



Budgeting at the University of Georgia

New Leader Program September 26, 2023



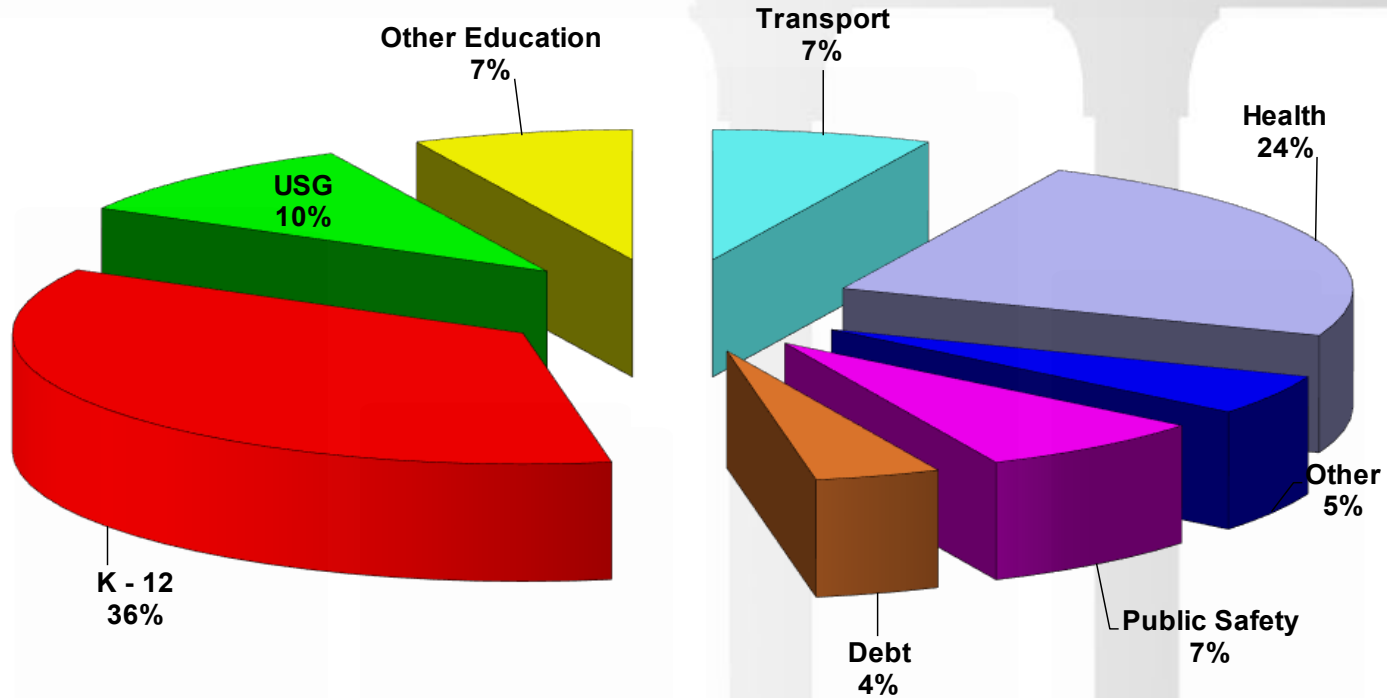


Goals for Today:

- **Budget Development Process and Sources of Funding**
- **Fiduciary Responsibilities for Leaders**
- **Other Leadership Responsibilities**

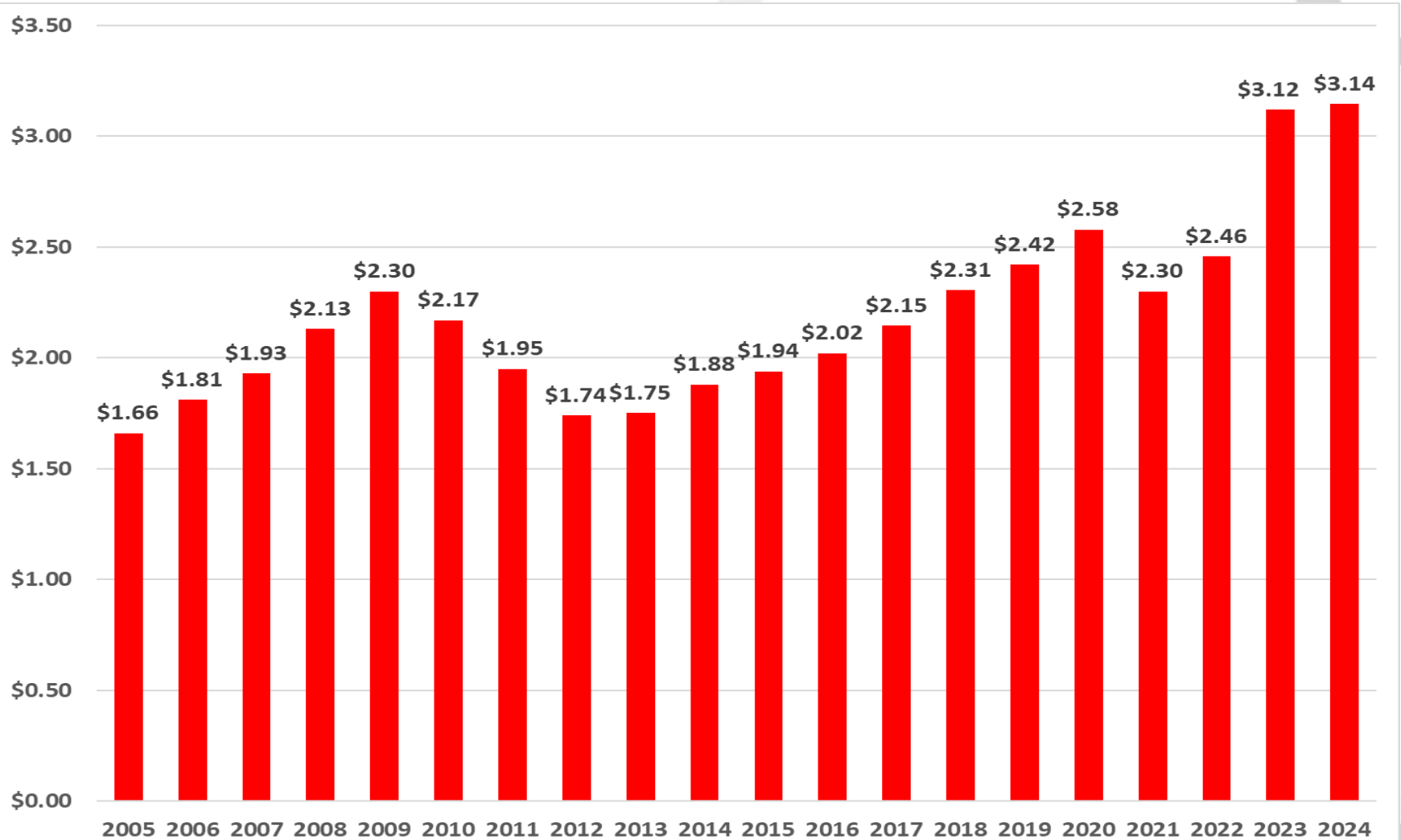
FY 2024 State Budget (by Policy Area)

As Percent of Total State Fund Budget - \$32.4 Billion



University System of Georgia - State Funds

(Total University System Funding in Billions)



UGA - FY 2024 Budget Sources

State

Appropriations:

\$631M includes
Resident
Instruction, B-Unit
and MRR

Sponsored:

\$372M includes
federal, foundations,
and private grants

Federal

Appropriations:

\$19M

Auxiliary

Operations:

\$308M includes
Housing, Dining,
Parking and
Student Health
Center

Internal

Revenue:

\$730M includes
Tuition, fees, IDC
and Sales/Service

Private Funding:

\$83M includes
endowment and
current giving

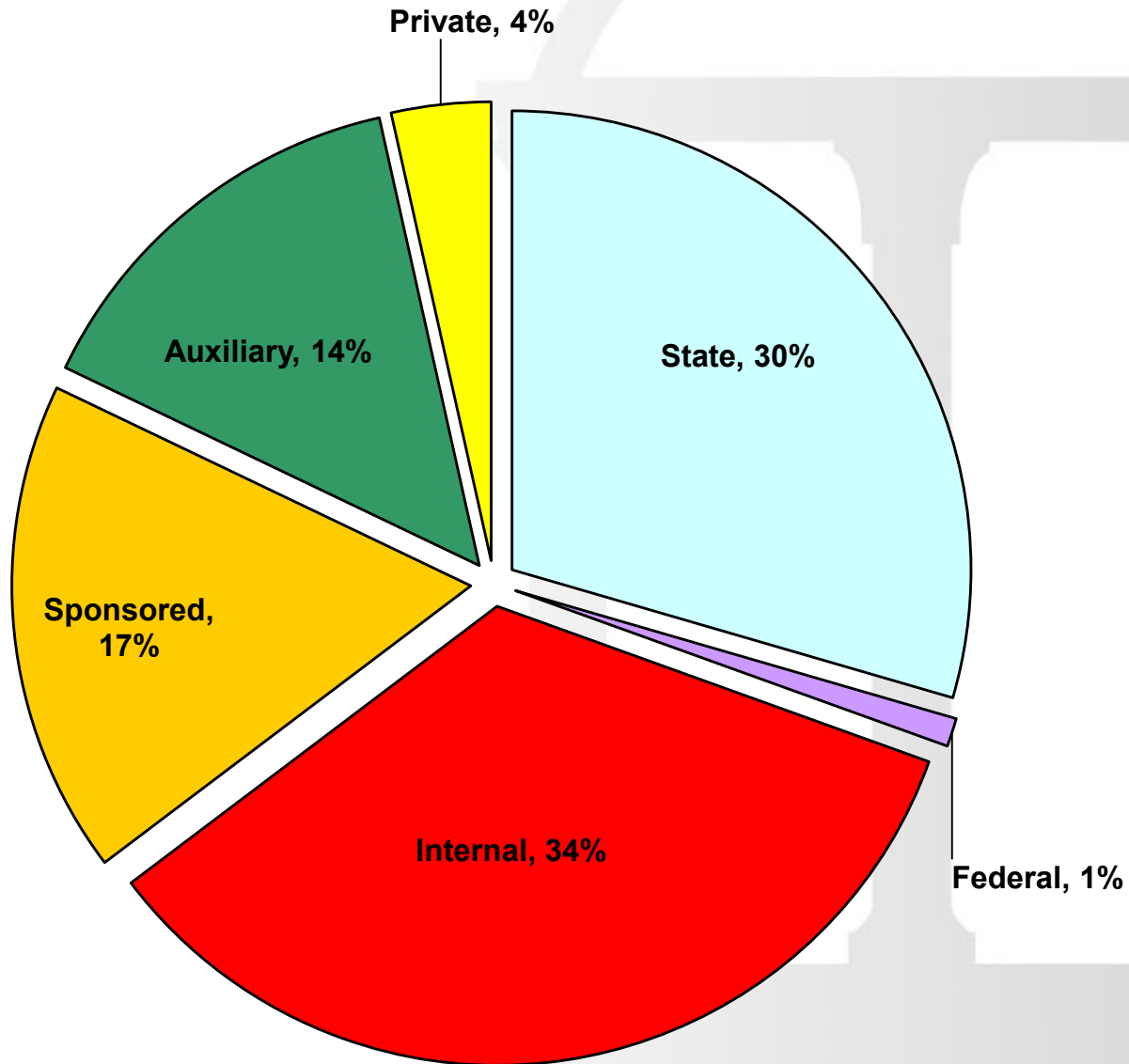
UGA - FY 2024 “Central” Budget Sources

**State
Appropriations:
\$497M**

**Internal Revenue:
Tuition and IDC:
\$509M**

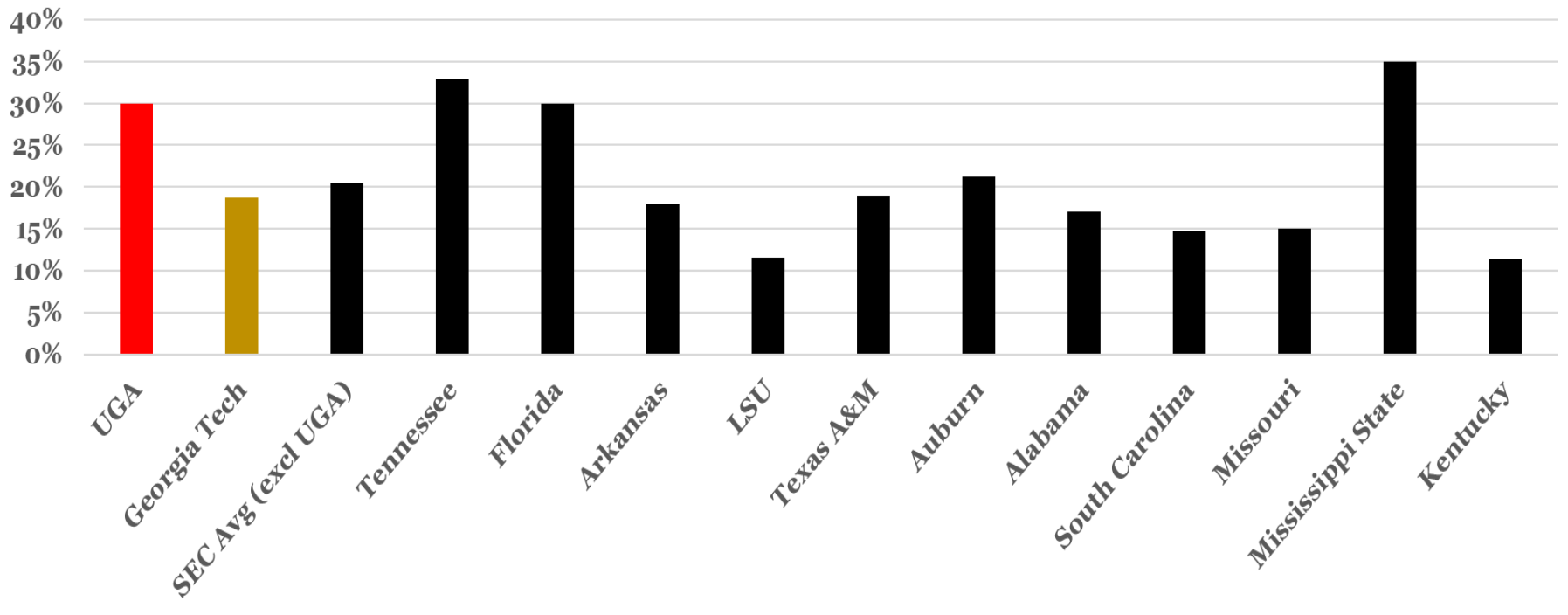
**Total: \$1B or 47% of
\$2.143 Billion Total Budget
Most of this is already committed to
Salaries and Benefits**

UGA – FY 2024 Funding Sources

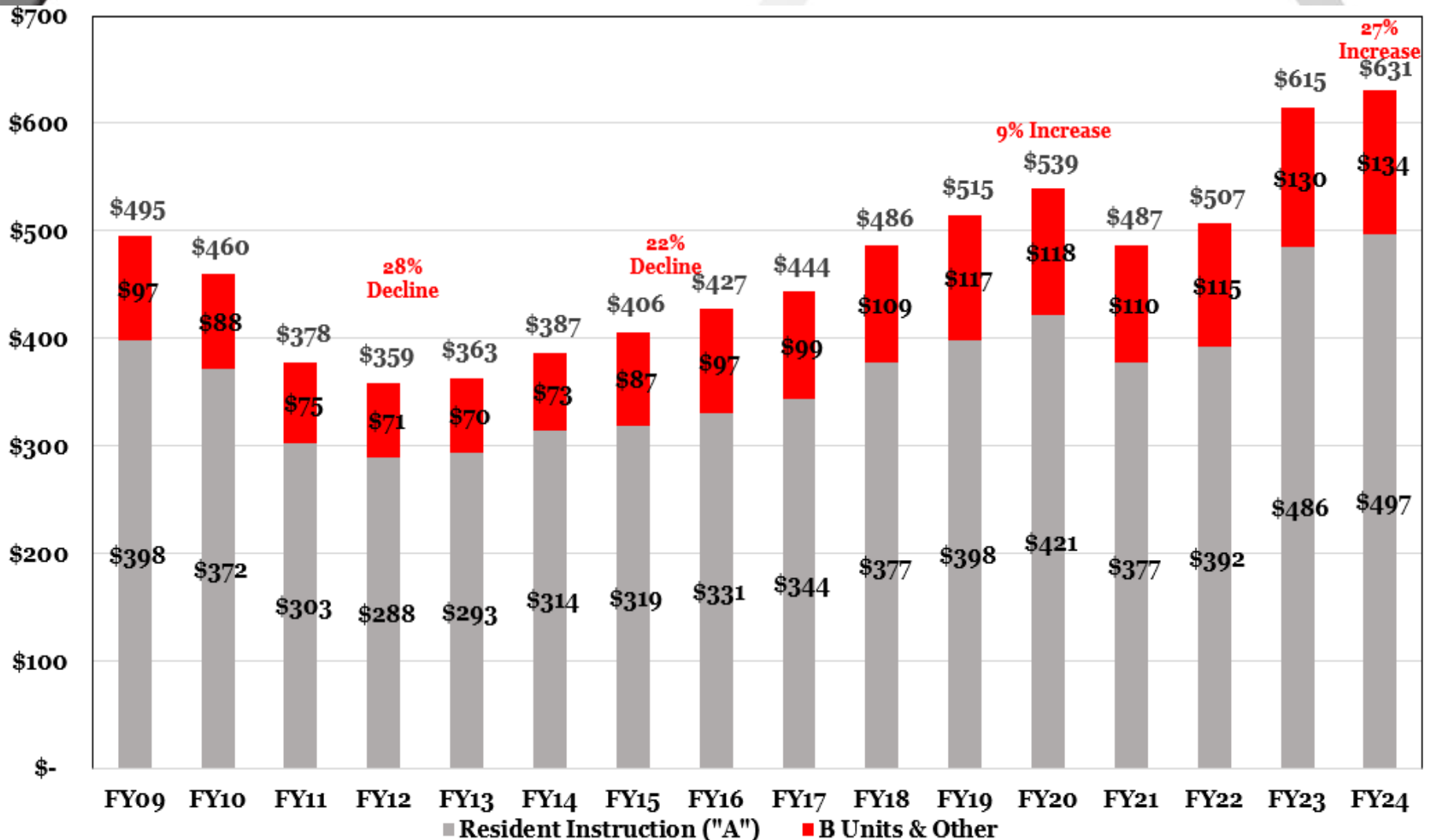


State Funding Comparison

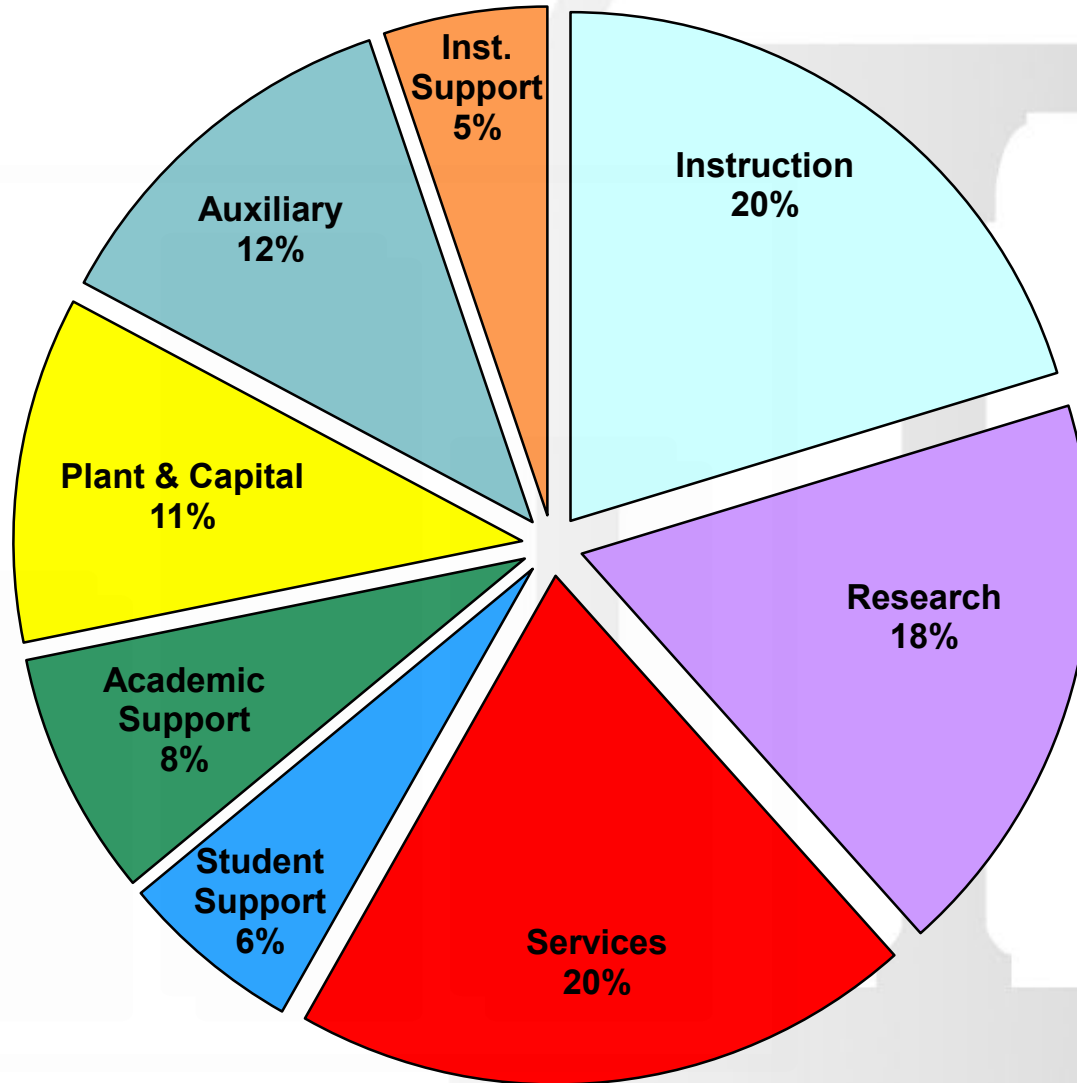
State Funding % of Operating Budget



UGA State Funding Trend (in millions)



UGA – FY 2024 Budgeted Expense



FY2023 Budgeted Expenditures

\$ 433.4 M (20.3%) – Instruction

\$ 385.7 M (18.1%) – Research

\$ 421.5 M (19.8%) – Public Service & Outreach

\$ 123.5 M (6.0%) – Student Services/Scholarships

\$ 166.4 M (8.0%) – Academic Support

72% to Core Missions

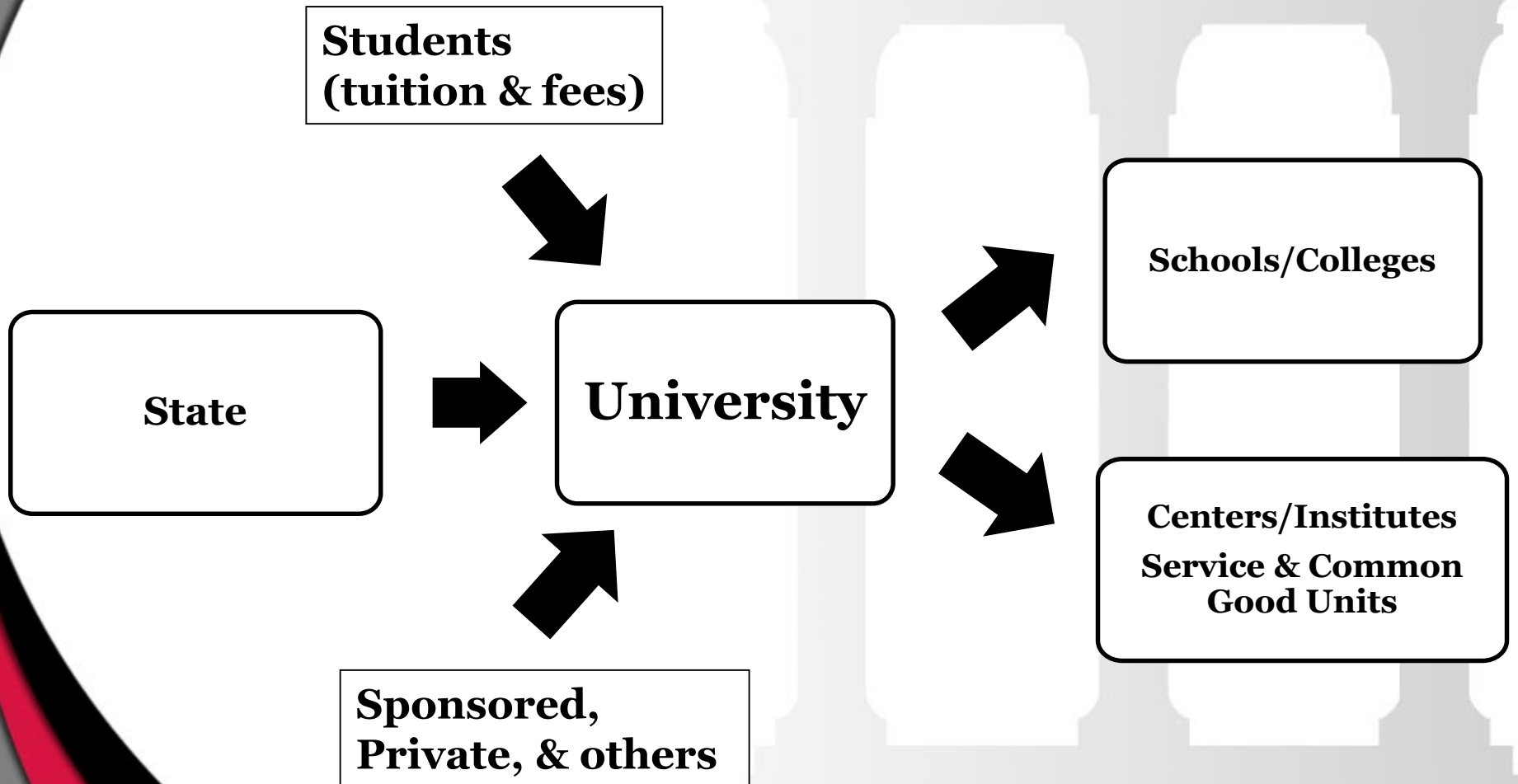
Fiduciary Focus Areas

- **Sustainability**
 - *of resources – from tuition, the endowment, gifts, etc.*
- **Financial Flexibility**
 - *to support growth, innovation, and unforeseen issues*
- **Intergenerational Equity**
 - *between current and future students*
- **Financial Equilibrium**
 - *Balanced budgets, preserving physical assets, protecting the endowment's purchasing power and developing and nourishing human assets*

Leadership Responsibility

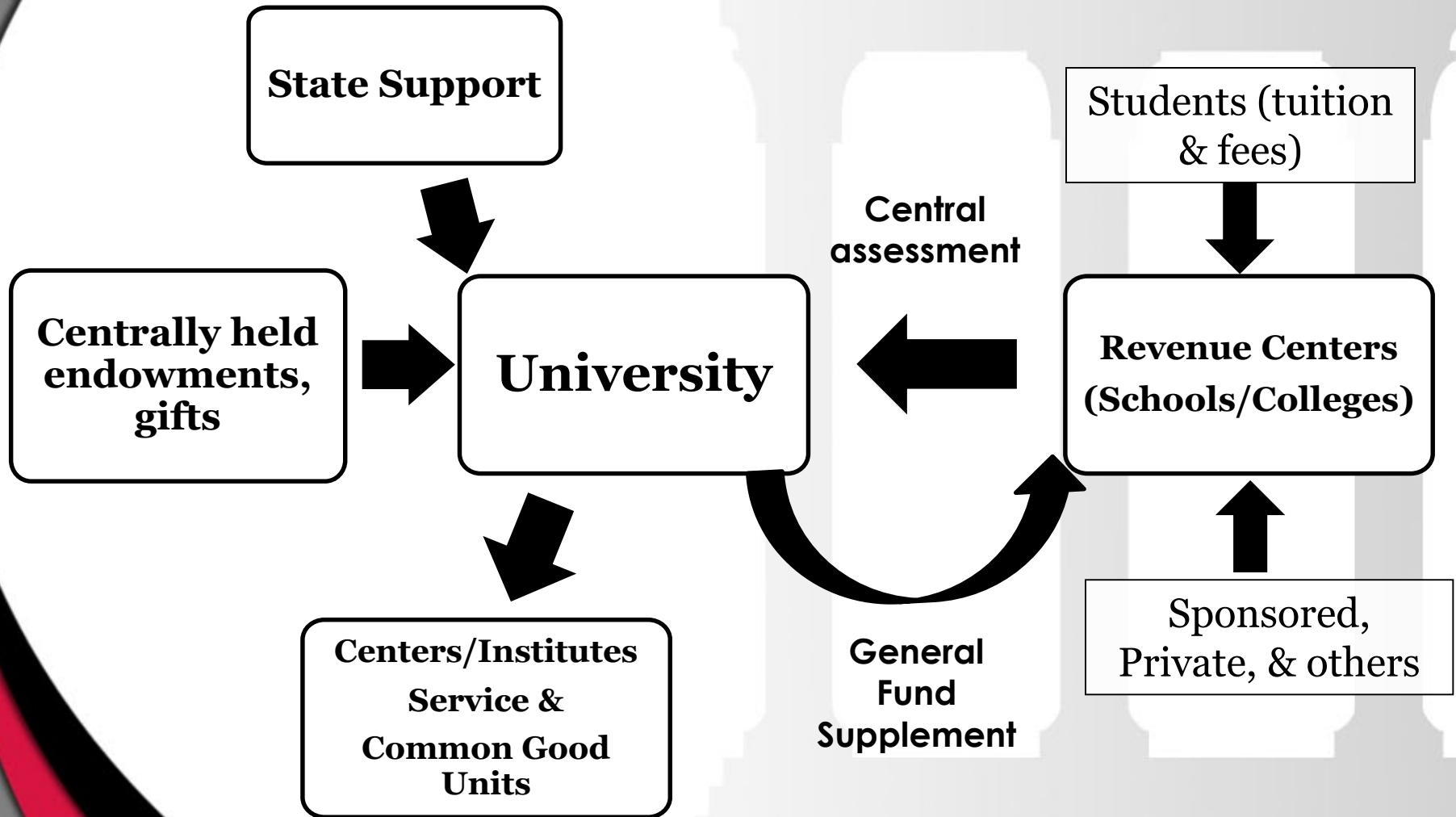
- **Protecting public trust and perception**
- **Establish priorities**
- **Understand your funding sources, budget model, and ways to maximize**
- **Other responsibilities:**
 - **Human capital**
 - **Salary administration & Effort reporting**
 - **Space, Safety and Security**
 - **Equipment**

Budget Models: *Centralized Budgeting*



Budget Models:

Responsibility Center Management (RCM)



Centralized Budgeting vs. RCM

| | Centralized Budgeting | RCM |
|-----------------------------|---|---|
| Tuition and IDC attribution | Central | Schools/colleges |
| State Support | Central | Central |
| Endowments and Gifts | Distributed | Distributed |
| Strengths | Efficient when faced with budget challenges | Operational authority and incentive for revenue generation |
| Weaknesses | Lack of incentives, cost hidden. | Competition for students, Less incentives for collaboration |

Most universities use a hybrid model of central budgeting and incentive elements (or RCM with central tax)

Requests for Funding

- Know the strategic goals of your college/school/UGA
- Always know what agendas a Dean/Provost has
 - His or her agenda is more likely to be funded than yours
 - Don't ignore the timeline for his or her agenda
- Win-Win proposals
 - If it generates or saves funds, it can be a winner



Questions?

