ADMINISTRATION AND FINANCE SPEAKS

NOVEMBER 30, 2018

BUDGET UPDATE:
• FISCAL 2019 STATUS
• FISCAL 2020 OUTLOOK
• EMPLOYEE PAY PACKAGE

Jim Kirk, GT Budget Office
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• $51 million increase in formula funding for USG
• 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) – $60.0 million for physical plant renewal & preventive/deferred maintenance
• Capital projects - bond funding:
  • $30.6 million – Price Gilbert/Crosland Tower Library renovation
  • $5.0 million equipment for Georgia Advanced Biomanufacturing Center
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 approved
• Fees:
  • Mandatory Student Health Fee increase – $3 or 1.8%
  • Selected “elected fee” increases permitted
• Merit pay policy issued by Chancellor
  • Institutional funded increases permitted – effective 1/1/2019
  • Permission to create up to a 2% self-funded pool
  • Presidents may narrow the range
  • Solely awarded on basis of merit – no across-the-board increases
  • Range of 0-4%; no exceptions for raises > 4%
  • Raises covered by appropriate funding sources
GT FY19 BUDGET – REVENUE BY MAJOR UNIT

Revenue by Major Unit
Fiscal Years 2018-19 Original Budget ($M)

- Student Activities
- Enterprise Innovation Institute (EI2)
- Auxiliary Enterprises
- Georgia Tech Research Institute (GTRI)
- Resident Instruction (RI)

Fiscal 2018: $1,158.6
Fiscal 2019: $1,211.8
Total FY19 Budget: $1.84B
## Georgia Tech Revenue Budget Summary

**Original Budget Fiscal Year 2019**  
(millions of dollars)

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>State</th>
<th>Other General</th>
<th>Subtotal - General</th>
<th>Dept Sales &amp; Svc</th>
<th>Sponsored</th>
<th>Auxiliary &amp; Stdnt Acts</th>
<th>Total</th>
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<tbody>
<tr>
<td>Resident Instruction</td>
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<td>$619.1</td>
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<td>Auxiliary &amp; Student Activities</td>
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<td>183.1</td>
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<tr>
<td>TOTAL BUDGET</td>
<td>$318.4</td>
<td>$655.0</td>
<td>$973.4</td>
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<td>$619.1</td>
<td>$183.1</td>
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</tbody>
</table>

### 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
MERIT & OTHER SALARY ADJUSTMENTS – 4 PHASES

• **Phase I**: Faculty Promotion and Tenure Increases
  • 6% increases – in Original Budget

• **Phase II**: Campus Minimum
  • Effective November: 11/16/2018 for biweekly, 11/01/2018 for monthly
  • GT Campus Minimum: 3.6% increase from current $11.88 to $12.31/hour
  • Impact to grades A1 – A4, C1 – C5, & S1 – S2
  • Approximately 150 employees

• **Phase III**: Salary Structure
  • Ranges adjusted to stay competitive in labor market
  • Each range increasing based on the specific market – between 1.5% and 8.0% – average range minimum increase by 3.9%

• **Phase IV**: Merit Increases – Limited Program for Eligible Employees
• Limit on scope of merit increases based on funding availability:
  • Tuition limits – 3 years in a row
  • Limitation on resident/non-resident undergraduate mix of 60/40
  • Extensive spending requirements
• Central allocations only for Resident Instruction/General Operations funded employees for all phases of increases
• Merit and other guidelines applicable regardless of funding source
• Non-RI/Gen Ops employees’ increases funded through respective sources:
  • Auxiliary
  • Sponsored
  • GTRI and EI2
  • Athletics
  • Alumni Association
  • GT Foundation
HR Considerations:

- **Timing:**
  - Monthly employees: 1/1/2019 and paid 1/31/2019
  - Bi-weekly employees: 12/20/2018 and paid 1/11/2019
- Employee pay held to fiscal year increase limits established by Board of Regents – maximum 13.9% for FY19
- Merit computed on basis of salary following Phases I, II, III
- Eligible employee on a temporary or interim pay eligible to be considered for merit adjustment; based on pay prior to temporary or interim increase
- Merit increases limited to the maximum of the employee’s grade
- Other HR considerations – HR FAQ on merit program – [https://ohr.gatech.edu/managers-frequently-answered-hr-questions#node-1242](https://ohr.gatech.edu/managers-frequently-answered-hr-questions#node-1242)
• Contractors, students, temporary employees, including Retired-but-Working

• Employees earning a full-time salary of more than $150,000, or the equivalent part-time rate

• Employees at or above the pay range maximum of their associated grade

• Employees within probationary periods, who were hired on or after 1/1/2018

• Employees who have received a pay increase for a promotion or position reclassification since July 1, 2018

• Employees who have not completed the 2018 training and certifications for the following: Ethical Standards, Conflict of Interest, and Cyber Security Standards.
1. Faculty promotions – in Original Budget

2. November 1\textsuperscript{st} OHR actions completed on Phases II and III – campus minimum and grade increases

3. Budget Office load of salaries into oneBudget merit tool and tool opened in oneBudget

4. Merit tool – similar to Original Budget and budget amendments:
   - Tool linked to HR data
   - 11/27/2018 Webinar held on use of merit tool – recorded and posted
   - Opened to campus until December 10\textsuperscript{th}

5. Merit funding allocations issued at division level

6. GTHR and Budget Office review of submissions:
   - Budget Office – total merit increases within pool and meet dollar guidelines
   - GTHR and President’s Office – final approval of rates

7. GTHR – approved submissions loaded into HR system

8. Budget Office – RI/Gen Ops allocations in February BA
   - One-half year allocations, with balance in FY20 Original Budget
Links to More Information

- Webinar on Merit Increase Tool (11/27/2018 – GT log-in req’d.)
- FY 2019 President’s Letter on Salary/Merit Increases (Revised - 10/25/2018)
- FY 2019 Salary Adjustment Guidelines (Revised - 10/25/2018)
- Salary Grade Range Structure Changes FAQs
- Merit Increase FAQs

QUESTIONS?