

October 28, 2020
UT-AAUP Newsletter
FY-21 BUDGET UPDATE

The Postel Administration has presented to the UT Board of Trustees a temporary UT Operating Budget for the first six months of FY-21, July 1, 2020 to December 31, 2020. This same budget was presented yesterday to the Faculty Senate by Matt Schroeder, Executive Vice President for Finance & Administration and CFO. The General Fund Budget (Academics) is now listed by the UT Finance Department as the University Budget. In this newsletter, we are still using the General Fund Budget nomenclature.

The UT Budget shows an operating margin surplus of \$10,027,908 for the General Fund Budget, a deficit of \$4,717,592 for the Auxiliary Fund Budget (Student Services), and a deficit of \$7,239,495 for UTMC. The Combined UT Budget operating margin is an overall deficit of \$1,929,179. Without the General Fund Budget surplus of over \$10 million, UT would have an overall deficit of over \$11.9 million. Academics are generating a surplus in spite of COVID-19, decreased State Share of Instruction (SSI), and declining enrollment.

Interim President Postel has stated that he has stabilized the UTMC finances. Nonetheless, the UTMC operating deficits are projected at over \$7 million because the hospital has had only 130 beds filled out of 260, an occupancy rate of about 50%. Dr. Postel has said that a rate of over 70% occupancy is needed. UTMC is expecting to cut its deficits with COVID-19 stimulus funds.

Dr. Postel has confirmed there is no firewall between UTMC and the General Fund Budget. The Jacobs Administration told us there is a firewall; this has never been true. Dr. Postel now says that UTMC must stand alone and not be supported by the General Fund Budget. Obviously, the General Fund Budget student tuition and student fees should not be supporting UTMC. Likewise, UTMC should not be supporting the General Fund academics.

Dr. Postel has created nine special UT committees to review certain strategic areas including UTMC and the Affiliation Agreement with ProMedica. The makeup of these committees will be reported in a separate newsletter.

Meanwhile, the General Fund Budget is continuing to have surpluses. Yet, for years, we were told that our academic budget was running deficits. This was not true then and it is not true now.

UT-AAUP Executive Board