Business Partners Network - Budget Update

September 2019
FY2020 Original Budget

• State of Georgia and the University System of Georgia (USG)
  
  • The State of Georgia FY20 budget is $27.5B, an increase of ~3% from FY19
  
  • Formula funding increase ($75.01M) due to enrollment increases in the USG
  
  • Merit funding ($44.21M) provided to USG
  
  • Maintenance Repair and Rehabilitation (MRR) funding of $50.0M – physical plant renewal & preventative/deferred maintenance
FY2020 Original Budget Assumptions

• Georgia Tech Budget

  • State Appropriations
    • GT received $41.8M in additional State Appropriations in the original budget
    • Formula funds were overstated with GRA and GTA credit hours; GT had to absorb a reduction of $6.59M

  • Tuition
    • 2.5% undergrad and 2% graduate tuition increase
    • Enrollment assumption:
      • 60/40 – in-state/out-of-state split
      • 1% increase in enrollment

  • Indirect Cost Recovery
    • 2.1% or $1.33M increase over FY2019
Comparison of Tuition and State Appropriation Funding Over Time

Georgia Institute of Technology
Tuition and State Funding Comparison
FY 2010 - FY 2020 ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition</th>
<th>State Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$181.22</td>
<td>$235.50</td>
</tr>
<tr>
<td>2011</td>
<td>$217.35</td>
<td>$216.84</td>
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<tr>
<td>2012</td>
<td>$235.25</td>
<td>$197.67</td>
</tr>
<tr>
<td>2013</td>
<td>$259.40</td>
<td>$204.67</td>
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<tr>
<td>2014</td>
<td>$292.15</td>
<td>$209.50</td>
</tr>
<tr>
<td>2015</td>
<td>$319.99</td>
<td>$214.35</td>
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<tr>
<td>2016</td>
<td>$359.93</td>
<td>$219.73</td>
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<tr>
<td>2017</td>
<td>$377.24</td>
<td>$242.23</td>
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<tr>
<td>2018</td>
<td>$393.76</td>
<td>$265.74</td>
</tr>
<tr>
<td>2019</td>
<td>$393.84</td>
<td>$292.72</td>
</tr>
<tr>
<td>2020</td>
<td>$412.00</td>
<td>$334.52</td>
</tr>
</tbody>
</table>
FY2020 Budget Update – Revenue by Source

FY2019 original budget $1.84B; FY2020 original budget $2.02B - 10% increase
### FY2020 – Revenue by Major Unit

**Georgia Tech Revenue Budget Summary**  
Original Budget Fiscal Year 2020 ($M)

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>State</th>
<th>Other General</th>
<th>Subtotal - General</th>
<th>Dept Sales &amp; Svc</th>
<th>Sponsored</th>
<th>Auxiliary &amp; Stdent Acts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Instruction</td>
<td>$334.5</td>
<td>$547.7</td>
<td>$882.2</td>
<td>$55.0</td>
<td>$376.0</td>
<td>$</td>
<td>$1,313.2</td>
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<tr>
<td>GT Research Institute (GTRI)</td>
<td>6.1</td>
<td>170.3</td>
<td>176.4</td>
<td>10.6</td>
<td>297.1</td>
<td>-</td>
<td>484.1</td>
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<tr>
<td>Enterprise Innov Institute</td>
<td>20.0</td>
<td>1.4</td>
<td>21.4</td>
<td>3.0</td>
<td>10.0</td>
<td>-</td>
<td>34.4</td>
</tr>
<tr>
<td>Total Education &amp; General</td>
<td>$360.6</td>
<td>$719.4</td>
<td>$1,080.0</td>
<td>$68.6</td>
<td>$683.1</td>
<td>187.8</td>
<td>$1,831.7</td>
</tr>
<tr>
<td>Auxiliary &amp; Student Activities</td>
<td>$360.6</td>
<td>$719.4</td>
<td>$1,080.0</td>
<td>$68.6</td>
<td>$683.1</td>
<td>187.8</td>
<td>$2,019.5</td>
</tr>
</tbody>
</table>

**Notes:**
- Resident Instruction (RI) – core operations of GT; includes research, instruction, facilities and support
- General Operations (Gen Ops) – discretionary portion of budget excluding DSS & sponsored funding
FY2020 Budget Update

• On August 6, 2019 the Governor’s Office of Planning and Budget (OPB) announced instructions to state agencies to submit a budget reduction of 4% in FY20 and 6% in FY21

• Enrollment driven programs (USG formula), which funds the Institute’s RI, are currently exempt from this exercise

• Governor’s recommendation to be released early January 2020

• GT is monitoring state revenues and the potential impact closely
FY2020 Budget Update - as of September 9

• Enrollment
  • 61% in-state
  • 39% out-of-state
  • Total headcount increase over Fall 2018 is 3,965
    • Undergraduate – increase of 135 students
    • Graduate – increase of 3,310 students

• Revenue
  • Overall on target with budget
Questions