

The Georgia Tech logo, featuring the words "Georgia" and "Tech" stacked vertically in a bold, sans-serif font. To the right of the text is a stylized white outline of the Georgia Institute of Technology's clock tower.

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Tech**

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Budget Update Business Partners Network

March 23, 2021

The logo features the Georgia Tech 'GT' monogram in the top left corner. The background is a semi-transparent, olive-green overlay of a photograph showing the interior of a large, industrial tunnel or machine with various pipes and structural elements. The text 'Georgia Tech' is written in a bold, white, sans-serif font.

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A series of white diagonal lines forming a decorative horizontal bar below the tagline.

FY2021 and FY2022 Update

Governor's Budget Recommendation and Fiscal Outlook

- **FY2021 Formula:**
 - \$70 million that was requested by the BOR in FY2021
 - Included in the FY2021 amended and FY2022 budgets
- **FY2022 Formula:**
 - \$58.9 million that was requested by the BOR in FY2022
- **FY2022 Major Repair and Rehabilitation (MRR):**
 - \$70 million to support physical plant renewal and preventative/deferred maintenance activities for the USG
- **Adjustments to the employer portion of the Teachers Retirement System and health insurance.**

Note: The Board of Regents (BOR) will determine how the formula funds are allocated to the individual institutions at the April board meeting. The MRR funds will be allocated later in the year.

Governor's Budget Recommendation and Fiscal Outlook

- Budget request is subject to change during the legislative process
- Does not include funds to cover FY2021 budget reduction, merit, or salary adjustments
 - Georgia Tech's ability to self-fund merit depends on availability of funds and BOR approval

Georgia Tech must continue to be thoughtful, strategic, and conservative in our budget projections and planning

Georgia Tech Priorities

FY2021

One-Time Budget Concerns

- Reduced or depleted reserves, coverage for continued extraordinary expenses, one-time budget reductions, and additional Faculty Start-up/Cost Sharing

CAR

Comprehensive Administrative Review

- Fund delayed reinvestment of funds to student support initiatives as approved by the BOR

Strategic Planning

Executive Leadership Team Strategic Planning Funds

- Targeted funding initiatives based on the Institute and Unit Strategic Plans

The background of the slide is a composite image. On the left, there is a large, semi-transparent arrow pointing to the right, which contains the Georgia Tech logo and the text 'CREATING THE NEXT'. The rest of the background is a faded, sepia-toned photograph of an interior space, likely a library or a historical building, with large arched windows and a grid-like pattern on the walls. The overall color palette is muted, with shades of olive green, brown, and white.

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Budget Process Reform Update

Budget Process Reform

Georgia Tech is a leading research university

Enrollment of 39K+ undergraduates and graduate students and 8K faculty and staff



Students represent 50 states and 149 countries



Annual budget of over \$2.1 billion



Awarded \$1 billion annually in research awards



Campuses in Atlanta, France, China, and online



*Developing leaders
who advance
technology and
improve the
human condition*

and requires a budget model that...



Reflects and executes Georgia Tech's mission and priorities



Is understandable, easy to manage, logical and transparent



Promotes and rewards performance, success, and innovation



Fosters trust and responsibility around decision making



Provides predictable funding to support Georgia Tech's ability to be strategic in planning

Budget Model Transformation Strategic Questions

There is no perfect budget model – the importance is in identifying the following together:



Mission, Vision, and Goals

- *What are the objectives Georgia Tech is hoping the budget model will achieve?*
- *What works today and what does not, and what have we learned for the future?*
- *How does the new budget model reinforce Georgia Tech's mission?*



Stakeholder Behaviors

- *What are the behaviors we need to engender to accomplish the objectives?*
- *What is current behavior of staff and academic units towards budgeting and how will that need to change?*



Stakeholder Incentives

- *How do we incentivize the behaviors required from staff and academic units (monetary and non-monetary)?*
- *How do we gain buy-in to ensure behaviors align with the new model?*



Gaming the [New] System

- *How might the new budget model yield entrepreneurial activity?*
- *What can stakeholders do to game the new system and how can we detect / anticipate this?*



Detect and Prevent Perverse Incentives

- *What mechanisms can prevent and discourage such gaming?*
- *How can we prevent stakeholders from gaming the system when perverse incentives are detected?*



Evaluating and Refining the New Model

- *What process do we use to continually re-evaluate the budget model?*
- *How should the budget model be reevaluated, e.g. every three years?*
- *How should adjustments to the budget model be reviewed and communicated?*

What works today and what does not? What have we learned for the future?

What is the current behavior of staff and academic units toward budgeting and how should that change?

How do we gain buy-in to ensure behaviors align with the new model?

Budget Maturity Survey

- Your responses will help our team gauge the maturity of the current process and provide insights on where we might be able to focus our redesign efforts
- 10-15 minutes to complete
- Open until Wednesday, March 31
- **[Budget Maturity Survey Link](https://gatech.col.qualtrics.com/jfe/form/SV_eJ0PlTyk2ZIpOmi)**
 - https://gatech.col.qualtrics.com/jfe/form/SV_eJ0PlTyk2ZIpOmi

The logo for Georgia Tech, featuring the words "Georgia Tech" in a bold, white, sans-serif font. To the right of the text is a white outline of the Georgia Institute of Technology's central tower. Below the main text is the tagline "CREATING THE NEXT" in a smaller, white, all-caps, sans-serif font. The entire logo is set against a dark olive-green background that features a faint, semi-transparent image of a large industrial machine, possibly a steam engine or a large pump, with various pipes, valves, and a large circular component. The background is framed by a white, multi-lined chevron shape pointing to the right.

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Thank you!