

Georgia Institute of Technology Fiscal 2022 Operating Budget Summary

Report Overview

This document summarizes Georgia Tech’s Fiscal 2022 operating budget. The figures in this document are based on the original budget as of July 1, 2021, which was the budget submitted and approved by the Board of Regents (BOR) of the University System of Georgia (USG). Excluded from this report are major capital projects and budgets of affiliate organizations such as the GT Foundation, GT Research Corporation, and GT Athletic Association.

Based on Generally Accepted Accounting Principles (GAAP), the Georgia Annual Appropriations Act, Georgia State Law, and BOR guidelines, Georgia Tech must separate its resources on a “fund accounting” basis. This dictates that certain revenues be segregated into separate funds for accountability purposes. Most of Georgia Tech’s core activities are budgeted in “Resident Instruction,” which includes not only instruction, but also, research, facilities, academic support, and student support functions. The six colleges and the interdisciplinary research institutes are budgeted in Resident Instruction (RI). In addition to RI there are separate funds for the following areas:

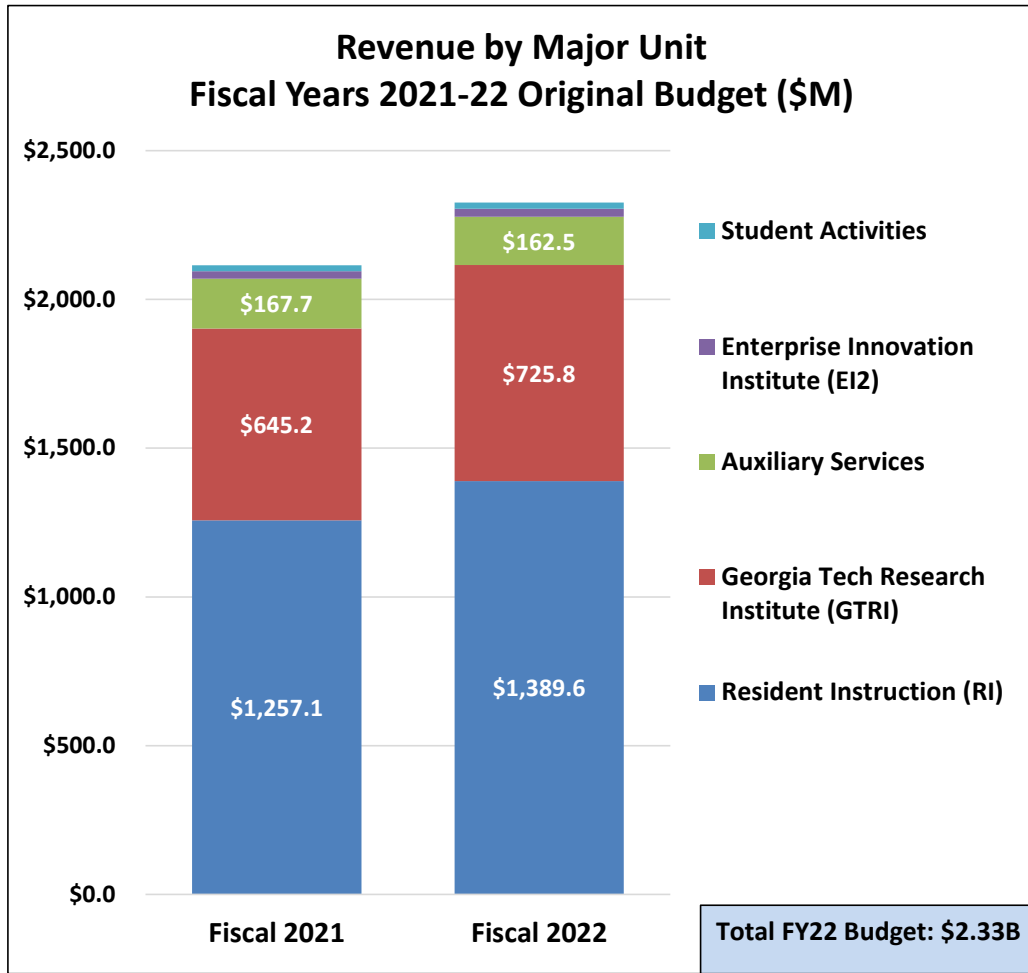
- Student activities –revenue from student fees
- Auxiliary services – funded by fees and other earmarked revenue from businesslike operations
- Georgia Tech Research Institute and Enterprise Innovation Institute (GTRI and EI2) – each with earmarked state funding and external sources. GTRI is Georgia Tech’s applied research arm, and EI2 its public service and economic development organization.

See *Appendix A* for expanded definitions of Georgia Tech’s major fund groups.

Total Institute Revenues

Georgia Tech’s Fiscal 2022 revenue operating budget, excluding affiliate organizations and major capital projects, totals \$2.33 billion, summarized below and on the next page **by major unit**:

Table 1		
Georgia Tech Revenue by Major Unit		
Fiscal 2021 and 2022 Original Budget (\$M)		
Revenue Source	Fiscal 2021	Fiscal 2022
Resident Instruction (RI)	1,257.1	1,389.6
Georgia Tech Research Institute (GTRI)	645.2	725.8
Auxiliary Services	167.7	162.5
Enterprise Innovation Institute (EI2)	24.5	26.8
Student Activities	20.6	20.6
Total Revenue Budget	2,115.0	2,325.3



The major **source of revenue** for Georgia Tech is sponsored funding from grants and contracts (38%), followed by tuition, and state appropriations, as summarized in *Table 2* and the accompanying chart. The Departmental Sales and Services (DSS) category represents revenue generated by departments for services provided to the public, corporations, and other Georgia Tech departments. DSS includes revenue from non-credit, professional education courses.

	Fiscal 2021		Fiscal 2022	
	Revenue (\$M)	Percentage	Revenue (\$M)	Percentage
Sponsored Operations	\$788.8	37%	\$891.0	38%
Student Tuition	392.8	19%	438.2	19%
State Appropriations	320.4	15%	375.6	16%
Overhead Recoveries - Grants & Contracts	291.3	14%	307.4	13%
Other Revenues	66.4	3%	77.5	3%
Departmental Sales and Services	67.1	3%	52.6	2%
Student Activities	20.6	1%	20.6	1%
Auxiliary Services	167.7	8%	162.5	7%
Total Georgia Tech Revenue	\$2,115.0	100%	\$2,325.3	100%

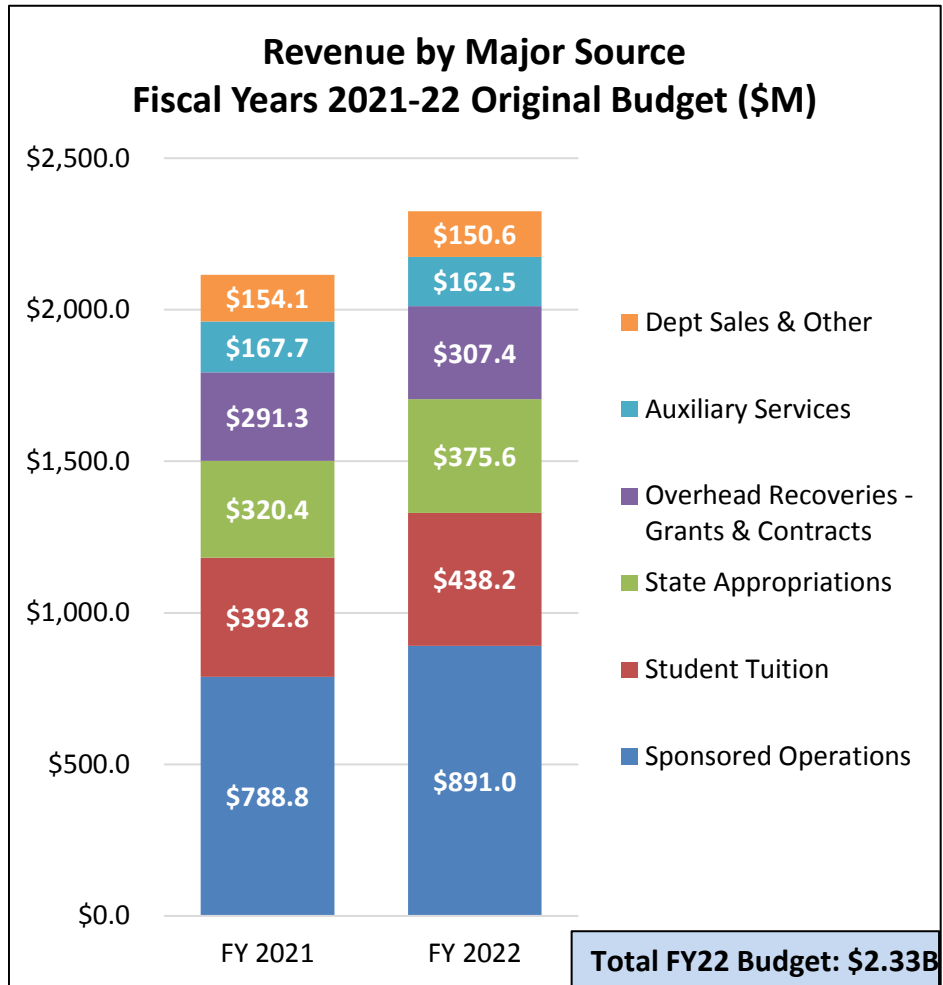


Table 3 below combines Tables 1 and 2, with major units in rows and funding sources in columns. The next section of this document focuses on the “Resident Instruction/General” total of \$935.5 million.

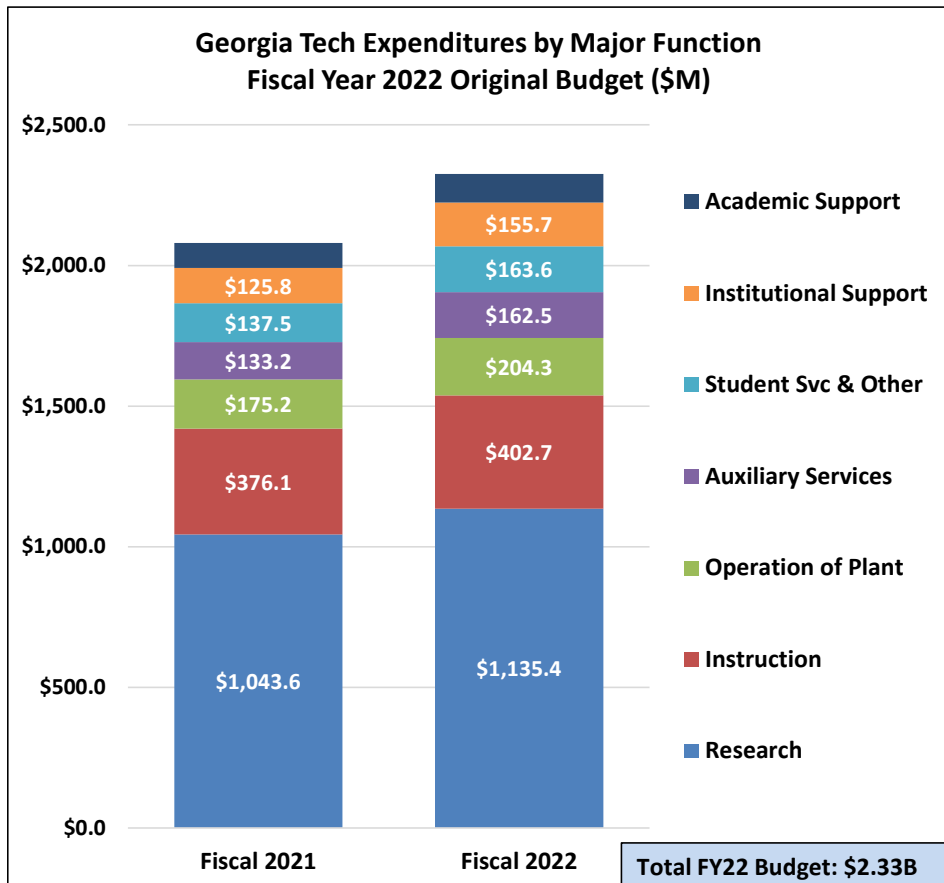
Table 3							
Georgia Tech Revenue Budget Summary							
Original Budget Fiscal Year 2022 (\$M)							
Major Program Area	State	Other General	Subtotal - General	Dept Sales & Svc	Sponsored	Auxiliary & Stdnt Acts	Total
Resident Instruction	\$358.4	\$577.1	\$935.5	\$40.0	\$414.1	\$ -	\$1,389.6
GT Research Institute (GTRI)	5.8	244.5	250.3	8.6	466.9	-	725.8
Enterprise Innov Institute	11.4	1.4	12.8	4.0	10.0	-	26.8
Total Education & General	\$375.6	\$823.0	\$1,198.6	\$52.6	\$891.0		\$2,142.2
Auxiliary & Student Activities						183.1	183.1
TOTAL BUDGET	\$375.6	\$823.0	\$1,198.6	\$52.6	\$891.0	\$183.1	\$2,325.3

NOTE: See Table 6 for a breakdown of the Resident Instruction/General total of \$935.5 million. Appendix B contains more detail of Institute revenue and expenditures.

Total Institute Expenditures

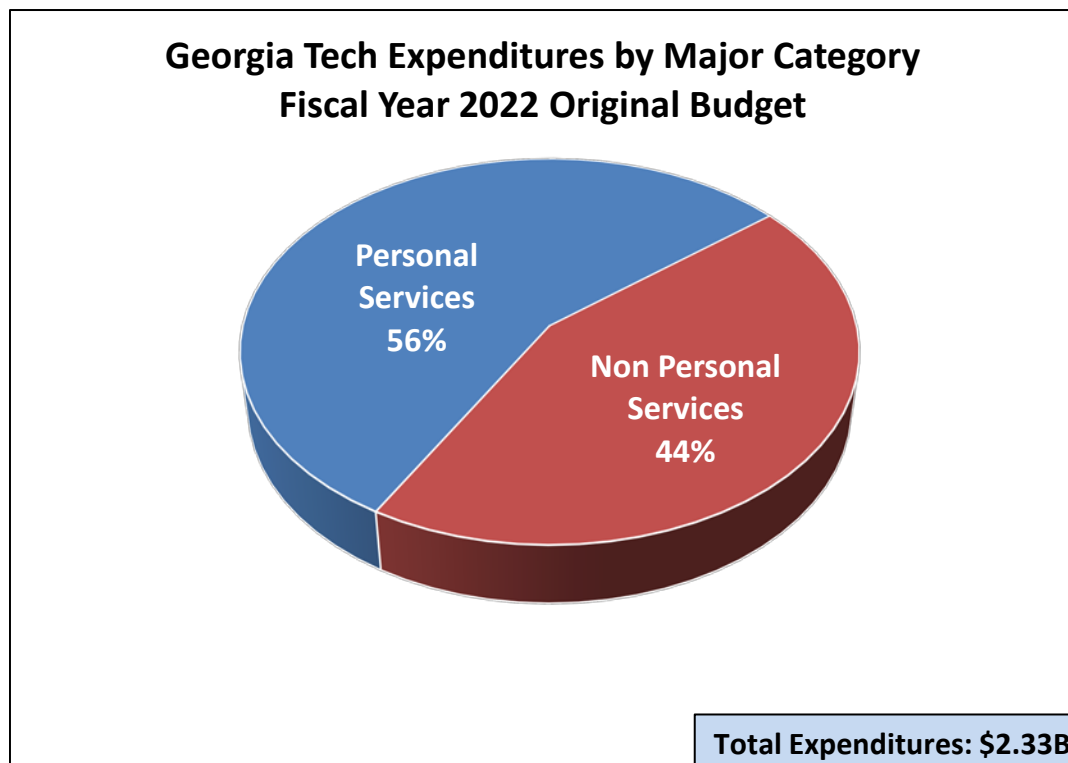
Georgia Tech’s expenditures are presented by the **functional categories** defined by the U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS), shown in *Table 4* and the accompanying chart. The expenditure budget is also broken down by **object of expenditure category** shown in Table 5 and the accompanying chart:

	Fiscal 2021		Fiscal 2022	
Academic Areas:				
Research	\$1,043.6	50%	\$ 1,135.41	49%
Instruction	376.1	18%	402.7	17%
Public Service	30.9	1%	43.1	2%
Academic Support	89.1	4%	101.1	4%
Scholarships & Fellowships	52.3	3%	60.6	3%
Subtotal - Academic Areas	\$1,591.9	77%	\$1,742.9	75%
Student and Campus Support Areas:				
Student Services	54.3	3%	59.9	3%
Institutional Support	125.8	6%	155.7	7%
Operation of Plant	175.2	8%	204.3	9%
Auxiliary Services	133.2	6%	162.5	7%
Subtotal - Support Areas	\$488.6	23%	\$582.5	25%
Total Expenditures	\$2,080.5	100%	\$2,325.3	100%



The expenditure budget is also broken down by **object of expenditure category** shown in Table 5 and the accompanying chart:

Table 5				
Georgia Tech Expenditures by Major Expenditure Category				
Fiscal 2021 and 2022 Original Budget (\$M)				
	Fiscal 2021		Fiscal 2022	
Personal Services	\$1,182.7	57%	\$1,298.8	56%
Non Personal Services	\$897.8	43%	\$1,026.6	44%
Total Expenditures	\$2,080.5	100%	\$2,325.3	100%



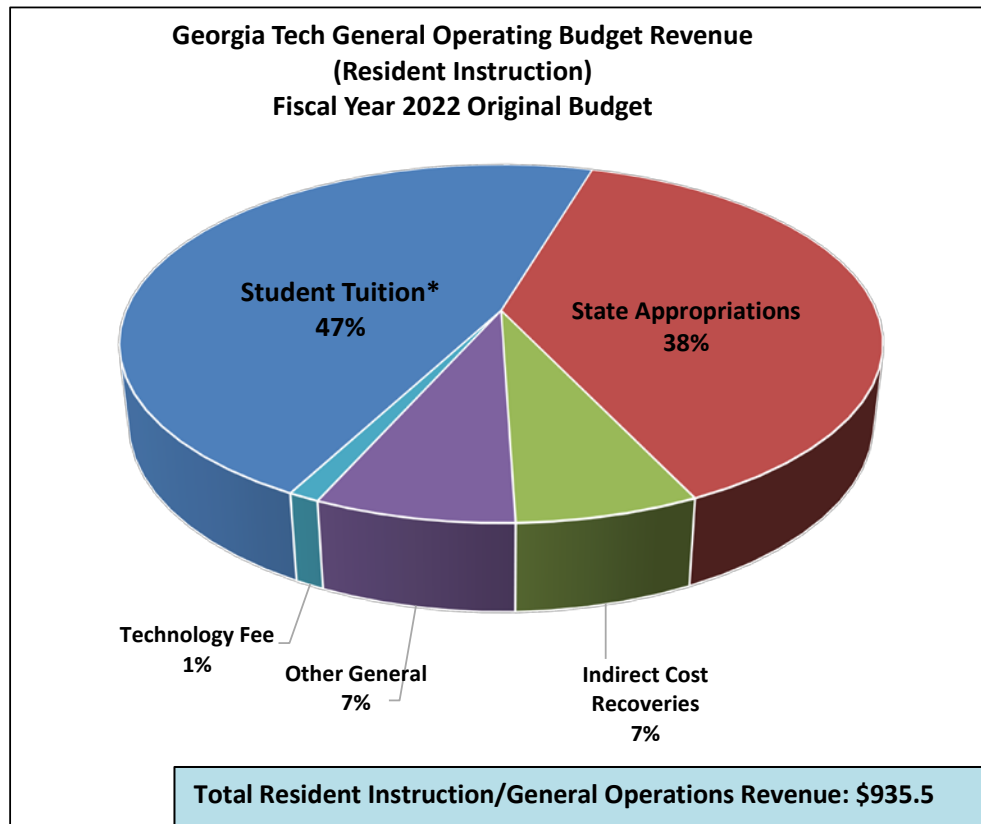
General Operating Budget Summary

General Operating Revenue

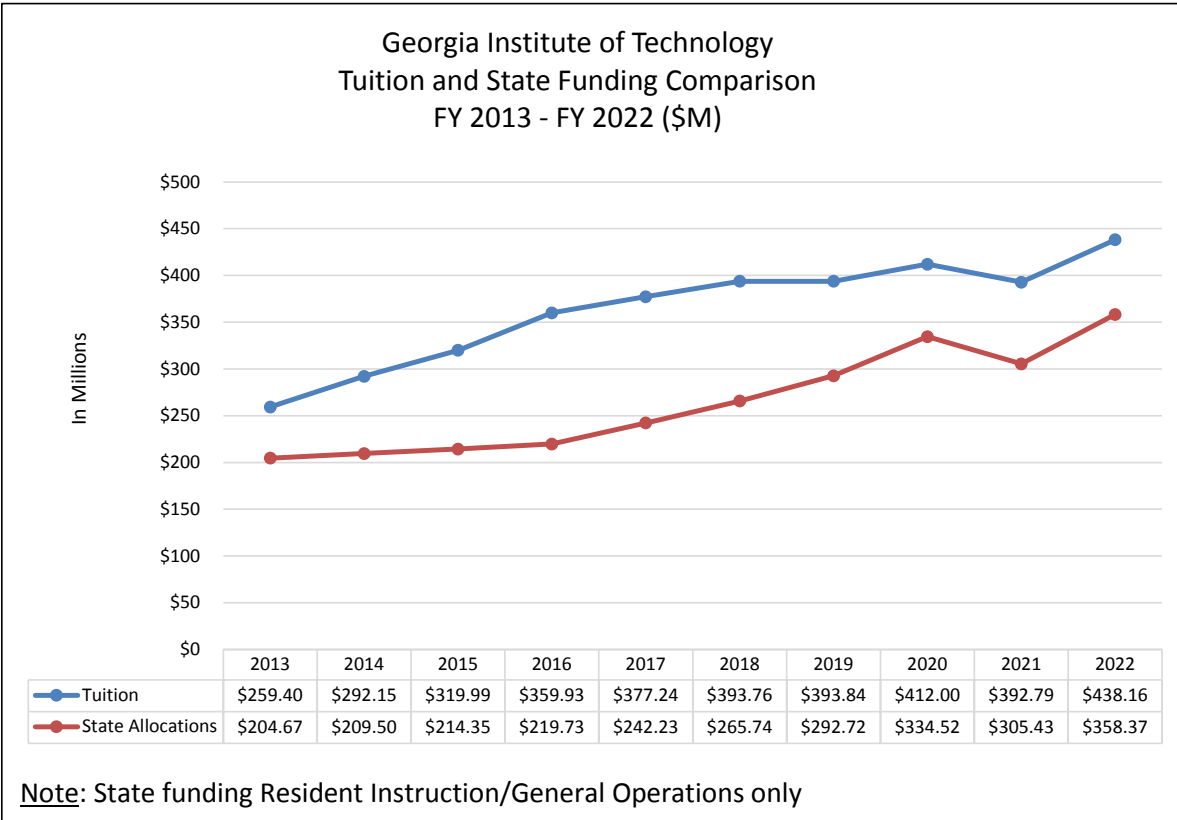
As explained on the first page, the state-designated term “Resident Instruction” applies to Georgia Tech’s core operations excluding GTRI, E12, Auxiliary Enterprises, and Student Activities. *The General Operating Budget is comprised of the portion of Resident Instruction **not** funded through sponsored and departmental sales (earned) funding.* The General Operating budget includes all colleges, interdisciplinary research organizations, facilities operations and maintenance, student support, and administrative support functions. The President has extensive discretion in allocating these funds, subject to state limitations, and this \$935.5M portion of the budget is the major focus of internal Institute budget planning. The General Operating Budget revenues and expenditures are summarized below in *Tables 6 and 7* and the accompanying charts. As shown, 85% of this portion of Georgia Tech’s budget is funded by student tuition and state appropriations.

Table 6		
Georgia Institute of Technology		
General Operating Budget (Resident Instruction)		
Fiscal 2022 Revenue Summary (\$M)		
	FY22 Original Budget(\$M)	% Distrib
Student Tuition*	\$438.2	47%
State Appropriations	358.4	38%
Indirect Cost Recoveries	61.5	7%
Other General	67.0	7%
Technology Fee	10.5	1%
Total General Operating Budget Revenue	\$935.5	100%

** Includes tuition paid by sponsors (\$32.1M), online masters (\$49.6M) and distance education tuition (\$6.0M). "General tuition" excluding these categories = \$350.5M, or 37% of general operating budget.*



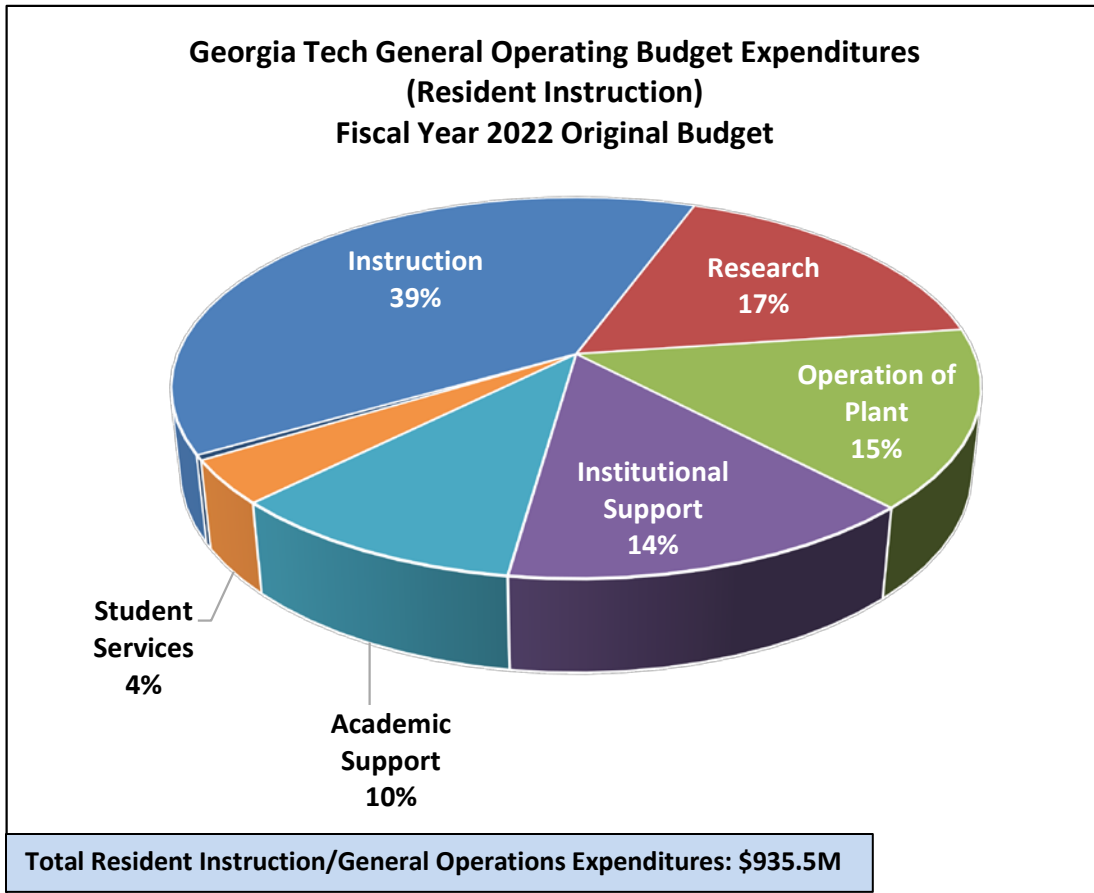
The portion of the General Operating budget funded by tuition in comparison to state funding has shifted greatly over the past ten years. The state funding exceeded tuition until Fiscal 2011, when the lines met for the first time, following three years of state budget reductions.



General Operating Expenditures

For the general operating budget, the principal expenditure category is instruction, following by research and plant operations. The plant operations funding supports all other functions, with the research program requiring high levels of square footage and utility costs. The plant operations program also includes the Institute’s lease costs supporting largely the instruction and research functions. Nearly all of the instructional portion of the General Operating budget is held by the six colleges, while research activities are split between the colleges and the interdisciplinary research institutes.

Table 7 Georgia Institute of Technology General Operating Budget (Resident Instruction) Fiscal 2022 Expenditure Summary (\$M)		
	FY22 Original Budget (\$M)	% of Total
Instruction	\$364.5	39%
Research	161.0	17%
Operation of Plant	141.2	15%
Institutional Support	134.0	14%
Academic Support	96.0	10%
Student Services	34.8	4%
Public Service	4.0	0%
Total General Operating Budget Expenditures	\$935.5	100%



How Georgia Tech's Annual Funding Is Determined

Georgia Tech's funding is heavily determined by the State of Georgia's and the University System of Georgia's funding processes, as outlined in this section.

State Allocations: Most state funding for higher education appropriated by the General Assembly to the University System of Georgia (USG) is based on a funding formula principally determined by student enrollment. The enrollment figures are categorized as follows:

- Level of students – lower level (freshmen/sophomores), upper level (juniors/seniors), and graduate
- Students' course of study as assigned to "groups," designed to reflect the assumed cost of educating students (class size, labs required, etc.).

Each January the Governor submits a proposed budget to the Legislature, which includes formula and other funding for the USG. The Governor may or may not recommend full funding of the formula, and the General Assembly considers his recommendations as it reviews the state budget proposal.

The General Assembly approves state funding via the Annual Appropriations Act. These funds are principally intended to cover a portion of state institutions' instructional costs for Georgia residents, with the balance coming from tuition and other sources. The Legislature approves funding for the entire USG, and the BOR then allocates funding to individual institutions. As part of the formula funding, the Legislature may approve appropriations for pay raises and increased fringe benefit costs, such as employee health insurance and retirement.

After the Legislature approves funding for the system via the Annual Appropriations Act, the Governor may veto individual line items, which are subject to override by the General Assembly. Following completion of the final Appropriations Act the Board of Regents (BOR) approves the allocations to individual USG schools.

Tuition and Fees: Following the General Assembly's approval of the state budget, the BOR approves tuition and fee levels for Georgia Tech and other institutions by student classification – graduate, undergraduate, resident, and non-resident. In FY2022 the BOR did not adjust the tuition rates. At the same time the BOR determines institutions' mandatory fee levels based on recommendations from institutions' presidents. The President receives recommendations from the [Mandatory Student Fee Advisory Committee](#), comprised of eight students and four faculty/staff.

The President approves the elective fees, which are paid by students on the basis of their optional utilization of services and facilities. These fees are then reported to the BOR for posting on their [website](#). The BOR approves housing and dining fees and selected other non-mandatory fees, but the president approves most elective student fees including parking, laboratory, application, and other miscellaneous fees.

Other Revenue Generated by Georgia Tech: The balance of Georgia Tech's budget is generated from its own sources, including indirect cost ("overhead") revenue from grants and contracts. Various laws and regulations govern these revenue sources.

Georgia Tech’s Major Fund Groups

- **Resident Instruction (RI)** is a designation established by the State of Georgia that includes Georgia Tech’s colleges, interdisciplinary research centers, student support services, facilities operations and maintenance, and major administrative functions.
- **Georgia Tech Research Institute (GTRI)** is the applied research and development arm of Georgia Tech. (<http://www.gtri.gatech.edu/>)
- **Enterprise Innovation Institute (EI2)** is Georgia Tech’s economic development operation that “helps enterprises improve their competitiveness through the application of science, technology and innovation.” (<http://www.innovate.gatech.edu/>)
- **Student Activities** functions include the Campus Recreation Center (CRC), the Student Center (SC), and student organizations. The student organizations include the Student Government Association, campus radio station, student newspaper, and clubs. These functions are principally funded through mandatory student fees and earned revenues such as fees paid by faculty and staff for use of the CRC and space rentals by the CRC and the Student Center.
- **Auxiliary Services** are Georgia Tech’s business-like operations that cover operating costs through student and other fees. Included are Dining, Housing, Parking, Transportation, Health Services, the Buzz Card Center, retail operations, and telecommunications. All functions except telecommunications are part of Campus Services. (<https://campusservices.gatech.edu/>)

Appendix B
Revenue Recap

Georgia Institute of Technology
FY 2022 Proposed Budget
Total Institute Revenue

	State Appropriation	Indirect Cost Recoveries	Student Tuition	Other General	Technology Fee	Sub-Total (Gen Oper)	Dept Sales & Services	Sponsored Operations	Student Activities	Total Budget
Revenue										
Resident Instruction	358,370,990	61,480,000	438,166,000	66,960,000	10,500,000	935,476,990	40,000,000	414,137,000		1,389,613,990
Georgia Tech Research Institute	5,800,798	244,484,756				250,285,554	8,599,335	466,888,978		725,773,867
Enterprise Innovation Institute	11,444,647	1,400,000				12,844,647	4,000,000	10,000,000		26,844,647
Student Activities									20,565,754	20,565,754
Total Education & General	375,616,435	307,364,756	438,166,000	66,960,000	10,500,000	1,198,607,191	52,599,335	891,025,978	20,565,754	2,162,798,258
Auxiliary Enterprises										
GT Main Campus							162,368,214			162,368,214
Telecommunications							151,097			151,097
Total Auxiliary Enterprises							162,519,311			162,519,311
Total Revenue	375,616,435	307,364,756	438,166,000	66,960,000	10,500,000	1,198,607,191	215,118,646	891,025,978	20,565,754	2,325,317,569

NOTES:

- This schedule provides a recap of Georgia Tech’s entire Original Budget, excluding affiliate organizations such as the GT Foundation, the GT Alumni Association, and the GT Athletic Association.
- The major organizational units, which are segregated on GT’s books as “funds,” are shown across the rows, and the funding sources in the columns.
- The General Operations subtotals for the fund groups reflect the discretionary funding available to the Institute.
- The earmarked funding sources – Departmental Sales and Services, Sponsored Operations (grants and contracts), and Student Activities and Auxiliary – are all earmarked for specific uses
- The FY21 original budget was reduced by \$48.3M related to Covid-19 with \$29.1M permanently reduced from state appropriations and \$19.2 million from tuition that was restored in the 3rd quarter of FY21.

Appendix B
Expenditure Recap

Georgia Institute of Technology
FY 2022 Proposed Budget
Total Institute Expenditures

Expenditures										
Resident Instruction	358,370,990	61,480,000	438,166,000	66,960,000	10,500,000	935,476,990	40,000,000	414,137,000		1,389,613,990
Georgia Tech Research Institute	5,800,798	244,484,756				250,285,554	8,599,335	466,888,978		725,773,867
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