

Report Financial Affairs Committee 2020/21
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Meetings with **VP Financial Affairs, Matt Fajack**, in 2021 gave insight into the financial situation and near-term planning of UA. The key ingredients are:

Revenue:

- There was solid Alabama Education Trust Fund revenue, resulting in a ~\$13million increased state appropriation for the coming year
- The projected Fall 2021 enrollment as of April was: in-state: flat to slightly down; out-of-state: significantly up [> 15%]
- There were various COVID-related rescue funds that became available to UA, with 3 rounds of significant support, partially earmarked for student support or direct COVID-related costs

Savings:

For the 2020-21 academic year, The Financial implications of COVID-19 were presented to the Faculty Senate on May 12, 2020 and showed details of the approximately \$51 million required to offset the losses from March 23- August 18, 2020. UA had instigated significant savings through [among others]:

- A 3-month suspension of 403(b) matching contributions used between March and September 2020, which contributed ~\$3.6 million to the planned \$51 million savings [this was a decision made at the system level caused by financial strain in the UAB hospital system only]. The match was reinstated beginning October 1, with the new fiscal year.
- Proration of college budgets resulting in (among others) confiscation of faculty research overhead funds [against the directive to only charge recurring budget items]
- Reduced travel activities

The Financial Affairs Committee urged UA administration to consider reimbursing the suspended 403(b) contribution match and reversing the reduction of overhead funds with the 2021-2022 budget.

403(b) plan expansion/adjustments

UA is considering introducing a vesting period for 403(b) matching contributions and use of funds becoming available upon employee early resignations to provide such matching for non-exempt employees. It is hoped that faculty and staff input will be requested and considered prior to such changes.

Health Insurance Plans

TASC, the provider for our High-Deductible health plan Health Savings Accounts, changed account subcontractors. This resulted in confusing delays of transactions and even “lost” contributions. Faculty were advised to diligently follow all transactions.