

FISCAL 2017 AND 2018 BUDGET UPDATE

**INSTITUTE BUDGET PLANNING
AND ADMINISTRATION**

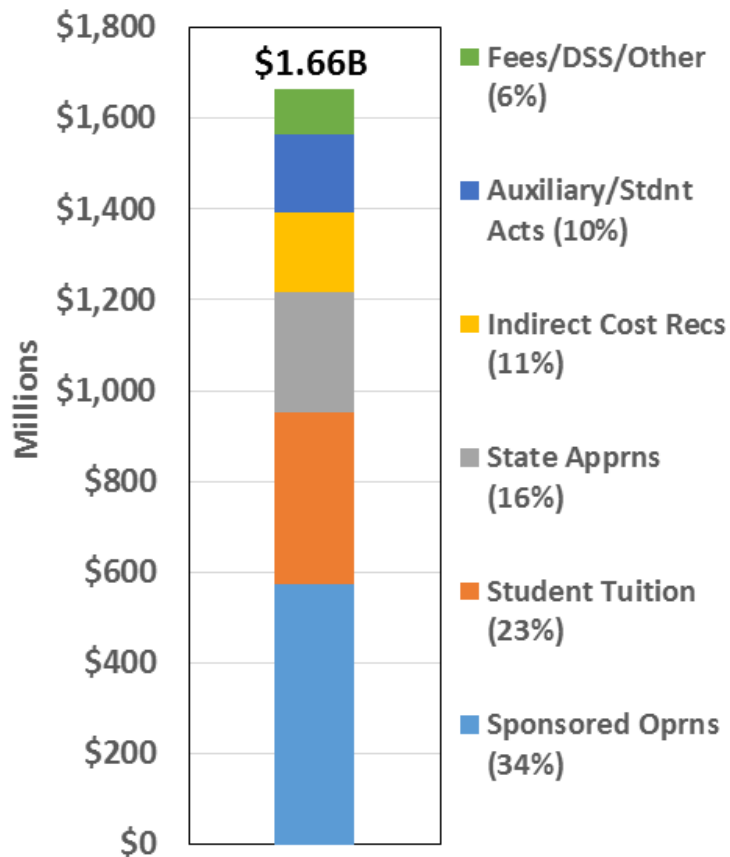
MARCH 21, 2017

CREATING THE NEXT®

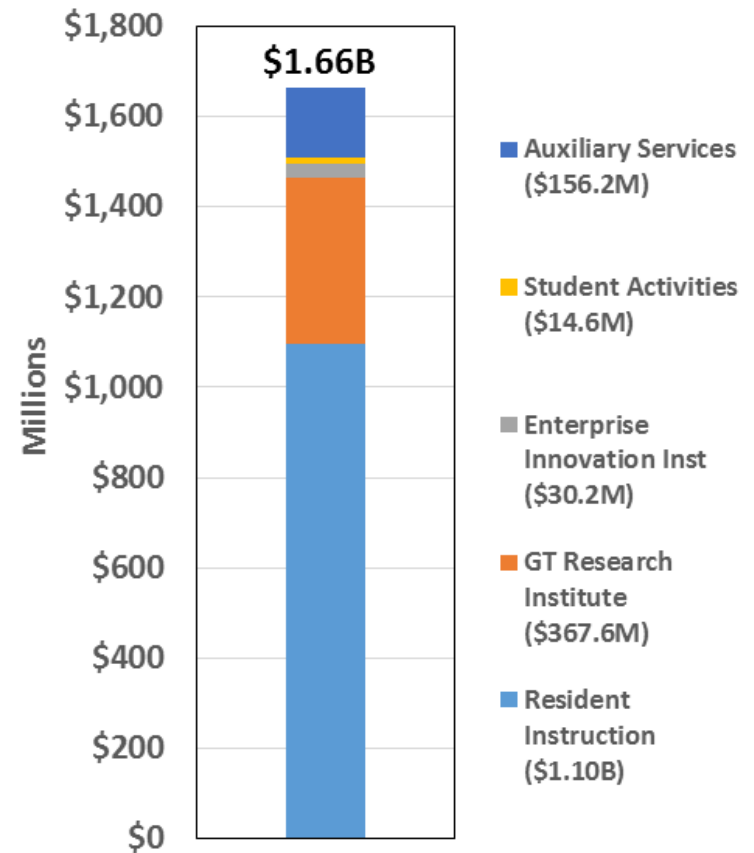
FISCAL 2018 BUDGET UPDATE – CURRENT BUDGET FUNDING SOURCES



Building Blocks of Georgia Tech's FY17 Total Budget by Source



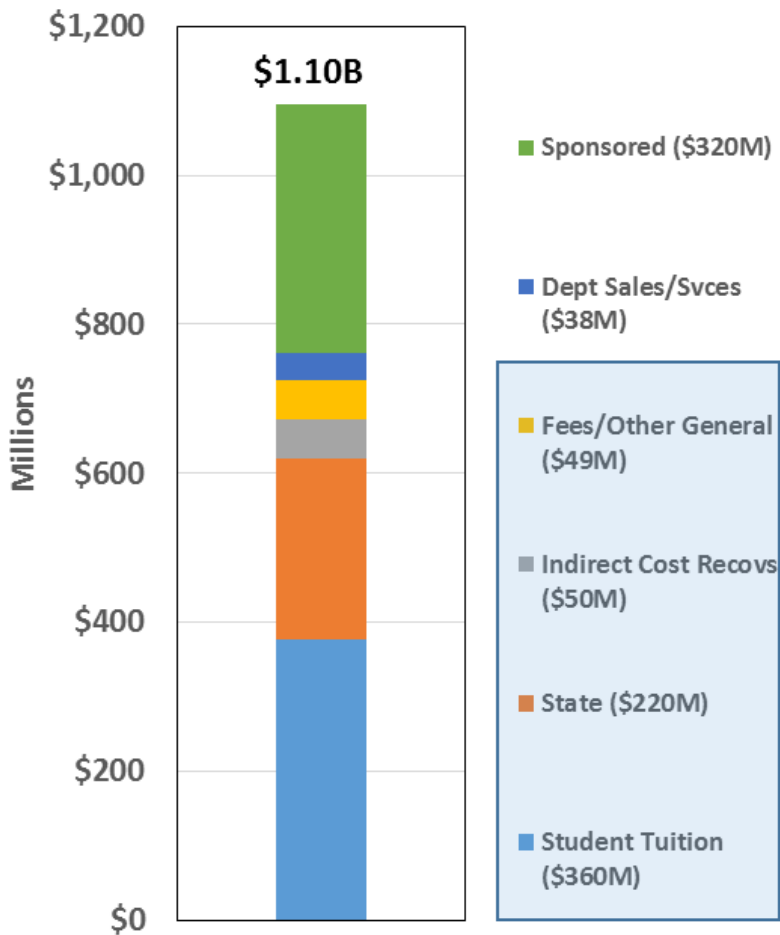
Building Blocks of Georgia Tech's FY17 Total Budget by Major Unit



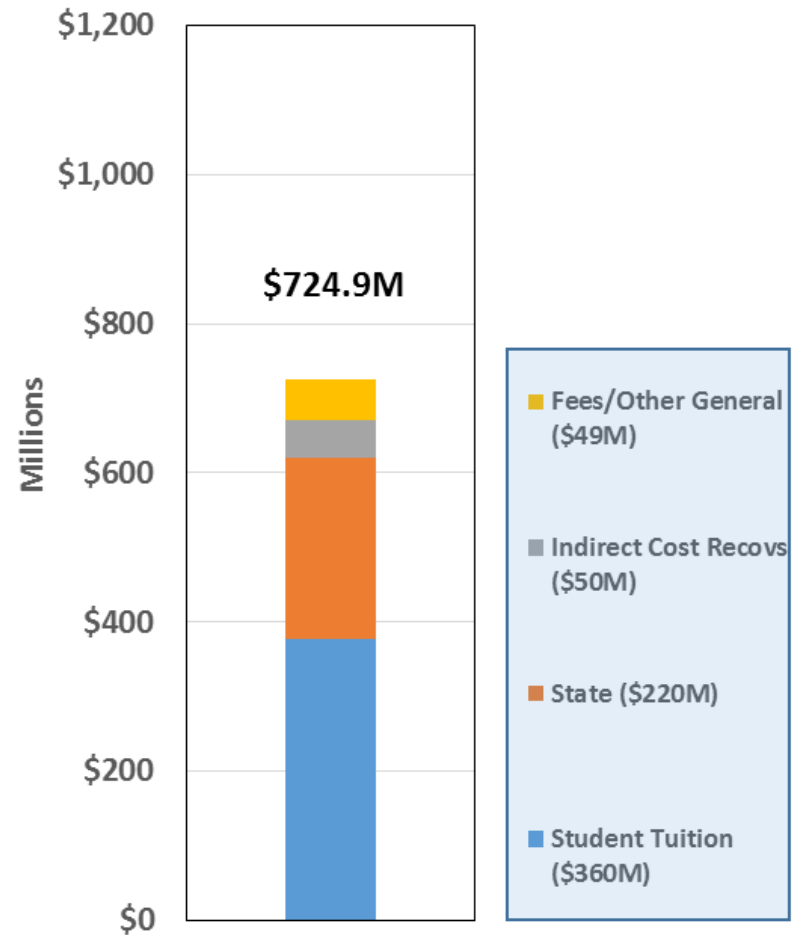
FISCAL 2018 BUDGET UPDATE – CURRENT BUDGET FUNDING SOURCES



**Building Blocks of Georgia Tech's
FY17 Resident Instruction Budget**



**Building Blocks of Georgia Tech's
FY17 R.I. "Gen Ops" Budget**



FISCAL 2018 BUDGET UPDATE

TUITION AND FEES



Note: *tuition and fees subject to BOR approval in April*

- **Mandatory Fees** (*GT recommendation*)
 - Increase in Student Health Fee by \$5 ~ \$160 to \$165
 - \$100 decrease in Special Institutional Fee – grad students
- **Elective Fees** (*GT recommendation*)
 - Housing: + 4%; family housing + 2%
 - Dining: + 3%
 - Parking: no change
- **Graduate Tuition: + 2 ½%**
 - Residents: \$6,726 to \$6,893
 - Non-residents: \$13,936 to \$14,284
 - Tuition differentials: no changes being considered by BOR
- **Undergraduate Tuition – modest increase likely**

FISCAL 2018 BUDGET UPDATE

LEGISLATIVE BUDGET STATUS



Appropriations bill approved by General Assembly; awaiting Governor's signature

- \$47M bonds approved for phase one of Price Gilbert/Crosland Tower Library Renewal Project
- Merit pay funded per Governor's recommendation @ 2% average
- \$50M bonds approved for Major Repair and Rehabilitation (MRR)
- New formula funding for system approved per BOR recommendation to Governor
 - University System earnings based on FY16 enrollment
 - GT enrollment share determined by BOR

GT Internal Process

- Division submissions to Executive Leadership Team (ELT) – February
 - Requests for expansion/enhancement funding – \$14.9M
 - Redirection proposals – 1% ~ \$3.7M & 3% ~ \$11M
- President’s meeting with Chancellor – 3/9
- Executive Leadership Team planning meetings w/ divisions 3/9 & 3/13
- Base budget “Form 1” issued – 1st week in March
- Preliminary/final merit pay forms (BUD707) issued – 3/16 & 4/10
- BOR meeting to approve allocations, tuition, fees – 4/18
- ELT allocation approvals for Original Budget – late April
- Unit Original Budget submissions via oneBudget – 4/26
- Institute Original Budget submission to BOR – 5/5

Institute Funding Priorities *after “Must Pay” Items Covered*

1. New faculty positions
2. Faculty support
3. Faculty and staff retention and correction of salary compression
4. Mental health programs – Student Life counseling
5. Student success and support initiatives
 - Undergraduate advising
 - Academic coaching
 - Technology needs

Preliminary Outlook – Revenue

- State funding
 - Modest new GT formula funding based on FY16 enrollment – **<3%**
 - Projected merit funding @ 75% of funding required for 2% raise
 - Fringe benefit increases projected @ 75% of requirements
 - Loss of \$1M from one-time state funding in FY17 for fringes
- Tuition
 - Minor enrollment increase and rate increases
 - No new revenue – further shift from resident (60%) to non-resident undergraduates (40%) – commitment to maintain current ratio
- Indirect cost recoveries – modest increases and uncertainty about future federal funding
- Recap – *new revenue as % of RI/Gen Ops budget = 3 ½% to 4%*

Preliminary Outlook – Spending

- Cost of “must pay” items exceeds projection of new revenue
- Selected mandatory funding items:
 - GT share of retirement and merit pay
 - Faculty and staff retention
 - Lease increases including CODA/Community center budget buildup
 - ERP/financial system
 - Cybersecurity requirements
 - State/federal compliance requirements
 - Faculty start-up
- **Conclusion** –redirection funding critical to generate funding for “new workload”

What We Know to Date

- Governor proposed 2% average merit pay increase for FY18
- General Assembly has accepted Governor's proposal to date
- BOR policy to be approved at April meeting
- Policy expected to be similar to *FY17 guidelines*
 - Raises solely on merit – no across the board increases
 - Range of raises specified (?)
 - Raises exceeding range must be approved by BOR
 - Raises from non-state funding sources governed by same rules as for state-funded positions

Georgia Tech Guidelines Expected

- To be issued after BOR rules known
- Range to be strictly enforced; approval process for exceptions
- Appropriate funding sources must be applied
- Minimum percentage of employees with zero or minimal pay increases – TBD
- Compliance requirements – including, but not limited to, performance evaluations, certifications including ethical standards, conflict of interest, cyber security standard, sexual violence prevention
- Final approval and communication of raises by OHR

FISCAL 2018 MERIT PAY PROCESS



Preliminary budget and merit pay schedule

1. Preliminary salary forms (BUD707) to units – March 13th
2. Final BUD 707's to units April 10th
3. BOR final salary guidelines – April 18th at the *latest*
4. GT final salary guidelines to the campus following #2
5. Budget due date with salaries from units – April 26th
6. Salary file to OHR first week in May (BOR budget due date May 5th)
7. OHR vetting of salaries and compliance following receipt of file
8. ELT review of pay raises for their respective direct report units
9. OHR passes back final salary file to be loaded into budget system
10. Salaries loaded into payroll