



# FY24 PROGRAM REVENUE BALANCE REVIEW

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Board of Regents Business and Finance Committee  
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# PROGRAM REVENUE BALANCE REPORT – BACKGROUND

- PR Balance report **prepared since FY 2013**
- Funds and commitment levels **defined by Legislative Audit Bureau** and approved by Joint Finance Committee
- Detailed reporting is required for balances **exceeding 12% of expenditures** in tuition, auxiliary operations, general operations, and other unrestricted program revenue
- **Commitment designations** include obligated, planned, designated, reserves, and undocumented
- Level of **transparency and detail are unprecedented** in state government and higher education



## FY24 PROGRAM REVENUE BALANCES

- Balances across tuition, auxiliary, general operations and federal indirect cost reimbursement funds are down over the previous year by \$18.6M or approximately 1.7%
  - Total FY24 unrestricted balances: \$1.063B
  - FY13 total in *inflation-adjusted* dollars: \$1.5B
- Over **87%** of total these balances meet the Legislative Audit Bureau's definition of obligated, planned, or designated for a specific project, initiative, program, or capital commitment
  - The remaining **13%** is categorized as undocumented or reserves

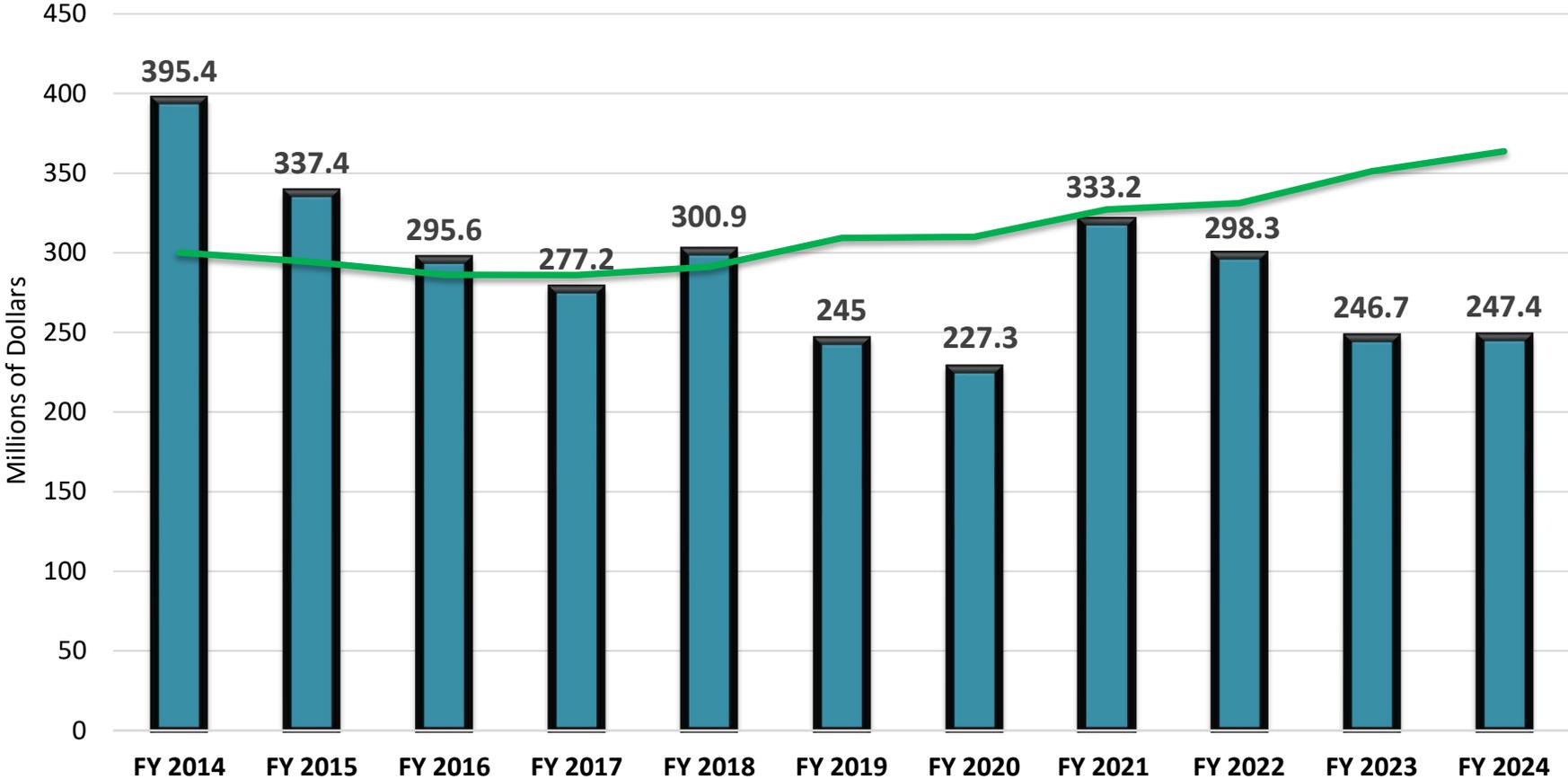


## FY24 BALANCES COMPARED TO FY23

- Tuition balances **increased** slightly, \$710,000 (0.3%)
  - Remains at **55% less than FY13** Tuition balance
  - Balance represents approximately **29.8 days** of operating expenses
  - FY24 final balance of \$247.4M close to balance projected for FY25 budget approval (\$240.6M)
- Auxiliary balances **decreased** by \$29.7M (-8.6%)
- General Operation balances **increased** by \$20.5M (12.3%)
- Federal indirect cost balances **decreased** by \$12.2M (-4.2%)
  - Most of these balances are at UW-Madison

# TUITION BALANCES

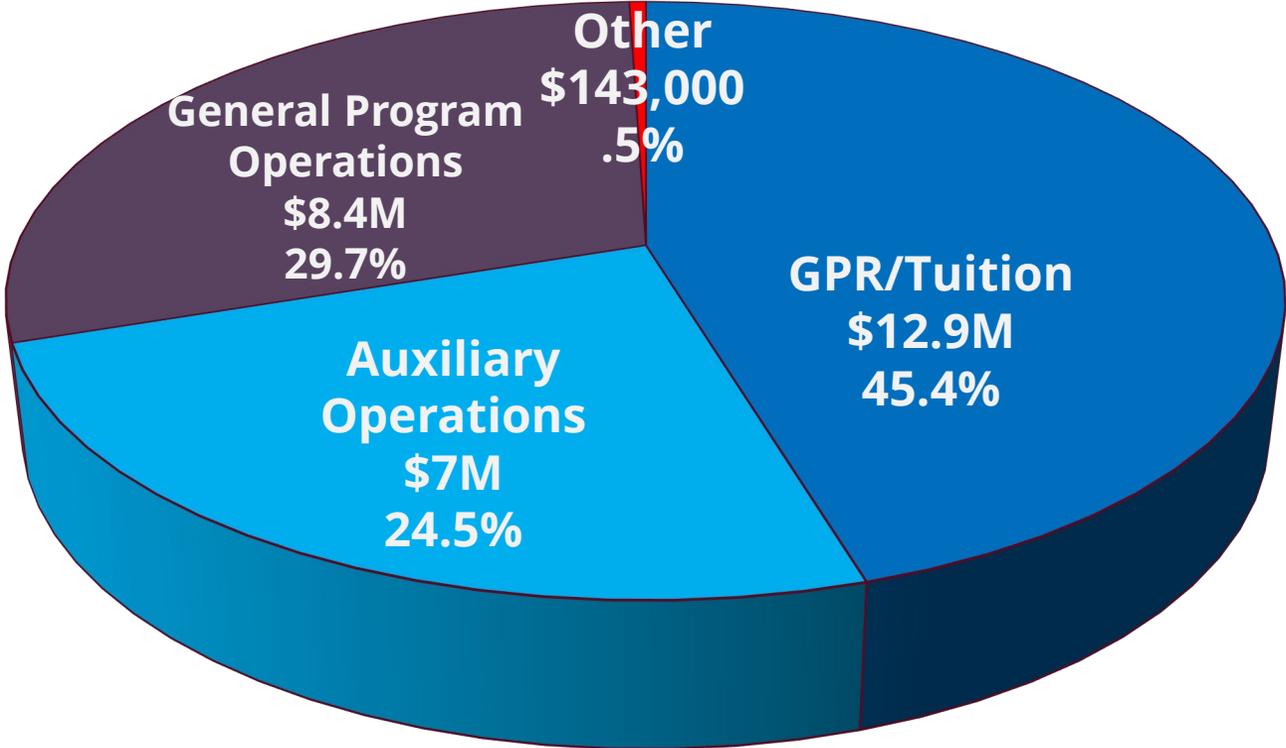
Tuition balances increased slightly by \$710,000, or 0.3% from prior year



➤ **Green line represents 12% of budgeted expenditures, the BOR reporting threshold for program revenue balances in Regent Policy Document 21-6**

# DEFICIT SPENDING BY FUND SOURCE

- *Deficit Spending & Unbudgeted Salaries down 56% since FY23 to \$28.5M*
- *Campuses have taken steps to align expenses and revenues*

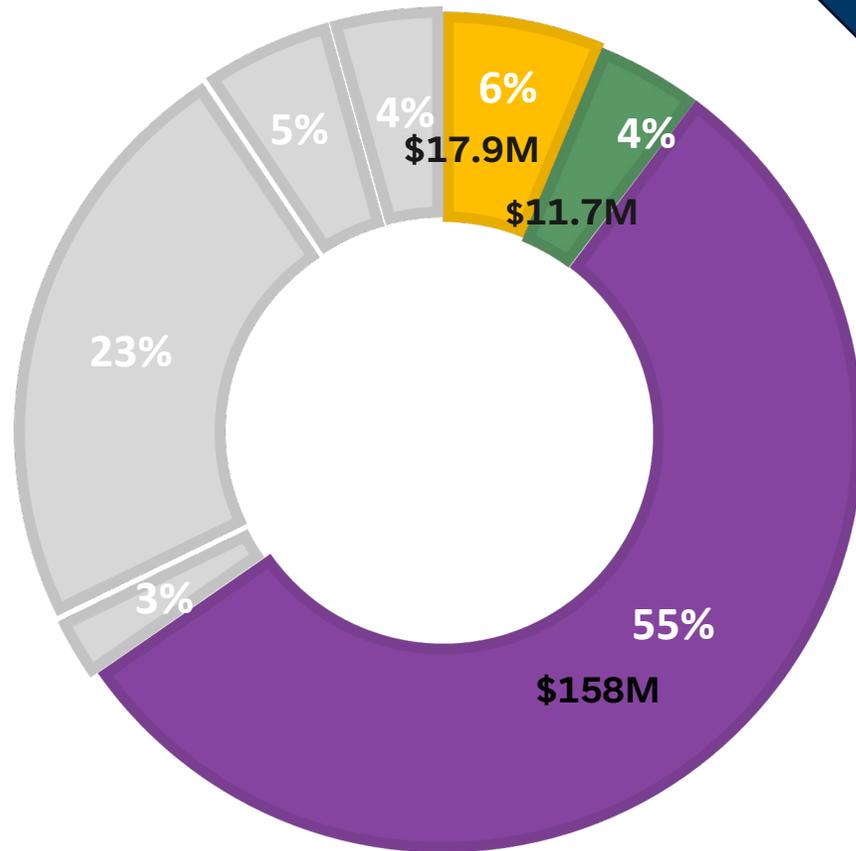


**Nine** universities reported planned deficit spending/unbudgeted salaries for FY25:  
UW-Milwaukee,  
UW-Eau Claire,  
UW-Green Bay,  
UW-Oshkosh  
UW-Parkside,  
UW-River Falls  
UW-Stevens Point,  
UW-Superior,  
and UW-Whitewater

# AUXILIARY BALANCE COMMITMENTS



Balances down \$29.7M or 8.6% since FY23



- Current/Future Enumerated Projects
- Small/All-Agency Projects
- Debt Service
- Deficit Spending
- Encumbrances
- Fixed Asset/Capital Equip./Maintenance Projects
- Non-capital/Undesignated

Residence Hall Projects, **UW-Whitewater**  
 Yellowjacket Union & Wessman Arena, **UW-Superior**  
 Residence Hall, Student Ctr. & Sports Facility Upgrades, **UW-River Falls**  
 Union Renovation, **UW-Milwaukee**  
 Center for the Arts Parking Ramp, **UW-La Crosse**  
*(partial listing of total projects)*



# CONTRIBUTORS TO FY24 BALANCES

- **Reporting Change**
  - Interest income moved from auxiliaries to general operations due to a change in reporting
  - Largely accounts for the decrease to auxiliary (-\$29.7M) and increase to general operation (\$20.5M) balances
- Continued **expanded use of federal indirect funds**
  - Funding for large capital and administrative projects
    - Examples: library preservation facility, lab renovations, ATP
- Maintaining funds for **ATP implementation costs**
  - \$21.2M held at UW Administration for this purpose



## FY24 TOTAL BALANCES

- Total Balances, unrestricted and restricted, are down over the previous year by \$17.3M or approximately 1.1%
  - Total FY24 balances: \$1.57B
  - FY13 total in *inflation-adjusted* dollars: \$1.7B
- Restricted balances
  - Federal and nonfederal gifts, grants, contracts
  - Increased \$1.3M to \$501.6M
  - 93% of restricted balances are at UW-Madison



# LOOKING AHEAD TO FY25

- Further **balance reductions are anticipated** for FY25
  - Utilization of \$16M Workforce Development funds that were received in late FY24.
  - Spending down of funds accumulated for ATP implementation.
- 6 campuses project budget shortfalls
  - Down from 10 campuses in FY24
  - \$28.5M identified for planned shortfalls and salaries not funded in the FY25 budget.
  - Shortfall spending down from \$64.4M or 56% since FY23.



QUESTIONS?