

## MEMORANDUM

To: President's Cabinet, Deans, Vice Provosts, and Vice Presidents

From: Jamie Fernandes, Interim Vice President for Finance and Planning  
and Chief Financial Officer

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Subject: FY2026 Budget Development Process

Date: November 8, 2024

CC: College Finance Officers and Budget Contacts

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I want to thank you all for your efforts to implement the new workload that was distributed as part of the FY2025 budget process. We began the fiscal year in July, and we have already seen positive investments in initiatives that reflect our institutional values and support growth on campus this fall. In the FY2025 budget cycle we prioritized \$60.5M of allocable revenue to enable us to continue to advance our instructional, research, and service missions with prioritization given to four priority areas: people and growth, students, infrastructure, and compliance. With support from the state, we were able to provide our faculty and staff with a 4% up to \$3,000 cost of living adjustment (COLA) for FY2025 in addition to \$39 million to support people and growth, \$5.2M to support students, \$8.3M to support infrastructure and \$8M to support compliance.

For FY2026 the University System of Georgia (USG) total credit hours generated by institutions increased 3.7%, and we are optimistic that Georgia Tech's increase in credit hours from FY2023 to FY2024 will lead to new state appropriations in FY2026. As a result, we are soliciting new funding requests at the division or college level.

The Governor's Office will release the FY2026 budget recommendation in January; however, the Board of Regents (BOR) has submitted a request for increased funds in accordance with the funding formula related to increased student credit hours, square footage of campus facilities, and employee benefits.

The FY2026 BOR request includes the following major components:

- Funding for the FY2026 enrollment-based formula of \$167.83 million.
- 8.77 million total credit hours were generated by USG institutions in FY2024 and included in the formula.
- 1,048,722.5 credit hours were generated by Georgia Tech in FY2024.
- The BOR will determine how additional revenue will be allocated to the individual institutions and balance the needs of the 26 institutions.

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<b>FY2026 USG Budget Request</b>	
State Funding Base	\$3,389,252,304
Enrollment Growth	167,834,700
Workload Adjustment*	17,750,865
Maintenance and Operations**	1,697,269
Health Insurance Benefits	19,374,110
Teachers Retirement System (TRS) Rate Change***	11,004,003
<b>Total Request</b>	<b>\$3,606,913,278</b>

\*Prior year COLA Adjustment Correction

\*\*Funds essential for plant operations such as utilities, custodial services, building and maintenance, and other related operating expenditures

\*\*\*In May 2024, the TRS Board of Trustees approved an increase to the employer contribution rate from 20.78% to 21.91%, effective July 1, 2025

<b>USG Enrollment Growth Total Credit Hour Comparison from FY2023 to FY2024* across USG Institutions</b>	
Overall USG	3.7% or 313,387 credit hour increase
Undergraduate USG	2.99 % or 206,331 credit hour increase
Graduate USG	6.85 % or 107,057 credit hour increase
State Colleges	4.14 % increase
Comprehensive Universities	3.99 % increase
State Universities	3.58 % increase
Research Institutions	3.49 % increase

\*USG formula funding is 2 years in arrears

<b>Georgia Tech Enrollment Growth Total Credit Hour Comparison from FY2023 to FY2024* across USG Institutions</b>	
Overall Georgia Tech	6.7% or 65,858 credit hour increase
Undergraduate Georgia Tech	5.99% increase
Graduate Georgia Tech	7.5% increase

\*USG formula funding is 2 years in arrears

This is the beginning of the budget process, and the requests above may change as the state budget cycle progresses. We will not know if merit or COLA will be included in the Governor’s FY2026 budget recommendation until January 2025. The final budget, including any merit or COLA adjustments, will be determined in April 2025. While the BOR’s request is encouraging, we must remain careful, deliberate, and prudent in our budget projections and planning.

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FY2026 Budget Cycle: Process Updates and Instructions and Key Dates

Budget Development Updates

- The Institute will begin using the Hybrid Allocation Model to calculate the distribution of allocable funds. For details on the model, please visit the Budget Reform [website](#) .
- We will continue to use the New Expense Request Form (NERF) for all new funding requests, including Georgia Tech Foundation (GTF) funding. **GTF requests will now be on the same timeline as other Resident Instruction funded items.** Please see the listing of key dates for details.

Budget Cycle: Campus Key Dates

October 14, 2024	Begin pre-planning discussions
November 12-13, 2024	NERF training. Users responsible for populating the NERF will receive calendar holds for training
November 18, 2024	FY2026 Budget Development Cycle launches for Resident Instruction and Georgia Tech Foundation via the NERF in the Fusion system
January 31, 2025	<b>ALL</b> NERF approvals and prioritizations are due from units to Executives and Deans, including GTF
March/April, 2025	FY2026 base budget (previously Form 1) distribution to campus units
April 1, 2025	oneBudget opens to campus
April 15, 2025	Detailed Original Budget submission due in oneBudget
May 2, 2025	Georgia Tech FY2026 Original Budget due to the USG

For a complete listing of all Budget Cycle key dates, including executive and Institute Budget Planning & Administration dates and tasks, please visit the [Institute Budget and Planning website](#). To learn more about the budget development process, visit the [Budget Guidebook](#).

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