

UT-AAUP Newsletter
Academics Generating Surpluses
January 15, 2021

Members of the UT-AAUP Executive Board attended the 8-hour virtual Board of Trustees (BOT) meeting on Monday, December 14, 2020. We obtained copies of financials and other documents presented to the BOT.

Reinvestment Team

The Provost gave a Reinvestment Team report to the BOT. She said that \$20 million has been allocated for reinvestment in academics instead of \$7 million as originally reported. **Matt Schroeder said the \$20 million is already in the FY-2021 General Fund (Academics) budget.**

General Fund (Academics)

The FY-21 Academic budget projects an operating surplus of \$29.3 million based on an 8.1% decline in FTE enrollment for the Spring 2021. The Spring FTE enrollment is down over 10%. If enrollment does not improve, the decline will reduce the budget surplus by about \$4 million to \$25.3 million. This is based on approximately \$2 million for each 1% decrease in enrollment. For FY-20 (June 30, 2020), Academics generated a surplus of \$46 million. The surplus for FY-2021 would be \$49.3 million if the \$20 million reinvestment is included. Academics are generating a substantial surplus even with the enrollment decline.

UTMC

The FY-2021 budget for UTMC shows an Operating deficit of \$23.8 million through June 30, 2021. The UTMC Operating deficit is off-set by COVID-19 stimulus funds of \$28.2 million with \$16.5 million coming during the second half (January-June) of FY-2021. This will create a UTMC budget surplus of over \$4 million.

UTMC has a patient bed occupancy rate ranging from about 40 to 60%. UTMC is planning on hiring about 200 medical staff including nurses and physicians. UTMC will also hire HR specialists to assist with recruitment.

Enrollment

The BOT is concerned about the UT enrollment declines. President Postel presented slides to the BOT showing the declines over the past 10 years. The Administration is rightly concerned about the impact on the General Fund (Academics) budget. Ultimately the enrollment decline has to be stabilized and reversed. For now, our academic enterprise is generating a substantial surplus.

UT-AAUP Executive Board