

MEMORANDUM

To: President's Cabinet, Deans, Vice Provosts, Associate Deans,
School Chairs, and Major Unit Heads

From: Kelly L. Fox, Executive Vice President for Administration and Finance

Subject: FY2022 Budget Development Process 

Date: October 6, 2021

What a year it has been! I want to thank you all for your efforts to implement the \$24.2 million in new workload that was distributed as part of the FY2022 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 the Institute Strategic Plan.

Georgia Tech continues to be a strong institution as demonstrated by our talented and diverse students and growing enrollment. While it is too soon to know the Governor's budget recommendation we are optimistic that our increase in credit hours qualifies us to receive new state appropriations in FY2023.

The Governor will release his budget recommendation for the FY2023 budget in January; however, the Board of Regents (BOR) approved the FY2023 Operating and Capital Budget request at their August board meeting. The BOR request includes:

- Funding for the FY2023 enrollment-based formula of \$99.4 million;
 - Note: Georgia Tech continues to be a substantial contributor to the formula funding generated by the system. The Board of Regents (BOR) will determine how these funds are allocated to the individual institutions.
- \$460.6 thousand for maintenance and operations;
- Adjustments to the employer portion of the health insurance costs; and,
- FY2023 General Obligation bonds for \$30.6 million to support the expansion of Tech Square – Phase 3.

This is the beginning of the budget process and the request above is subject to change throughout the state budget cycle. We will not know if merit is included in the Governor's FY2023 budget recommendation until January. The budget, along with merit (if applicable) will not be final until April. The BOR's request demonstrates support of higher education in Georgia; however, we must continue to be thoughtful, strategic, and conservative in our budget projections and planning.

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Budget Reform

Last October we began conversations around reforming the budget process with the goal to use the budget as a tool to reward performance, innovation, and revenue generation as well as foster trust.

This is a multi-year project with changes to the budget process to begin with the FY2023 budget development cycle. As a result, our budget development cycle will begin sooner than in years past.

The budget development process will continue to evolve in FY2022 and FY2023, with the expected go-live of a new budget model effective July 1, 2022. In addition to the model, we are working on tools to help with reporting and budget planning along with developing a governance structure that will be on-going to support our new budget process. We are currently in phase two of our budget reform efforts and we are grateful to have the support of many campus leaders including those serving on our five working groups. The working groups are currently seeking answers to questions of how the budget model will handle tuition allocations and incentives, research and indirect cost recoveries, allocated costs, diversity, equity and inclusion, and institute carry forward.

We will continue to engage the community and provide updates on the budget reform and budget development process as we continue through the rest of FY2022 and the FY2023 budget development cycle. Please visit the Budget Reform website ([link](#)) for more information on the Budget Reform project. Log in at the top right of the screen with your Georgia Tech credentials for additional information including the scope and membership of the working groups.

FY2023 Budget Cycle

Now is the time to begin our FY2023 budget planning. Below is a list of key dates for the FY2023 budget development process:

- October/November 2021- Units complete Form 2 and business justifications
- November 5, 2021 – Form 2 submissions due to the Budget Office; the budget office will consolidate the Form 2s and submit to the Executive Leaders
- Early January 2022 – Governor releases Amended FY2022 and FY2023 budget recommendations
- February 2022 – Prioritized Form 2s due from the Executive Leadership Team to the Budget Office
- March/April 2022 - Completion of Annual Appropriations Act by General Assembly
- March/April 2022 - FY2023 Form 1s (allocation sheets) distributed to campus units

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- April 12th - BOR approval of formula allocations, tuition and fee rates, and merit policy (if applicable)
- Mid-Late April 2022 – Detailed original budget submissions due in oneBudget
- May 2, 2022 – The Georgia Tech FY2023 Original Budget is due to the USG

The new Form 2, which includes a business justification for each new initiative, can be found on the Budget Development website ([link](#)) along with training opportunities and the portal to upload the completed Form 2 by November 5th.

Concurrent to this process, leaders representing the 6 Institute Goals and 20 Strategic Initiatives of the Institute Strategic Plan ([link](#)) will complete a similar process, however the forms are slightly different. The budget request related to these 20 Initiatives should not be duplicated on these forms or submission.

I look forward to continued engagement on the FY2023 budget development process and budget reform project. Thank you for your continued support as we work to create a budget model that reflects and aligns our values to the Institute Strategic Plan.

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