

Guidelines for Fiscal 2017 Budget Submissions
Priority-Based Budgeting

Executive Summary:

Over the next five years, incremental funding available to GT will not be adequate to cover research, instructional, public service, student services, facilities, and technology priorities. A revised budget process for Fiscal 2017 will:

- Link program planning and resource allocation, with a focus on the Georgia Tech Strategic Plan
- Target new funding *and funding in current budgets* to support new and expanded program priorities.

Summary Problem Statement:

- Anticipated state resource challenges – With the apparent continuation of the enrollment-based USG state funding formula, Georgia Tech is impacted by other system schools' enrollment declines. In Fiscal 2016, the BOR reduced the Institute's formula funding substantially to accommodate system-wide enrollment declines. The anticipated state funding level for Fiscal 2017 is uncertain.
- Expected controls on future tuition and fee increases – Georgia Tech has learned that BOR approval of continued tuition increases to bring the Institute closer to its peers will not likely continue and that future tuition increases may be minimal.
- Flat indirect cost recoveries – The indirect cost recoveries for Resident Instruction (NOT GTRI) have been flat or decreasing over the past two years, and this trend will likely continue into Fiscal 2017 due to Federal Government budget constraints.
- Great demands but limited resource growth potential – The demands for expanded funding for new faculty and even resources to cover the Institute's "must pay" items far exceed the supply of resources.

Summary of Revised Process Requirements:

- Required identification of 1% and 3% "Program Reduction Proposals" (one for each level)
- More in-depth justification of new program initiatives or expansion via the "New Program or Program Expansion" form

Preliminary Calendar for Fiscal 2017:

- Preliminary Submission to Executive Vice President: *> Late Jan. to early Feb.*
 - Program Increase Proposals
 - Program Reduction Proposals @ 1% & 3% levels
- Planning Meetings with Executive VPs on Submissions *> Mid-February*
- Submission of Final Program Increase & Reduction Proposals* *> Mid-March*
- Executive Leadership Team Review of Proposals – All Divisions *> Late March*
- BOR Approval of Tuition, Fees, and Formula Allocations *> Mid-April*
- ELT Preliminary Budget Allocation Decisions for Original Budget *> Late April*
- GT Submission of Original Budget *> Early May*
- ELT Determination of Additional Budget Allocations *> June – September*

* **NOTE:** “Program Increase Proposals” submitted for major initiatives; all requests to be summarized on Form 2’s previously used in budget process

**Attachment to Budget Submission Process Guidelines
Instructions for Preliminary Forms**

Fiscal 2017 Program Increase Proposal

- Focus on new program initiatives and major expansions of existing efforts
- Pay adjustment and retention issues not addressed in this process, but separately with each Executive Vice-President
- To be submitted by deans and other division heads
- Proposal narrative to include:
 - a) The expected results/benefits from initiative, including appropriate metrics to describe impact of initiative
 - b) How the program will link to current programs in place
 - c) Criteria for evaluating the success of initiative
 - d) Description of other resources to be applied to the program (included in budget)
 - e) Consequences if the program is NOT approved.
- Proposed budget:
 - By major expenditure area and by recurring versus one-time/start-up costs
 - Fiscal 2017 projection plus two out-years
 - Identification of division resources to be applied to the effort
 - Personal services detail by position proposed

Fiscal 2017 Program Reduction Proposals (@ 1% and 3% levels)

- Two separate proposed reduction impact statements at the 1% and 3% levels
- All actions to be prioritized by the most likely to least likely action to be applied (1 = most likely; no “ties” – i.e. three number 1’s)
- Reduction target computed on the basis of the Fiscal 2016 Original Budget, with *no exclusions to the base*
- First section describes reduction actions that would be taken and the following section, the impacts of each action
- Optional listing of the impact of each reduction measure on performance measures such as enrollment

Additional Forms (previously used):

- Form 1 – specify base budgets for units (issued by Budget Office in early March)

- Form 2 – final summary of all unit requests, including those presented in Program Increase Proposals, and also authorized by Executive Vice-Presidents