

The logo for Georgia Tech, featuring the words "Georgia" and "Tech" stacked vertically 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.

**Georgia  
Tech**

CREATING THE NEXT

# Budget Model Reform

Project Update

September 14, 2021

# Budget Reform | Goals and Objectives

## Overview:

Starting in October 2020, Administration & Finance (A&F) leadership team began to engage with stakeholders across divisions to consider the need for budget model reform. From March to July 2021, our Budget Reform Team, with support from Deloitte, completed a diagnostic effort to understand the current state of the budget function. As we enter into the design phase of the Budget Reform project, ***it is our priority to keep the campus informed and involved throughout our journey*** to build a more streamlined and efficient budget process.

## Solution Design Phase

From now until January 2022, we are very excited to begin designing a new budget model and pursuing key opportunities beyond the model, guided by the governance structures and stakeholder inputs to which we are continuously adhering. To date, our team has ***diligently engaged with Institute leaders, including deans and college/unit financial officers***, to discuss and document the nuances of budgetary operations, further supported by a ***rigorous data validation process*** of the current model.

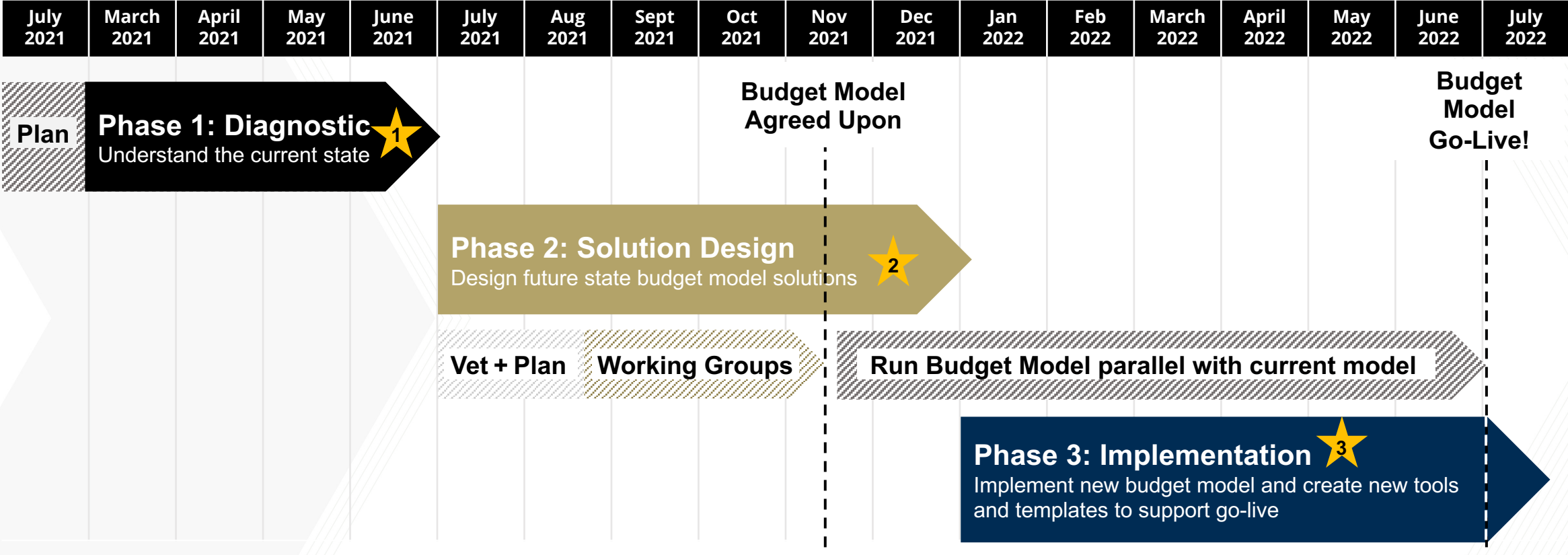
As we continue to make strides in developing a more transparent and agile budget model, we remain centrally focused on:

- creating a model and supporting processes that are ***people-centric*** and celebrate our collaborative spirit,
- empower our leaders to make ***data-informed decisions***, and
- ***add value*** to our students and community.



# Project Overview | Full Project Timeline

To achieve the project’s goals and objectives, the team will employ a phased approach with a target go-live on July 1, 2022.



## KEY DELIVERABLES



- Project Plan
- Base Model Build
- Current State Assessment Report



- Future State Design
- Project Governance Structure
- Implementation Roadmap



- Budget Model Build
- Gap Analysis
- Budget Model Transition

*Note:* Proposed timeline ONLY – subject to change based on GT decisions

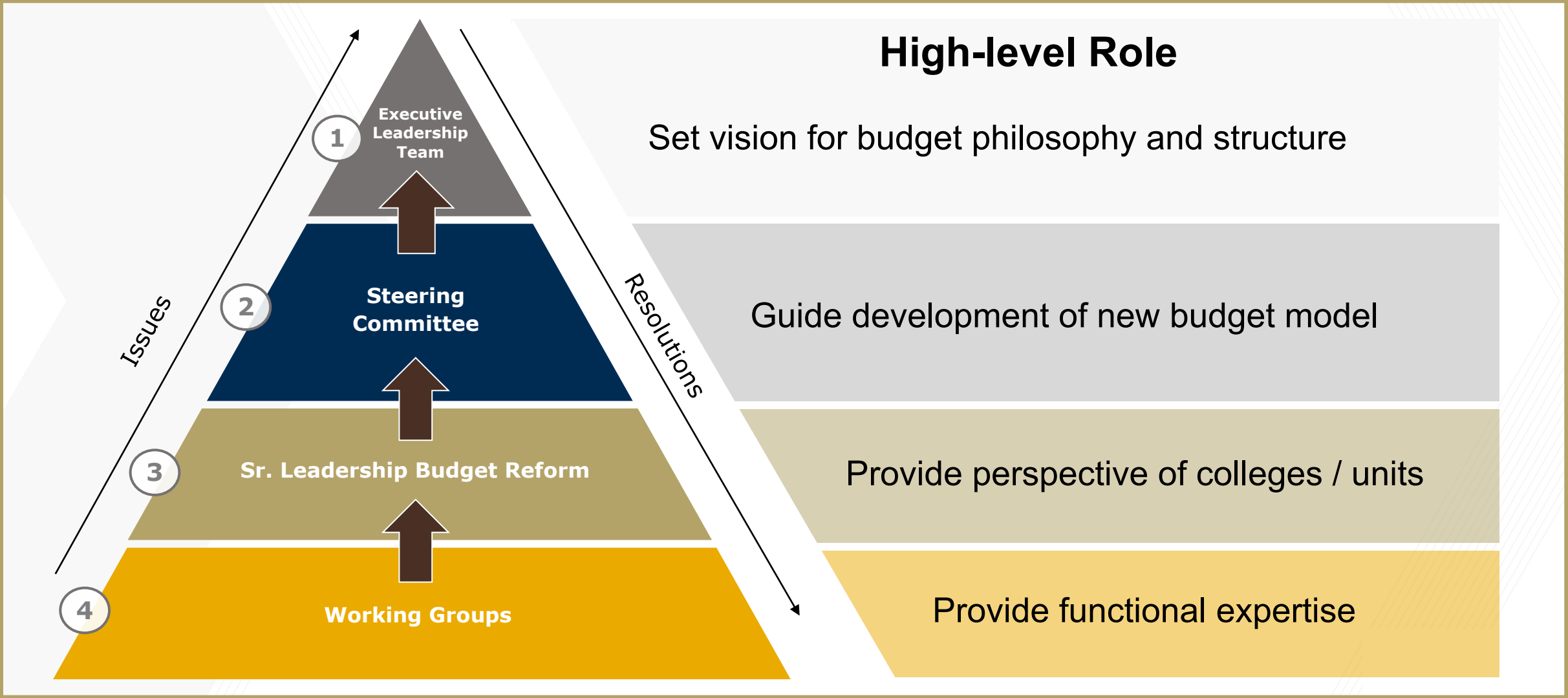
# Budget Reform | Guiding Principles

Developed through iterations with the Executive Leadership Team, Steering Committee, and interviews with leaders across the Institute, the following guiding principles set the direction for the Budget Reform effort and will serve as the project’s north star throughout solution design, implementation, and in support of the budget model well beyond go-live.

<b>Reflect Values and Realize Vision</b>	<i>Reflect the Institute’s values and realize its vision (<a href="#">link</a>)</i>
<b>Be Transparent</b>	<i>Establish common understanding and visibility into sources and uses of funds</i>
<b>Keep it Simple</b>	<i>Create a model that is easy to use and interpret and incentivizes leaders to focus on highest valued activities</i>
<b>Promote Accountability</b>	<i>Empower people-centered, value-based and data-informed decision-making commensurate with responsibility</i>
<b>Balance Predictability with Flexibility</b>	<i>Enable predictable, forward-looking financial planning, while balancing the needs of a comprehensive research institute</i>
<b>Reward Innovation</b>	<i>Celebrate and incentivize collaboration and innovation in all that we do – revenue creation and expense containment</i>

# Budget Reform | Governance Structure

The following governance structure was established to support decision-making throughout the life of the project.



# Budget Reform | Solution Design Working Groups

## Purpose

Building upon the *Guiding Principles* and insights from the *Phase 1 - Diagnostic*, the Executive Leadership Team seeks to establish functional working groups charged with developing budget model design recommendations to inform the Institute's budget model reform.

## Charge



Review for understanding key outputs from *Phase 1 – Diagnostic* and collaborate on key outputs for your focus area.



Propose detailed design recommendations for areas within scope and provide guidance on potential policy and process impacts.



Gather and share perspective from stakeholders within your functional area to inform solution design recommendations.



Provide regular updates to the Super Working Group and to the broader GT Community via change management efforts.

## Working Groups



Incentives



Diversity, Equity & Inclusion (DEI)



Research / Indirect Cost Recoveries (ICR)



Indirect Costs



Carry Forward

# Budget Reform | Steering Committee & Working Group Leaders

## **Super Working Group: Steering Committee + Working Group Co-Chairs**

While working groups are taking place, the working group co-chairs will join the Steering Committee to form a Super Working Group responsible for guiding decisions across working groups to ensure a coordinated approach and cohesive budget model.

### **Steering Committee Members:**

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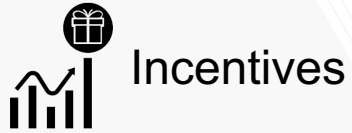
- **Robert Butera**, *VP for Research Development and Operations*
- **Jim Fortner**, *VP for Finance and Planning*
- **Robert Foy**, *Sr. Director – Institute Finance Support*
- **Lisa Godfrey**, *Sr Director – Institute Budget Planning and Admin.*
- **Emily Howell**, *Sr Director – Office of the Provost and EVPR*
- **Daren Hubbard**, *VP for Information Technology, CIO*
- **Jennifer Hubert**, *AVP for Finance and Planning*
- **Kaye Husbands Fealing**, *Dean – Ivan Allen*
- **Charles Isbell**, *Dean – College of Computing*
- **Susan Lozier**, *Dean – College of Sciences*

### **Working Group Co-Chairs:**

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- **Incentives:**
  - *Laura Taylor (IAC)*
  - *Jennifer Herazy (Provost / EVPR)*
- **Indirect Costs:**
  - *Doug Williams (COE)*
  - *Catanja Nichols (IAC)*
- **Research / Indirect Cost Recoveries (ICR):**
  - *Devesh Ranjan (COE)*
  - *Rebecca Caravati (EVPR / GTRC)*
- **Diversity, Equity and Inclusion (DEI):**
  - *Archie Ervin (Diversity)*
  - *Alan Harrison (COD)*
- **Carry Forward:**
  - *Tina Clonts (Institute Finance)*
  - *Alan Katz (COC)*

# Working Groups | Scope & Key Parameters



## SCOPE

Net tuition allocation and direct incentive programs

Determine how the budget can support DEI at Georgia Tech by identifying and evaluating how investments can achieve the Institute's DEI goals

Resident Instruction ICR ONLY – excludes GTRI, GTRC, etc.

Includes only operating expenses for central Facilities and Office of Information Technology

Unrestricted operating funds only

## KEY PARAMETERS

Tuition allocation should focus on allocable tuition only  
Incentives should focus on promoting goals in the ISP

The ELT is seeking to be a proactive leader in promoting and rewarding DEI across Higher Education

Level of service / support should be responsive to performance and should go both ways (increase in research = increase in support level, and vice versa)

Cost containment should be the primary focus

Primary focus should be on rewarding revenue generation and cost containment with an eye towards the prudent use and stewardship of existing resources

## SHARED SCOPE & KEY PARAMETERS

### Scope

- Focus on Resident Instruction
- Domestic campuses ONLY
- Coordinate with other working groups to ensure alignment with overarching budget model goals

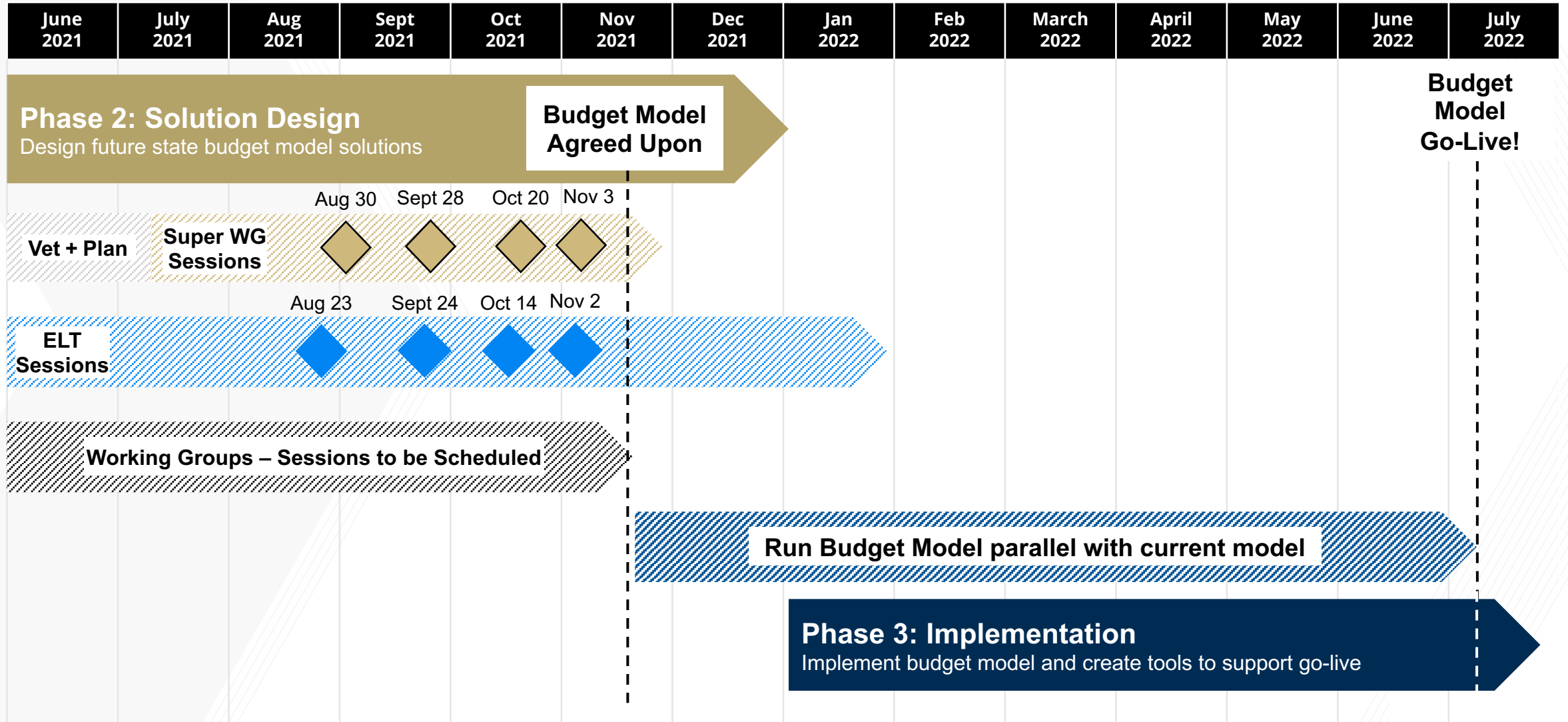
### Key Parameters

- Recommendations should be consistent with Guiding Principles and the ISP
- Recommendations should be equitable but must be applied in the same manner (i.e., there should not be different rules for each unit)
- Timing, management, and funding sources and the amount of funding available will be determined separately in consultation with the ELT
- Recommendations may be introduced over time



# Working Groups | Full Project Timeline

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**Thank You!**