

MEMORANDUM

To: President’s Cabinet, Deans, Vice Provosts, and Vice Presidents
From: Jim Fortner, Vice President for Finance and Planning ^{DS}
Subject: FY2024 Budget Development Process
Date: October 3, 2022
CC: College Finance Officers and Budget Contacts

I want to thank you all for your efforts to implement the new workload that was distributed as part of the FY2023 budget process. We began the fiscal year in July, and we have already seen positive investments in initiatives that reflect our institutional values and advance 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 FY2024, and as a result, are soliciting for new funding requests from the units.

The Governor’s Office will release the FY2024 budget recommendation in January; however, the Board of Regents (BOR) approved the FY2024 Operating and Capital Budget request at their September board meeting. The FY2024 budget request instructions from the Governor’s Office of Planning and Budget called for agency budget request submissions equivalent to FY2023 budget levels. The BOR was permitted to request increased funds for the funding formula for workload increases related to increased student credit hours, square footage of campus facilities, and employee benefits. The FY2024 BOR request includes:

- Funding for the FY2024 enrollment-based formula of \$7.57 million;
 - Total credit hours generated by the institutions of the University System of Georgia (USG) and included in the funding formula were 8.53 million in FY2022, which represents a decrease of 2.3%, or 196,764 credit hours when compared to FY2021. While overall credit hours declined across all sectors, the mix of undergraduate and graduate credit hours had diverging trends. Undergraduate credit hours declined by 256,524, or -3.6%. Graduate credit hours increased by

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59,760, or 4%. Graduate credit hours generate higher state funding amounts within the funding formula. Because of these net changes in undergraduate and graduate credit hours, an additional \$7.57 million in state funds is generated in the FY2024 funding formula

- Georgia Tech generated 946,366 credit hours in FY2022, which represents an increase of 4.8%, or 43,687 credit hours when compared to FY2021. We saw increases in both Undergraduate and Graduate credit hours by 0.8% and 9.5%, respectively
 - The BOR will determine how additional revenue will be allocated to the individual institutions and balance the needs of the 26 institutions
- \$2.3 million for maintenance and operations; and,
 - \$17.1 million for the employer portion of the health insurance costs and new retirees.

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 FY2024 budget recommendation until January. The budget, along with merit (if applicable) will not be final until April 2023. The BOR’s request demonstrates support of higher education in Georgia; however, given the enrollment challenges described above at the system level, we must continue to be thoughtful, strategic, and conservative in our budget projections and planning.

Budget Reform Updates

We concluded our first full year of Budget Reform on June 30, and I am amazed by all that we accomplished in our first year. Some highlights include:

- Developing the first iteration of our new budget model, which will be reviewed and refined across the next three fiscal years before fully going live in FY2026;
- Convening five working groups to make recommendations on some of the most complex and consequential elements of the new budget model. The working group recommendations will be implemented across the next three years;
- Instituting a new carryforward management policy and reporting process, showing promising signs of adoption;

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- Re-envisioning our budget development timeline to allow more time for strategic planning conversations and to align the GT Foundation budget development timeline with the Institute’s timeline;
- Launching a long-term governance model to oversee the implementation and operation of Budget Reform initiatives; and,
- Engaging with over 300 Georgia Tech faculty and staff through town halls, newsletters, project governance forums, and one-on-one meetings to share updates on Budget Reform and hear feedback and recommendations.

I am grateful to each of you for your engagement in this effort. As we continue into year two of our five-year Budget Reform roadmap, we will continue to engage the community and provide updates on the new budget model and budget development process changes. Please visit the Budget Reform website ([link](#)) for more information.

FY2024 Budget Cycle: Process Updates

We will formally commence our FY2024 budget planning cycle on Monday, October 3. This year, we will pilot a new **budget development template** for colleges. The budget development template is an Excel-based tool to help units understand and manage their budgets. We are rolling this out to the **colleges only** this year and plan to configure a similar tool in Workday Adaptive for all budget owners to use next fiscal year. Staggering the introduction of the new tool will allow the Budget Office to receive feedback and refine it before introducing it to all campus units.

For **colleges**, completing the budget development template is a required exercise for FY2024. This will replace the completion of the Form 2 in the colleges. **Non-college units** should complete the Form 2 this year, consistent with the FY2023 budget development process.

The budget development template for the colleges will be sent via email to each college leader. The FY2024 Form 2 for the non-college units can be found on the Budget Development website ([link](#)). Additional training resources to help users complete the template and Form 2 are also available on the Budget Development website ([link](#)).



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This year, we are asking *all* units to complete a budget narrative alongside their budget development template submission (colleges) or Form 2 (non-colleges). The template for the budget memorandum can be found on the Budget Development website ([link](#)).

FY2024 Budget Cycle: Key Dates

Below is a list of key dates for the FY2024 budget development process:

- October 3, 2022: Budget development template, FY2024 Form 2, and Budget Narrative template published to budget development website
- October 5, 2022: Budget development template training workshop (colleges only)
- October-November 2022: Units complete budget development template (colleges), FY2024 Form 2 (non-colleges), and budget narratives (all)
- December 2, 2022: Budget packages due to the Budget Office. The Budget Office will consolidate and submit to Executive Leadership
 - College budget package: completed budget development template + budget narrative
 - Non-college budget package: completed Form 2 + budget narrative
- Early January 2023: Governor releases Amended FY2023 and FY2024 budget recommendations
- February 2023: Prioritized Form 2s due from Executive Leadership Team to the Budget Office
- March/April 2023: Completion of Annual Appropriations Act by General Assembly
- March/April 2023: FY2024 Form 1 (allocation sheets) distributed to campus units
- April: BOR approval of formula allocations, tuition and fee rates, and merit policy (if applicable)
- Mid-Late April 2023: Detailed original budget submissions due in oneBudget
- May 2, 2023: The Georgia Tech FY2024 Original Budget due to the USG



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New Resource to Support Budget Development: the Georgia Tech Budget Guidebook

We are excited to announce the publication of the first annual **Georgia Tech Budget Guidebook**. This document is intended to serve as a comprehensive manual to assist Georgia Tech leaders, budget officers, and their teams in developing their operating budgets. The guidebook outlines both longstanding budget & planning policies as well as details on policies and processes that are changing through the Budget Reform initiative. It also includes contact information for policy owners who can be contacted with questions on budget policies and processes.

The Budget Guidebook can be accessed on the budget development website ([link](#)). This resource will be updated annually with new process and policy changes. We're eager to hear your feedback! Please share your feedback or questions about the guidebook with us at budget_reform@gatech.edu.

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