

UW System Program Revenue Fund Balance Report Summary

The UW System has worked with the legislature and its service agencies to create a process for clearly reporting program revenue fund balances managed by each institution within UW System.

Using the definitions developed by the Legislative Audit Bureau, the UW System institutions annually provide specific details on program revenue fund balances by level of commitment. This level of transparency exceeds that of any other State of Wisconsin agency.

The highlights from the 2014-15 Program Revenue Fund Balance Report include:

- According to the definitions created by the Legislative Audit Bureau, UW System institutions have a total of \$147 million reserved and undocumented or discretionary funds. That amount is less than 2.5% of the total \$6 billion operating budget for all UW System institutions.
- The total UW System balances comprised of reserves and undocumented or discretionary funds has decreased by \$28 million in the last year.
- These reserves and currently undocumented funds are a necessary component of a smoothly operating system (or any successful business). They include funds that are set aside for emergencies and, just as importantly, for unknown opportunities that emerge at every institution every year.
- The remaining fund balances all meet one of the three Legislative Audit Bureau definitions for committed funds (obligated, planned, or designated).
- They are either already obligated for a specific purpose; in the final stages of planning; or have been designated, by source, for a specific project or program area on campus.

- These committed funds are being invested in the institutions. Approximately \$704.7 million of which is expected to be spent on institution specific initiatives within the next few years.
 - Of that \$704.7 million, \$269.2 million is obligated, indicating that there are firm commitments for these funds such as contracts and encumbrances for purchases already made. Approximately \$435.5 million is set aside to fund near-term and long-term specific institutional plans.
- The aggregate year-end tuition fund balance dropped by \$58.0 million from \$395.4 million in FY 2014 to \$337.4 million in FY 2015.
- The auxiliary operations fund balance increased by \$12.9 million. These balances consist of funds collected on campuses for services provided, such as food, general program operations, residence halls, and parking. Some of these funds are used to satisfy program revenue-funded debt service.
- The total of all fund balances is not held in one account, but rather is spread out among many accounts managed independently within each individual institution within the UW System. The balances vary widely among institutions and individual funds due to the many differences between institutional programs.