

ADMINISTRATION AND FINANCE SPEAKS

NOVEMBER 30, 2018

BUDGET UPDATE:

- FISCAL 2019 STATUS
- FISCAL 2020 OUTLOOK
- EMPLOYEE PAY PACKAGE

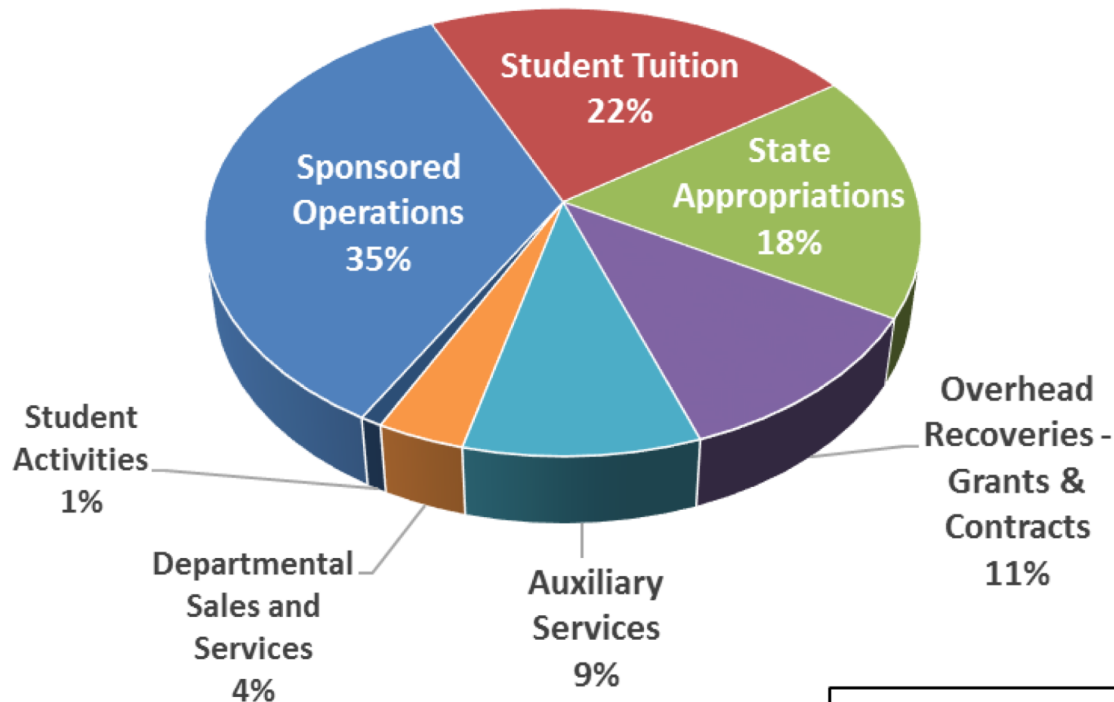
CREATING THE NEXT®

Jim Kirk, GT Budget Office
jkirk@gatech.edu

- \$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

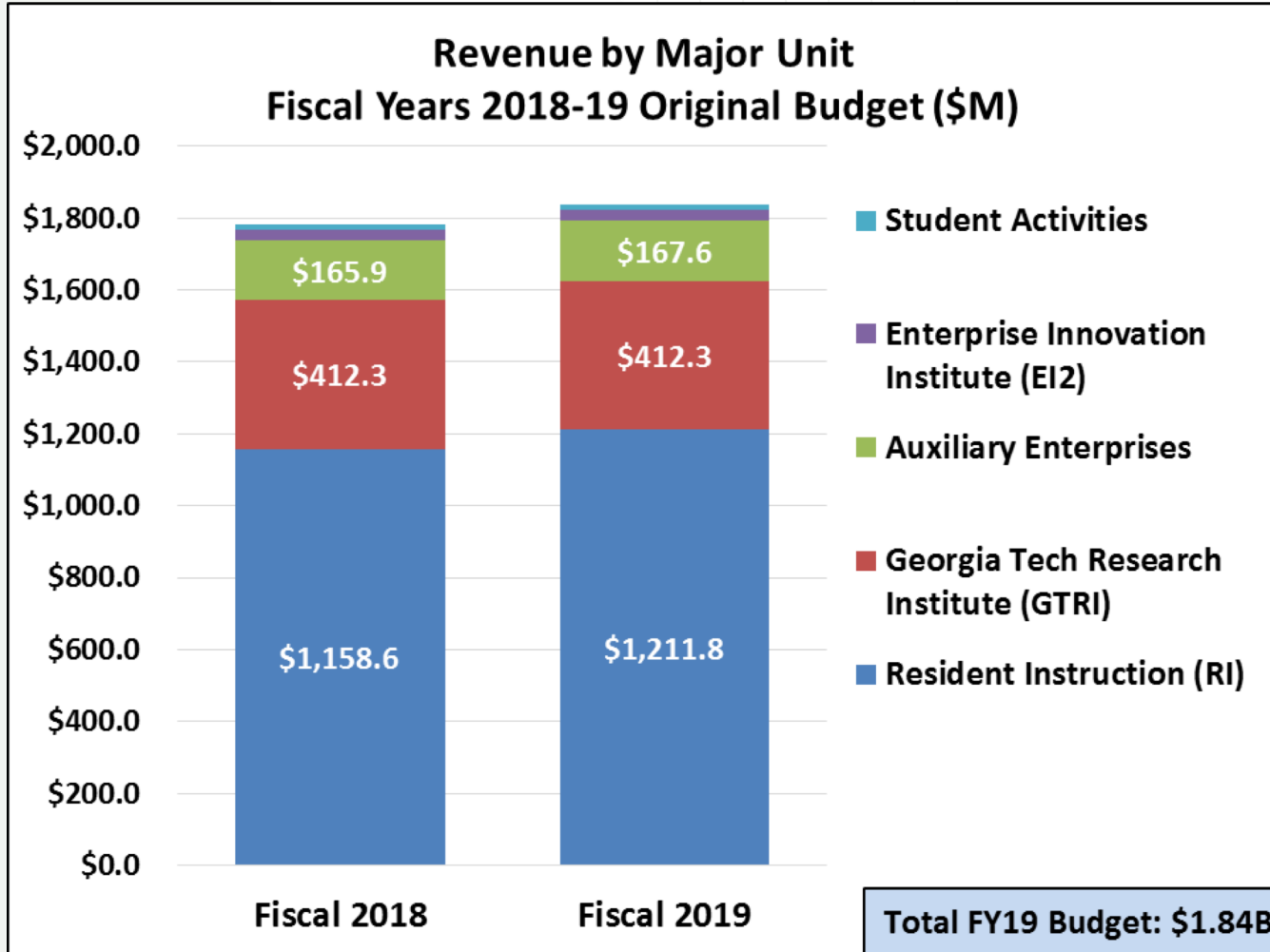
- Allocations above current state RI/Gen Ops total of \$266M:
 - GT full funding of enrollment-based formula: \$20M or 1/3 of USG total
 - TRS funding for rate increase: \$7M or 75% of GT cost
- Tuition: no increases approved
- Fees:
 - Mandatory Student Health Fee increase – \$3 or 1.8%
 - Selected “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

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

- **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-asked-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 1st 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 10th
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)
- ✓ [FY 2019 University System of Georgia Merit Pay Guidelines](#) (4/18/2018)
- ✓ [Salary Grade Range Structure Changes FAQs](#)
- ✓ [Merit Increase FAQs](#)

QUESTIONS?