




**MEMORANDUM**

**TO:** Deans, Vice Presidents, and Major Unit Heads  
**FROM:** G. P. "Bud" Peterson, President   
**DATE:** March 6, 2015  
**SUBJECT:** Institutional Budget Process for Fiscal Year 2016

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Governor Nathan Deal has presented his Fiscal Year 2016 budget proposal to the General Assembly. We are pleased with the Governor's support and inclusion of the following items for the University System of Georgia (USG):

- a) An increase in the enrollment-based formula funding for the entire system of \$7.6 million, despite the previous year's enrollment declines by 14 of the 31 state institutions;
- b) An identical level of merit pay and retention salary adjustments for employees as in the current fiscal year, which we will again attempt to supplement with other revenue sources;
- c) Funding to cover the state's share of retirement and health insurance cost increases;
- d) Major Repair and Rehabilitation (MRR) funding to help with preventive and deferred maintenance.

Georgia Tech had an enrollment increase last year, and we hope to see related allocations through the current, enrollment-based funding formula. Although requested by the Board of Regents, funding for the revised performance-based funding was not included in the final budget proposal. Our tuition levels continue to lag behind our public peer institutions. This is especially true for resident, undergraduate students, where we are only at 86% of our peer average - slightly better than last year. As a result, we will continue to work with the Board of Regents to achieve our goal of reaching the average of our peer institutions for both resident and non-resident students.

**Institute Budget Process**

A preliminary budget calendar and budget proposal forms and instructions are posted on the Office of Institute Budget Planning and Administration website. The institutional budget development process is already underway, and will interface with the System- and state-wide processes as described below:

- Each executive vice president is currently discussing plans and budgets for next year with their division heads.

- Budget meetings with deans and other division heads are scheduled for March 16th and March 23rd in the President's Conference Room.
- The General Assembly is expected to complete the Fiscal 2016 State Appropriations Act in early April.
- The BOR is then expected to approve the tuition, mandatory fees, and funding allocations at the April meeting, if the Legislature completes its work by then.
- Because the state-wide budget timeframe is very compressed, we must require **units to submit their detailed budgets in early May**.
- With this short timeframe, many of our allocation decisions will be deferred until July or October, following completion of fall enrollment.

During the March meetings please present your plans and budgets for next year **and how these align with the Georgia Tech Strategic Plan**. Each presentation should address the following:

1. An evaluation of your unit's progress during the previous and current fiscal years in any new spending initiatives, either funded in prior fiscal years through new dollars allocated to the unit or reallocation of internal resources;
2. Identification of your unit's strategic initiatives for the next year;
3. Explanation of how each of these initiatives will support and advance the *Georgia Tech Strategic Plan* and how each request will help move the Institute forward toward our goal to "define the technological research university of the 21<sup>st</sup> century."

Thank you for your support and efforts as we work to continue Georgia Tech's tradition of excellence.

- c. S. Swant  
R. Bras  
S. Cross