Maintaining Momentum

September 2008
Strategies & Approaches

» Protect the academic core & maintain quality.

» Maintain momentum in Institute strategic initiatives.

» Solicit proposals from units for reductions appropriate to their operations and mission.

» Further efficiency and conservation efforts; position and strengthen Georgia Tech in anticipation of a turn around in the state economy.

» Seek new revenue
Georgia Tech Institute Values

Georgia Tech is entrusted by students, parents, taxpayers, sponsors, donors and friends with resources and responsibilities for fulfilling our mission of education, research, public service, and economic development.

» Honesty in all of our dealings;
» Respect for ourselves and others;
» Excellence in all we do;
» Personal responsibility for all of our actions;
» Integrity in our teaching, research activities, and stewardship of the resources entrusted to us.
## Growth at Georgia Tech: Formula Credit Hours Generated FY04 to FY08

<table>
<thead>
<tr>
<th></th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
<td>26,515</td>
<td>27,883</td>
<td>28,145</td>
<td>29,597</td>
<td>31,352</td>
<td>18%</td>
</tr>
<tr>
<td>Computing</td>
<td>42,783</td>
<td>40,546</td>
<td>37,852</td>
<td>40,577</td>
<td>44,846</td>
<td>5%</td>
</tr>
<tr>
<td>Engineering</td>
<td>195,517</td>
<td>197,622</td>
<td>200,724</td>
<td>214,926</td>
<td>220,314</td>
<td>13%</td>
</tr>
<tr>
<td>Ivan Allen</td>
<td>73,465</td>
<td>76,080</td>
<td>79,570</td>
<td>82,725</td>
<td>83,686</td>
<td>14%</td>
</tr>
<tr>
<td>Management</td>
<td>40,731</td>
<td>39,033</td>
<td>39,568</td>
<td>41,640</td>
<td>44,121</td>
<td>8%</td>
</tr>
<tr>
<td>Sciences</td>
<td>125,328</td>
<td>129,400</td>
<td>131,877</td>
<td>147,284</td>
<td>150,796</td>
<td>20%</td>
</tr>
<tr>
<td>Institute Total</td>
<td>504,592</td>
<td>512,098</td>
<td>519,659</td>
<td>559,303</td>
<td>577,955</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Note:** Excludes College of the Registrar (GT1000)
Revenue Trends: 
State Compared to GT Total

In Millions of Dollars

$0 $200 $400 $600 $800 $1,000 $1,200 $1,400

Total State

State funds 33%

12,846 students

19,410 students

State Funds 25%
Public 4-Year College and University Funding Changes 2001 to 2007

Source: SREB-State Data Exchange/Southern Regional Education Board
New Funding Allocated FY04 to FY08

all sources

In Millions of Dollars
Distribution of New Dollars by College FY04 to FY08

*all sources*

Total New Dollars to Colleges = $154.6M
FY09 Total Revenue Sources

- Sponsored Operations: 36%
- State Appropriations: 25%
- Student Tuition: 14%
- Indirect Cost Recoveries: 8%
- Other (incl. Tech Fee): 2%
- Auxiliary Services: 10%
- Departmental Sales: 4%
- Student Activities: 1%
## Georgia Tech Foundation Support FY09

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships, Fellowships and other Student Support</td>
<td>$6.5</td>
</tr>
<tr>
<td>Recruitment, Retention and other Faculty Support</td>
<td>$1.5</td>
</tr>
<tr>
<td>Matching, Initiatives and Academic Program Support</td>
<td>$3.1</td>
</tr>
<tr>
<td>Discretionary, Staff tuition program, Institute Support</td>
<td>$1.9</td>
</tr>
<tr>
<td>Debt Service, Childcare Facilities, Real Estate</td>
<td>$5.1</td>
</tr>
<tr>
<td>Development Office and Capital Campaign Support</td>
<td>$5.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$23.9</strong></td>
</tr>
</tbody>
</table>

*In Millions of Dollars*
## Georgia Tech FY09 Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$289</td>
<td>25%</td>
</tr>
<tr>
<td>Student Tuition</td>
<td>$165</td>
<td>14%</td>
</tr>
<tr>
<td>Indirect Cost Recoveries</td>
<td>$87</td>
<td>8%</td>
</tr>
<tr>
<td>Other (incl. Tech Fee)</td>
<td>$21</td>
<td>2%</td>
</tr>
<tr>
<td>Sponsored Operations</td>
<td>$406</td>
<td>36%</td>
</tr>
<tr>
<td>Auxiliary Services</td>
<td>$114</td>
<td>10%</td>
</tr>
<tr>
<td>Departmental Sales</td>
<td>$51</td>
<td>4%</td>
</tr>
<tr>
<td>Student Activities</td>
<td>$10</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Institute Total</strong></td>
<td><strong>$1,143</strong></td>
<td></td>
</tr>
</tbody>
</table>

In Millions of Dollars

Operating budget = $562M
FY09 Operating Budget

State Appropriation/RI $263M
State Appropriation/GTRI & EII $26M
Student Tuition $165M
Indirect Cost Recoveries $87M
Other (incl. Tech Fee) $21M

TOTAL $562M

6% cut to State Appropriation/RI -$15.8M
6% cut to State Appropriation/GTRI & EII -$1.6M

New TOTAL $545M
New for FY08 & 09:
» MS&E ($5m)
» Elec Substation ($1.5m '08 + $0.7m '09)
» Nano ($3.5m '08 + $1.3m '09)
Cuts are permanent
- FY09, at least 6.0%
- FY10, possibly more

FY09 raises
- Funds may be retained or pulled from the USG budget
- Some options: full implementation as planned, cancellation, or deferment
- Recommended that all employees treated the same

Health Insurance
- BOR Indemnity Plan: 99% increase in employee contribution
- PPO plan: moderate 7.5% increase – improved physician network – improved international coverage
- Kaiser HMO: expanded coverage areas
Current Institutional Actions

» Seek Counsel of Institute Budget and Planning Committee (IBPC)
» Hiring and reclassification moratorium
» Control travel, equipment, and other operational expenditures
» Delay and defer purchases
Questions?