Budget



Total Revenue: \$1.84B

GT FY19 BUDGET – REVENUE BY MAJOR UNIT



GT FY19 BUDGET – REVENUE BY MAJOR UNIT



Georgia Tech Revenue Budget Summary

Original Budget Fiscal Year 2019

(millions of dollars)

Major Program Area	State	Other General	Subtotal - General	Dept Sales & Svc	Sponsored	Auxiliary & Stdnt Acts	Total
Resident Instruction	\$292.7	\$513.6	\$806.3	\$50.0	\$355.5	\$0.0	\$1,211.8
GT Research Institute (GTRI)	6.1	140.0	146.1	10.6	255.6		412.3
Enterprise Innov Institute	19.6	1.4	21.0	1.5	8.0		30.5
Total Education & General	\$318.4	\$655.0	\$973.4	\$62.1	\$619.1		\$1,654.6
Auxiliary & Student Activities						183.1	183.1
TOTAL BUDGET	\$318.4	\$655.0	\$973.4	\$62.1	\$619.1	\$183.1	\$1,837.7

NOTES:

- Resident Instruction (RI) – core operations of GT; includes research, instruction, facilities, support
- General Operations (Gen Ops)– discretionary portion of budget excluding DSS & sponsored funding

GT FY19 BUDGET – RI/GEN OPS REVENUE



	Fiscal 2018 Amended (\$M)	Fiscal 2019 Approved (\$M)	% FY19 Distribution	Notes
Revenue:				
State	\$265.7	\$292.7	36.3%	formula funding @ 100%; TRS @ 75%; no health insurance funding - absorbed by GT
Tuition	\$383.3	393.8	48.8%	no rate increase; modest enrollment increase
Indirect Cost Recoveries	\$58.2	58.9	7.3%	to monitor awards and federal budget closely
Special Institutional Fee	\$24.5	23.9	3.0%	\$544 undergrad & \$344 grad students
Other General	\$32.0	36.9	4.6%	includes Technology & other fees
Total Resident Instruction Revenue	\$763.7	\$806.3	100.0%	<i>reevaluation of revenue estimates in 2nd quarter</i>
Funding from Prior Year Sources	--	\$5.4		
Total Resources Available	\$763.7	\$811.7		
Incremental Revenue Available for Allocation	\$33.6	\$48.0		<i>resources available above prior year's Amended Budget</i>

NOTE: Schedule excludes sponsored and departmental earned funds.

GT FY19 BUDGET – RI/GEN OPS ALLOCATIONS

Expenditures:	Fiscal 2019 Approved	% Distrib. New Funds	Notes
Incremental Revenue Available	\$48.0		
I. Mandatory Items			
Earmarked Revenue	\$9.9	19.1%	Includes tuition differentials, online masters revenue, Tech Fees
Permanent Funding - FY18 Commitments	2.0	3.9%	Includes Living Learning Communities and Facilities life safety reqs.
Restoration of Institute Reserves	5.4	10.4%	Reserves required to balance FY18
Public Safety, Facilities & Leases	4.6	8.8%	Incl. Coda lease & Living Building operations
Academic Mandatory Items	4.1	7.9%	Lib. subscription cost incs., Coda shared svces, faculty research support
Information Technology Requirements	3.3	6.4%	IT base reqs, IT enhancements, Learning Mgt System
Pay and Fringe Items	11.7	22.6%	Faculty promotion annd tenure, fringe increases - TRS & health
Other Mandatory Items	1.7	3.2%	Including federal compliance requirements
Total Mandatory Items	\$42.6	82.3%	

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II. Previous Precedents and Commitments			
Reserve for Equity Adjustments	\$2.2	4.2%	1/2% of RI/General Operations salary base
Other Previous Commitments & Fringes	1.7	3.3%	
Total Previous Precedents/Commitments	\$3.8	7.4%	

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III. New Workload/Expansion			
			<i>allocations below include fringe benefits</i>
New Faculty Positions	\$2.0	3.9%	tenure track and non-TTK
Teaching Support	1.3	2.4%	GTAs and faculty support staff
Additional Academic Priorities	0.9	1.7%	includes graders & strategic hiring pool
Research Support	0.5	0.9%	incl. Grant Hatchery & support for Interdisciplinary Research Institutes
President's & A&F Depts New Workload	0.7	1.4%	includes Student Life
Total New Workload and Commitments	\$5.3	10.3%	
Total Incremental Expenditures	\$51.8	100.0%	
Redirection Funding @ 1%	(3.8)		
Net Incremental Expenditures	\$48.0		

Capital Project Update

Library Next

- Major Renovation
- \$88.4M Budget (\$79.3M BOR/GSFIC, \$9.1M GT funds)
- EmTech shared services facility on Emory's campus.
- Focus of project: “Creating Library services and spaces to match the changing research, teaching, and learning needs of Georgia Tech”
- Phase 1 (now) – Crosland Tower renovation- includes the removal of the connecting bridge, stairs, and walkways between the two library buildings.
 - Completion date: late 2018 and reopen
- Phase 2 – Price Gilbert renovation
 - Completion date: Spring 2020



CODA (formerly called HPC)

- Capital lease with Portman
- GT leasing about half of 620,000 sf building will also have 80,000 sf data center
 - OIT, other campus centers and some depts. relocating and will free up on campus space
 - GTRI also a major tenant
- Next phase of Tech Square
- Mixed-use project will create new opportunities in interdisciplinary research, commercialization and sustainability. It will also enhance the area's innovation ecosystem, which fosters collaboration between the Institute, startups and established industry leaders.
- Complete early 2019 c.gatech.edu/coda

CODA

<http://codatechsquare.com/building/>



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COMING SOON...

Campus Safety Facility

- New construction at 490 10th St (location of old church bldg. that has recently been demolished)
- \$12.5M budget
- 30,000 sf facility for all GTPD depts. in lieu of having them spread across multiple buildings.
- Target completion date July 2019
- Once complete Beringhouse will be demolished to make way for the Eco-Commons



COMING SOON...

The Kendeda Building for Innovative Sustainable Design

New construction

- \$25.0M budget (all donor funded(GTF receives the donor funds and GTFI to construct the building))
- Construction of the Southeast's first living building, the most environmentally advanced education and research building ever constructed in the Southeast
- Timeline
 - Substantial completion spring 2019
 - Occupation summer 2019
 - Certification 2020



- Learn more at:

<http://livingbuilding.gatech.edu/kendeda-building-innovative-sustainable-design>

COMING SOON...

Dalney Parking Deck & Office

- New construction
- \$39.0M budget (\$35M GTFI bond funding & \$5.0M Parking funds)
- The garage will provide nearly 800 parking spots.
- The office building on the south face of the garage will be approximately 55,000-sf and will house the Georgia Tech Research Corporation administrative offices.
- Targeted Completion :
08/31/2018



- Learn more at:

<http://www.facilities.gatech.edu/construction-notice/dalney-building-parking>

Eco-Commons

- Major Landscape project
- \$15.5ishM budget
- Part of the Landscape Master Plan.
- The first significant phase of the Eco-Commons was implemented in conjunction with the construction of the Engineered Biosystems Building.
- The development of this sector of campus will continue with the Living Building at Georgia Tech, the Dalney Street Parking Deck, and the implementation of the landscape ecosystem adjacent to these projects.

