

[CAMPUS MAP](#)[DIRECTORIES](#)[Georgia Tech Home](#) [Office of the President](#) [Letters & Bulletins](#) [The Governor's Proposed Budget](#)

LETTERS & BULLETINS

[Introduction](#)

[President's Welcome](#)

[About Dr. Peterson](#)

[President's Cabinet](#)

[Publications](#)

[Speeches & Presentations](#)

[Letters & Bulletins](#)

[Editorials](#)

[Notes from the President](#)

[Staff Responsibilities](#)

[Organizational Chart \(pdf\)](#)

[Institute Ethics](#)

[Contact the President](#)

The Governor's Proposed Budget

January 19, 2010

To the campus community:

This past week Governor Sonny Perdue issued his proposed budget for FY 2011 (beginning on July 1, 2010), along with an amended budget for the current fiscal year. Over the course of the next several months we will be working with our legislators as the FY 2011 budget moves through the legislative budget process and we will keep you apprised of its progress and how we believe it will impact Georgia Tech. I do, however, want to provide you with our best assessment of how the amended FY 2010 budget will impact our current operations.

Based on the amended budget presented last week, the state budget reduction for the University System of Georgia for FY 2010 will be approximately 8.2 percent, slightly higher than the 8 percent reduction approved by the Regents at its November 2009 meeting. This represents a \$21.2 million reduction in FY 2010 for Georgia Tech, and brings the total reduction over the past two years to \$55.1 million, or approximately 19 percent of our state funding.

You will recall that last November, the University System of Georgia's Board of Regents approved two measures to help us meet this \$21.2 million shortfall – a mandatory six-day furlough program and a \$100 increase in the Institutional Fee for all students. For Georgia Tech, these two measures will yield \$6.1 million and \$1.7 million, respectively. The remaining balance of this year's \$21.2 million cut – \$13.4 million – must come from our current operating budget.

In anticipation of these reductions in state support, earlier this past fall we asked all of the units on campus, both administrative and academic, to plan for a reduction in their FY 2010 general operations budgets of 3 percent. This, when coupled with other measures taken centrally, will allow us to meet the current budgetary shortfall and provide a modest institutional budget contingency for possible reductions in the remainder of the fiscal year. We will continue to work with the administrative leaders of the various units to assist them in minimizing the impact of these reductions.

There are numerous facets to this recession, and while we have developed a way to meet our obligations in the short term, there continues to be a great deal of uncertainty as to when the economy will more fully recover, and the state revenues begin to increase. Until that happens, our goal is to minimize the impact of reductions on our core missions of teaching, research, and public service.

One final note: while we believe that the actions outlined above will allow us to adequately compensate for the reductions, recent media reports have stated that the

[2010 Annual Report \(9.2M PDF\)](#)

[\(/president/sites/president/files/GeorgiaTech2010InteractiveAnnualReport.pdf\)](#)

[Georgia Tech Fact Book](#)

<http://www.irp.gatech.edu/factbooks/factbook.html>

[Recent Trends and Milestones: Summer 2010 \(2.0M .pdf\)](#)



[\(/president/sites/president/files/trends-milestones-summer-2010.pdf\)](#)

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governor has proposed additional furloughs for all state employees. We are currently working to determine how this might apply to the University System. At this time, we have not adjusted the Institute's budget reduction plan to reflect additional furlough days. If additional furlough days are mandated by the state or the Board of Regents and we must absorb unexpected additional reductions, we will amend the plan.

We will continue to explore all our options and will keep you informed as these discussions progress.

G. P. "Bud" Peterson
President, Georgia Tech