

**October 1, 2020**  
**BUDGET UPDATE**  
**FY-2020**

The unaudited UT financials for June 30, 2020 (FY-2020) were presented to the UT Board of Trustees (BOT) on Monday September 21, 2020.

The financials include the unaudited General Fund Budget (Academics), the Auxiliary Fund Budget (Student Services), the UTMHC Budget, and the overall Combined Budget. These four Budgets are being posted on the UT-AAUP website. The revenue and operating margins for each fund are as follows:

	General Fund	Auxiliary Fund	UTMC Hospital	Combined
Revenue	\$399.17 M	\$51.57 M	\$257.17 M	\$707.91 M
Operating Margin	\$46.74 M	\$0.26 M	(\$28.91 M)	\$18.09 M

The June 30, 2020 General Fund Budget shows an Operating Margin (Surplus) of \$46,743,579. This compares with the Administration projections in April and on May 1 of a \$20 million deficit. This also compares with the May 31, 2020 financials presented to the BOT on June 22 showing a surplus of over \$30 million.

The General Fund Budget improved from a \$20 million deficit on May 1, 2020 to a surplus of over \$30 million on May 31, 2020 to a surplus of over \$46 million on June 30, 2020, a swing of over \$66 million. This obviously negates any Administration claim of financial emergency under Article 19 of the T/TT CBA or Article 27 of the Lecturer CBA.

The General Fund Budget shows an interfund transfer of \$21,149,251 with \$12,683,802 being transferred to the Auxiliary Fund Budget. This \$12.68 million transfer internally disappears when the three Budgets are consolidated in the Combined Budget. The remaining \$8,465,449 was transferred to a restricted "index" fund. This fund includes cost share for grants, faculty start-up, capital equipment, renovations, etc.

The UTMHC Budget for June 30, 2020 shows a deficit of \$28,914,142. It shows an *Urban to Rural loan* of \$4,900,000. We were told it is to be repaid in 2022. It also shows a \$12,500,000 transfer from UTMHC.

UTMAC was set-up in the Cayman Islands under the Jacobs Administration to provide medical liability insurance for UTMHC doctors who are generally immune from liability under Ohio law. UTMHC was moved to the U.S. by President Gaber and expanded to cover UT employee health insurance. UTMHC is a separate entity with UT as its sole shareholder. Funds are transferred in and out of UTMHC and listed as loans or distributions. The UTMHC June 30, 2020 Budget shows the \$12,500,000 listed as UTMHC Support. It is not clear whether this is a distribution or a loan. We are guessing it is a distribution and not a loan.

As noted above, the FY-2020 budgets are being posted on the UT-AAUP website. Also as noted, these are preliminary and have not yet been audited.

A newsletter will be forthcoming on the 6-month FY-2021 budget also presented to the BOT on September 21, 2020.

UT-AAUP Executive Board