

1993-94 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 93hrJC-Fi_Misc_pt13

➤ Record of Comm. Proceedings ... RCP

➤ **

JUL 27 1993

July 27, 1993

TO: Senator Joseph Leean, Senate Chair
Representative Barbara J. Linton, Assembly Chair

FROM: Bob Lang, Director
Legislative Fiscal Bureau

SUBJECT: Letter and Report on Auxiliaries from University of Wisconsin System

In a letter dated July 20, 1993, which you received on July 26, 1993, the Department of Administration recommended approval of a July 9, 1993, request from the UW System to increase student fee-funded reserves (copy attached). The purpose of this memorandum is to provide information on the statutory process for approval of such requests.

Under s. 36.46 of the statutes, as modified by 1987 Wisconsin Act 27, in order for the Board of Regents to accumulate any auxiliary reserve funds from student fees, the Board must request approval from the Secretary of Administration and the Joint Committee on Finance no later than July 10 preceding the academic year.

The Secretary of Administration has 14 working days to notify the Co-Chairs of the Committee in writing whether the Secretary proposes to approve requested fees or reserve fund accumulations. A letter and report from the University, dated July 9, 1993, requests approval from the Secretary of DOA to increase fee-funded reserves at selected campuses by \$3.0 million in 1993-94, with offsetting decreases at other campuses of \$5.1 million. In addition, approval is also sought for unplanned increases in auxiliary reserves of \$4.5 million in 1991-92 and \$1.5 million in 1992-93. The Committee has 14 working days, after which it was notified of the Secretary's recommendation, to schedule a meeting to review the request. Therefore, if no meeting is scheduled by August 9, 1993, the request is approved.

It should be noted, that while approving the request, the Secretary expressed concerns regarding the UW's ability to accurately predict its auxiliary reserve levels. The letter further indicates that DOA intends to closely monitor future fund balances.

I hope this information meets your needs. If you have questions, please call.

cc: Members, Joint Committee on Finance

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin



Mailing address:
Post Office Box 7864
Madison, WI 53707-7864

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

July 20, 1993

The Honorable Joseph Leean, Co-Chair
The Honorable Barbara J. Linton, Co-Chair
Joint Committee on Finance
113 South, State Capitol
Madison, WI 53702

Dear Senator Leean and Representative Linton:

Enclosed is a request from the University of Wisconsin under s.36.46 to increase student fee-funded reserves by \$3.0 million in fiscal year 1993-94. In addition, the UW also requests approval of increases above the reserve amounts in 1991-92 (\$4.5 million increase) and in 1992-93 (\$1.5 million increase).

In adopting s.36.46, it was the Legislature's intent to ensure that the UW maintain prudent reserve funds to operate its auxiliary programs without collecting excessive student fees. The statute specifies that the Board of Regents may not accumulate any student fee-funded auxiliary reserves unless the fees and funds are approved by the Secretary of Administration and the Committee. This requirement took effect July 1, 1986. Following new Regent policy and UW System Administration guidelines, student fee-funded auxiliary reserves were reduced from \$53.0 million at the end of fiscal year 1985-86 to \$37.6 million at fiscal year end 1987-88 and have remained relatively stable since that time.

Fiscal Year 1993-94

For fiscal year 1993-94 the UW plans to increase certain reserves by \$3.0 million while reducing other reserves by \$5.1 million for a net reduction in the total fee-funded auxiliary reserves of \$2.1 million. Increased reserves include:

<u>Campus</u>	<u>93-94 Increase</u>	<u>Estm. Reserve Bal 7/1/94</u>	<u>Program</u>
Madison	\$1,838,400	\$1,624,500	Housing
Milwaukee	300	42,984	Food Serv
LaCrosse	189,255	940,347	Housing
	20,603	721,392	Food Serv
	588,988	3,127,120	Seg Fees
Oshkosh	249,165	1,022,579	Housing
	706	1,080,415	Seg Fees
Stevens Point	122,855	592,073	Food Serv
Stout	2,564	736,297	Food Serv
Superior	10,308	321,910	Housing
TOTAL	\$3,023,144		

Major increases include: (1) UW-Madison housing, which will increase its reserves through a bond sale to cover renovation costs and eliminate a deficit reserve balance; (2) UW-LaCrosse segregated fees, which will increase to continue the accumulation of funds for construction of a new student life building in early 1995; and (3) UW-Oshkosh housing, which plans a rate increase and internal reallocations to bring its reserves up to address future year construction and remodeling work including roof repairs and fire alarm replacements.

Fiscal Year 1992-93

The UW requests approval of a \$1.5 million increase in student fee-funded reserves above the amount approved by DOA and the Committee last July. Major increases include: (1) UW-Milwaukee housing, which increased reserves \$251,500 (\$275,400 over a previously anticipated reduction of \$23,900) due to savings in salaries, supplies and equipment; (2) UW-Parkside housing, which established an initial reserve of \$765,900 when it acquired its student housing complex from its Benevolent Foundation; and (3) UW-Stevens Point food service, which increased reserves by \$267,600 from the release of revenues previously committed to the renovation of Debot Commons. UW System Administration is aware that Stevens Point's reserve amount (projected at \$592,100) is close to the maximum allowable level of \$671,000 and is working with Stevens Point to ensure that the campus has project needs which justify this reserve level.

Fiscal Year 1991-92

The UW requests approval of a \$4.5 million increase in reserves over the amounts approved by DOA and the Committee in its last two s.36.46 requests. Major increases include (1) UW-Madison housing, which increased reserves \$367,800 (actually \$875,800 over an anticipated reduction of \$508,000) due to unanticipated cost savings in food, utilities, etc; (2) UW-Madison segregated fees, which increased reserves \$1,408,800 (\$2,531,200 over an anticipated reduction of \$1,122,400) due primarily to cost savings in intercollegiate athletics (used to reduce the deficit) and the student union; (3) UW-Milwaukee segregated fees, which increased reserves \$662,700 (\$735,400 over an anticipated reduction of \$72,700) due to project deferments, position vacancies, and interest earned; and (4) UW-Stout housing, which increased reserves \$408,000 (\$651,800 over an anticipated reduction of \$243,800) due primarily to lower operating costs and project deferrals.

As noted previously, the UW's student fee-funded auxiliary reserves have remained relatively stable at \$37 million since fiscal year 1987-88 despite planned reductions. In the last six fiscal years reserves have held an average 42% more revenue than initial UW estimates in s.36.46 requests. If this pattern continues, the \$35.3 million reserve balance estimated for fiscal year 1993-94 will increase between \$8 million and \$21 million by the time it is finalized in the UW's July 1995 report.

<u>Fiscal Year</u>	<u>Original Estm Reserve Balance</u>	<u>Final Actual Reserve Balance</u>	<u>% Difference</u>
1987-88		\$37,594,500	
1988-89	\$26,819,600	36,863,200	37.5%
1989-90	26,516,100	37,569,800	41.7%
1990-91	27,417,600	39,491,300	44.0%
1991-92	26,090,000	43,430,000	66.5%
1992-93	30,921,800	**37,462,300	21.2%
1993-94	*35,348,000	---	

*current request **updated estimate; not final until 7/94

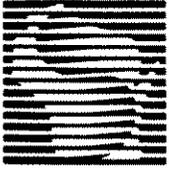
The Department of Administration has some concerns regarding the UW's ability to accurately predict its auxiliary reserve levels and will closely monitor future fund balances.

The UW's current request for reserve increases of \$9.0 million appears reasonable and should be approved.

Sincerely,



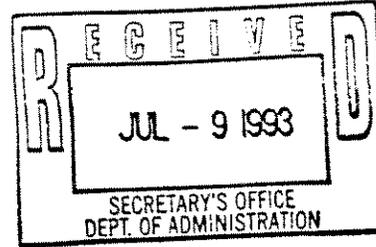
James R. Klauser
Secretary



The University of Wisconsin System

Vice President for Business and Finance

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1220 Linden Drive
Madison, Wisconsin 53706
(608) 262-1311 FAX (608) 262-3985



July 9, 1993

James R. Klauser, Secretary
Department of Administration

Senator Joseph Leean
Representative Barbara J. Linton
Co-Chairs, Joint Committee on Finance

Dear Secretary Klauser, Senator Leean and Representative Linton:

In accord with s. 36.46 Wis. Stats., the UW-System requests approval to add \$3.0 million to select student fee supported reserves. The \$3.0 million will be part of a larger plan to reduce reserves systemwide by \$2.1 million in 1993-94. On July 16th, the Board of Regents will act upon a proposal that combines \$3.0 million in increases with \$5.1 million of reductions. The request is being sent at this time to meet the July 10th statutory filing date; however, given the Board will not have acted on the plan, the request must be conditional. If the Regents choose to make changes, an amended request will be submitted.

Unplanned increases also need approval. In 1991-92, the UW-system experienced \$4.5 million of unplanned increases, and \$1.5 million in 1992-93. The primary reasons were unanticipated revenues (e.g., more students than expected on meal plans and in residence halls), operating savings (e.g., lower utility costs and vacant positions), and project deferrals (e.g., roof and electrical/plumbing updates). The request is to have these amounts added to reserves.

Attachment #1 presents a systemwide summary of balances and changes to balances. The documents to be presented to the Board are enclosed as Attachments #2 and 3. Attachment #2, shows reserve balances, and changes to balances by institution and program from July 1, 1991 to July 1, 1994. The reasons for increases are explained in Attachment #3. All increases are consistent with prescribed maximum allowances, and the purposes for which reserve funds can be used (e.g., new facilities, remodelings/additions, debt obligations, deferred maintenance, contingencies, high cost equipment, and low-cost-high-volume supplies).

Plans are reviewed at the system level twice each year, in October and again in May, for adequacy and reliability. If programs are judged to have deficient or excessive balances, appropriate steps are taken at the institutions to correct and explanations provided System Administration. This plan, together with select increases through 1997-98, is expected to maintain sufficient reserve balances while at the same time carrying out the purposes described above.

The statutory provision states: "...the board may not accumulate any auxiliary reserve funds from student fees unless the fees and reserve funds are approved by the Secretary of DOA and the JCOF", and any such proposal must include "...a plan specifying the amount of reserve funds the board wishes to accumulate and the purposes to which the reserve funds would be applied, if approved., s.36.46. The UW-System plan is consistent with this provision.

We are prepared to provide additional information and answer questions as needed.

Sincerely,



Raymond A. Marnocha
Vice President

cc: President Lyall
Regent Steil
Regent Grebe
Regent Gelatt
Chancellors
Vice Presidents
Debbie Durcan
Tom Sonnleitner

Kent Hill
Joint Committee on Finance Members
Bob Hanle, DOA
Marty Olle, DOA
Bob Lang, LFB
David Suchman, LFB
Legislative Reference Bureau

Attachment #1

University of Wisconsin System
 Student Fee Funded Reserve Accumulations
 (s.36.46 Wis. Stats. Compliance)

Presented in Attachment #2, followed by the explanations in Attachment #3, are the reserve balances and accumulations by institution and program for those programs funded by student fees. The table below presents a systemwide summary of the actual increases for 1991-92, estimated increases for the just completed 1992-93, and proposed increases for 1993-94.

The purpose of this report is to comply with the requirement that increases to student fee funded reserves, and fee increases used for that purpose, are subject to the approval of the Joint Committee on Finance (JFC) and Department of Administration (DOA). "...the board may not accumulate any auxiliary reserve funds from student fees unless the fees and funds are approved by the Secretary of DOA and the JFC..."; the table and accompanying explanations represent "...the amount of reserve funds the board wishes to accumulate and the purpose to which the reserve funds would be applied, if approved...", s.36.46 Wis. Stats.

The plan is to increase select reserves by \$3.0 million in 1993-94 and reduce others by \$5.1 million, for a net reduction of \$2.1 million and a June 30, 1994 balance of \$35.3 million. Unanticipated increases from prior years that have not yet been approved are separately identified; the UW-System requests these amounts be added to reserves. Previous approvals are reported as an information item.

	1991-92	1992-93	1993-94
July 1 Reserve Balance	\$39.5	\$43.4	\$37.4
Previously Approved	2.0	1.1	
Unplanned Increases	4.5	1.5	
Proposed Increases			3.0
Reductions to Balances	(2.6)	(8.6)	(5.1)
Net Changes	3.9	(6.0)	(2.1)
June 30 Reserve Balance	\$43.4	\$37.4	\$35.3

Funding for the \$3.0 increase will be base reallocations, projects scheduled for 1993-94 but deferred, and increases to student fees. Wherever fees (room, board and/or segregated fees) are increased for reserve purposes, the increase amount is separately identified and explained in the attachment.

**UNIVERSITY OF WISCONSIN SYSTEM
STUDENT FEE FUNDED RESERVES
(S.36.46 WIS. STATS. COMPL.)**

INSI	PROGRAM	07/01/81		07/01/82		07/01/83		07/01/84		07/01/84 RESERVE MAXIMUMS
		RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	
MSN	HOUSING AND FOOD SERVICE SEGREGATED FEES TOTAL FEE FUNDED	\$2,170,900 1,736,683 3,907,583	\$367,800 ** 1,408,809 ** 1,776,609	\$2,538,700 3,145,492 5,684,192	(\$2,752,700) (155,082) (2,907,782)	(\$214,000) 2,990,400 2,776,400	\$1,838,400 ** (54,100) 1,784,300	\$1,824,400 2,936,300 4,560,700	\$7,497,429 7,063,524 14,560,953	
MIL	HOUSING FOOD SERVICE SEGREGATED FEES TOTAL FEE FUNDED	3,241,786 65,894 4,570,300 7,897,980	145,217 ** (51,223) 662,734 ** 756,728	3,387,013 34,671 5,233,034 8,654,718	251,487 ** 8,013 ** 81,354 ** 340,854	3,638,500 42,984 5,314,388 8,995,572	(88,400) 300 ** (1,086,700) (1,174,600)	3,550,100 42,984 4,227,688 7,820,772	4,222,000 1,126,900 5,776,300 11,127,200	
EAU	HOUSING FOOD SERVICE* SEGREGATED FEES TOTAL FEE FUNDED	641,391 1,580,454 2,201,845	287,827 ** 100,073 ** 367,900	909,218 1,660,527 2,569,745	(43,521) (7,352) (50,873)	865,697 1,653,175 2,518,872	(133,050) (147,645) (280,695)	732,647 1,505,530 2,238,177	2,776,450 2,418,550 5,195,000	
GBY	HOUSING FOOD SERVICE* SEGREGATED FEES TOTAL FEE FUNDED	35,123 1,498,217 1,531,340	371,147 ** 238,531 ** 609,678	408,270 1,734,748 2,141,018	73,452 ** (35,567) 37,885	479,722 1,699,181 2,178,903	(161,212) (986,176) (1,157,388)	318,510 703,005 1,021,515	1,411,289 1,656,758 3,068,047	
LAC	HOUSING FOOD SERVICE SEGREGATED FEES TOTAL FEE FUNDED	291,646 338,746 1,806,635 2,237,027	185,354 ** 314,488 ** 667,286 ** 1,167,108	477,000 653,234 2,273,901 3,404,135	274,082 ** 47,555 ** 264,231 ** 585,878	751,082 700,789 2,538,132 3,980,013	189,255 ** 20,603 ** 588,988 ** 798,846	940,347 721,392 3,127,120 4,788,859	2,211,427 1,038,726 4,470,124 7,720,277	
OSH	HOUSING FOOD SERVICE SEGREGATED FEES TOTAL FEE FUNDED	291,210 882,686 805,133 1,979,029	52,766 ** (8,052) 222,702 ** 267,416	343,976 874,634 1,027,835 2,246,445	429,438 ** (268,451) 51,874 ** 212,961	773,414 606,183 1,079,709 2,459,306	249,165 ** (29,508) 706 ** 220,362	1,022,579 576,674 1,080,415 2,679,668	2,507,644 704,475 1,146,469 4,356,588	
PKS	HOUSING FOOD SERVICE SEGREGATED FEES TOTAL FEE FUNDED	0 732,431 732,431	(26,611) 35,975 ** 9,364	(26,611) 768,408 741,795	765,919 ** (67,939) 696,260	739,308 700,767 1,440,075	(146,708) (115,898) (262,608)	592,599 584,868 1,177,467	1,503,566 1,305,534 2,809,100	
PLT	HOUSING FOOD SERVICE* SEGREGATED FEES TOTAL FEE FUNDED	1,625,313 1,751,748 3,377,061	154,943 ** (325,499) (170,556)	1,780,256 1,426,249 3,206,505	(331,548) (37,377) (369,925)	1,448,708 1,388,872 2,837,580	(30,728) (141,985) (172,713)	1,417,980 1,246,887 2,664,867	1,457,160 1,464,002 2,921,162	
RVF	HOUSING FOOD SERVICE SEGREGATED FEES TOTAL FEE FUNDED	553,861 600,047 813,329 1,767,237	(381) (9,936) (45,078) (55,395)	553,480 590,111 568,251 1,711,842	(155,475) 64,878 ** (101,442) (182,039)	398,005 654,989 466,809 1,519,803	(3,321) (119,360) (10,412) (133,093)	394,684 535,629 456,397 1,386,710	1,152,469 1,015,965 1,075,642 3,244,096	

* Food service is combined with Student Center to reflect organizational assignment. ** Reserve increases -- see attached for explanations.

**UNIVERSITY OF WISCONSIN SYSTEM
STUDENT FEE FUNDED RESERVES
(S. 36.46 WIS. STATS. COMPL.)**

INST	PROGRAM	07/01/91		07/01/92		07/01/93		07/01/94		07/01/94 RESERVE MAXIMUMS
		RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	
STP	HOUSING	672,800	(312,146)	560,654	(128,399)	432,255	(68,100)	384,155	(68,100)	2,124,000
	FOOD SERVICE	891,715	(718,797)	172,918	298,300 **	469,218	122,855 **	592,073	122,855 **	671,000
	SEGREGATED FEES	1,218,385	(15,110)	1,203,275	(164,620)	1,038,655	(148,737)	889,918	(148,737)	1,998,350
	TOTAL FEE FUNDED	2,982,900	(1,046,053)	1,936,847	3,281	1,940,128	(93,982)	1,846,146	(93,982)	4,793,350
STO	HOUSING	1,511,876	408,010 **	1,919,886	(509,329)	1,410,357	(103,125)	1,307,232	(103,125)	1,984,806
	FOOD SERVICE	1,961,395	71,938 **	1,733,333	(999,600)	733,733	2,564 **	738,297	2,564 **	1,129,192
	SEGREGATED FEES	738,282	218,714 **	956,976	31,918 **	988,892	(433,885)	555,207	(433,885)	1,404,801
	TOTAL FEE FUNDED	3,911,333	698,662	4,609,995	(1,477,013)	3,132,982	(534,246)	2,598,736	(534,246)	4,498,799
SUP	HOUSING	200,297	104,779 **	305,076	6,528 **	311,602	10,308 **	321,910	10,308 **	705,755
	FOOD SERVICE*									
	SEGREGATED FEES	1,235,762	45,239 **	1,280,991	(92,667)	1,188,324	(182,507)	1,005,817	(182,507)	1,515,427
	TOTAL FEE FUNDED	1,436,059	150,008	1,586,067	(86,141)	1,499,926	(172,199)	1,327,727	(172,199)	2,221,182
WTW	HOUSING	1,628,580	(513,008)	1,115,582	(628,382)	487,200	(117,380)	369,820	(117,380)	1,801,550
	FOOD SERVICE	1,189,241	(581,220)	608,021	(455,217)	152,804	(47,888)	104,906	(47,888)	1,085,880
	SEGREGATED FEES	2,297,483	434,233 **	2,731,716	(1,656,029)	1,075,687	(651,100)	424,587	(651,100)	1,837,824
	TOTAL FEE FUNDED	5,115,314	(659,995)	4,455,319	(2,739,628)	1,715,691	(816,378)	899,313	(816,378)	4,725,234
GEN	HOUSING	0	50,322 **	50,322	14,678 **	65,000	(8,000)	57,000	(8,000)	75,000
	FOOD SERVICE	97,283	(743)	96,540	(5,296)	91,244	(26,086)	65,158	(26,086)	160,000
	SEGREGATED FEES	316,827	17,662 **	334,489	(33,650)	300,839	(85,842)	215,197	(85,842)	370,000
	TOTAL FEE FUNDED	414,110	87,241	481,351	24,268	457,083	119,728	337,355	119,728	605,000
TOTAL	HOUSING	13,064,803	1,256,019	14,320,822	(2,733,762)	11,586,860	1,427,103	13,013,963	1,427,103	31,410,545
	FOOD SERVICE	5,747,007	(983,545)	4,763,462	(1,311,816)	3,451,644	(76,531)	3,375,113	(76,531)	6,932,138
	SEGREGATED FEES	20,679,849	3,666,241	24,345,890	(1,922,060)	22,423,830	(3,464,894)	18,958,938	(3,464,894)	33,505,305
	TOTAL FEE FUNDED	\$39,491,259	\$3,938,715	\$43,429,974	(\$5,997,640)	\$37,462,334	(\$2,114,322)	\$35,348,012	(\$2,114,322)	\$71,847,988
INCREASES HOUSING			\$2,108,165		\$1,815,592		\$2,287,128		\$2,287,128	
FOOD SERVICE			386,426		416,746		146,322		146,322	
SEGREGATED FEES			4,051,928		429,375		589,694		589,694	
TOTAL FEE FUNDED			6,546,519		2,661,713		3,023,144		3,023,144	
DECREASES HOUSING			(852,146)		(4,549,354)		(660,025)		(660,025)	
FOOD SERVICE			(1,368,971)		(1,728,564)		(222,853)		(222,853)	
SEGREGATED FEES			(385,687)		(2,351,435)		(4,054,588)		(4,054,588)	
TOTAL FEE FUNDED			(\$2,607,804)		(\$8,629,353)		(\$5,137,466)		(\$5,137,466)	

* Food service is combined with Student Center to reflect organizational assignment. ** Reserve increases -- see attached for explanations.

Attachment #3

Madison

1991-92: Housing increased reserves by \$367,800 through cost savings (e.g., food, utilities and supplies and services). Segregated fee supported programs increased \$1.4 million. Intercollegiate athletics produced over \$1.0 million of the increase (e.g., lower grant-in-aid, salaries, general maintenance, and interest, with the savings used to reduce the deficit); the student union also used cost savings to increase reserves.

1993-94: The \$1.8 million increase to housing will come primarily from a \$1.5 million bond sale. The proceeds will be used to cover the costs incurred in 1992-93 to renovate student family apartments. The rate increase in 1993-94 will not be used to accumulate reserves; rather the funds will be used to improve major maintenance efforts which in turn will reduce the burden on reserves in the future.

Milwaukee:

1991-92: The \$145,217 residence hall increase was previously approved. Previous approvals are reported for information purposes. The \$662,734 increase to segregated fee reserves was primarily in the student union where a driveway repair project was deferred (\$100,000), authorized positions not filled (\$150,000), and income from segregated fees, interest and merchandise sales higher than expected (\$100,000). Other programs with additional income and salary savings were student health (\$75,000) and organized activities (\$75,000).

1992-93: Residence halls were able to increase reserves by \$251,487 through salary savings, service and supply reductions, and cost savings on a hot water replacement project. Food services increased \$8,013 through salary savings, and the student union and health services by \$81,354 through unanticipated revenues and salary savings.

1993-94: Milwaukee realizes a reserve of \$42,984 is inadequate for the food service program, and is taking steps to deal with the problem. In the student union, they are moving from a kitchen-cafeteria operation to a fast food operation to better meet student preferences; in 1992-93, labor costs were also reduced by \$123,000. Other steps include targeting faculty, staff and commuter students for additional sales, downsizing/consolidating kitchens, reducing the number of food outlets, and further reducing overhead costs. Over time, these plus other changes are expected to improve operating margins and allow for rebuilding reserves.

Eau Claire:

1991-92: The \$267,827 residence hall increase includes \$65,221 previously approved, and \$202,606 from higher occupancies (\$73,000), utility savings (\$57,000), and cost savings (\$75,000) on two projects (electrical transformer and roof replacement). Lower than expected food costs in food service and lower inventory replacement costs in the bookstore allowed the university center to increase reserves by \$100,000.

1993-94: Eau Claire will increase textbook rental fees \$15.50 for reserve purposes to reduce what would otherwise be a larger reduction to reserves.

Green Bay:

1991-92: The \$371,147 residence hall increase includes \$210,718 previously approved, and \$160,429 from higher than anticipated occupancy and interest income (\$58,400), lower student help costs (\$40,700) and lower service and supply costs (\$60,000). The \$238,531 increase to segregated fee supported programs was previously approved.

1992-93: The \$73,452 residence hall increase includes \$3,886 previously approved; the other \$69,566 is primarily from actual occupancies being 22 students over budget.

La Crosse:

1991-92: The \$185,354 residence hall increase, \$191,149 of the \$314,488 increase to food service, and \$501,789 of the \$667,266 increase to segregated fee supported programs were previously approved. Reductions to the set aside for prior year encumbrances (\$71,000), and additional contract revenues (\$52,000) added to the increase to the food service reserve. Segregated fee supported programs generated savings by refinancing the student center debt (\$60,700), additional revenues and salary savings in the health center (\$68,000), increased gate receipts from inter-collegiate athletics (\$16,000), and increased sales of used textbooks (\$25,000).

1992-93: The increases to residence halls (\$274,092), food service (\$47,555), and segregated fee supported programs (\$264,231) were previously approved as part of the 1992-93 budget.

1993-94: The plan is to increase residence hall reserves by \$189,255, and bring the balance to \$940,347 against a maximum allowed of \$2,211,427; the funding will come from a \$24.53 fee increase (\$66,000) and increased summer revenues (\$123,000), e.g., camps for elementary/secondary students, programs for continuing education adults, and the New Orleans Saints. The funds are intended for furniture, washers/dryers, refrigerators, window restorations, tuck pointing, etc.

Food service proposes to increase reserves \$20,603, with about 50% coming from a \$3.24 rate increase and the other 50% from reallocations. Projects that will draw on the reserve include an elevator replacement (\$180,000) in 1994-95, and remodeling in the Whitney Center (\$250,000) in 1995-96. By the end of 1995-96, the reserve is expected to be just under \$500,000.

A major share of the proposed segregated fee increase will go for reserve purposes. \$22.95 will help fund the student life building; the plan is to add \$569,800 to the reserve in 1993-94, with a goal of \$3.0 million at the time of construction in late 1994-95. The student center will increase fees by \$4.62 in a move to begin restoring the reserve; the balance will increase from \$78,000 to \$113,400 with a maximum allowed of \$780,000. \$1.18 will go to student health; health services was to move to the new student life building, but will now stay at its present site; reserve funds will be used to help remodel and purchase additional equipment.

Oshkosh:

1991-92: The \$52,766 residence hall increase was previously approved. The \$222,702 increase to segregated fee supported programs includes a previous approval (\$145,682), lower than anticipated services/supply costs in the student center (\$77,020), and lower debt costs from refinancing the stadium debt (\$27,000).

1992-93: The \$429,438 residence hall increase includes \$333,890 previously approved, and \$95,548 of unanticipated revenues (e.g., fitness center memberships, washer/dryer commissions and conference center income). The \$51,874 increase to segregated fee supported reserves includes \$32,715 previously approved, and \$19,159 from higher than expected organized activity revenues and lower than expected student center costs.

1993-94: Residence halls will add \$249,165 to reserves, bringing the balance to \$1,022,579 against a maximum of \$2,507,644. About 50% of the funds will come from a \$40 rate increase and the other 50% from internal reallocations. Segregated fee supported reserves will increase \$706.

Parkside:

1991-92: The \$35,975 increase to segregated fee supported reserves includes \$20,537 previously approved, and salary savings from lower than anticipated staffing costs in the health center.

1992-93: At the time the state acquired the student housing complex from the UW-Parkside Benevolent Foundation, a provision was included in the agreement to use a portion of the bond proceeds to establish a reserve for facility maintenance and repair. The \$765,919 represents that reserve.

Platteville:

1991-92: The \$154,943 increase to the residence hall reserve was the result of higher than anticipated revenues (housing contracts, \$34,000; interest income, \$12,000), and lower than anticipated capital expenditures.

River Falls:

1992-93: The \$64,878 food service increase was anticipated and previously approved as part of the 1992-93 budget.

1993-94: Segregated fees will be increased \$6.75 for reserve purposes to reduce what would otherwise be a larger reduction to reserves (\$32,000).

Stevens Point:

1992-93: The \$296,300 food service increase includes \$28,700 previously approved; another \$260,000 came from the release of revenues that were committed to the renovation of Debot Commons (\$350,000) in 1991-92.

1993-94: The revenue stream that provided the \$260,000 in 1992-93 will add another \$122,855 to reserves in 1993-94; the balance will be used to fund increased operating costs (e.g., compensation and inflation). Revenues from a \$21 residence hall rate increase will reduce what would otherwise be a larger reduction to the reserve (\$60,000).

Stout:

1991-92: The \$408,010 residence hall increase was caused by equipment/project deferrals, e.g., microfridges and a computerized laundry system, (\$63,000); lower than expected operating expenditures, e.g., salaries, utilities, insurance, garbage collection and custodial/building supplies, (\$169,000); reductions to set asides for prior year encumbrances (\$110,000); and reassigning the cost of a steamline project to dining services (\$66,000).

The food service reserve increased by \$71,938 due to increased contract revenues, and lower than expected food, paper and cleaning supply costs. The \$218,714 increase to segregated fee supported programs was caused by lower than expected building/equipment repairs in the student center (\$137,000), and higher than anticipated revenues in organized activities and student health (\$42,000).

1992-93: The \$31,916 increase to segregated fee supported reserves was previously approved as part of the 1992-93 budget.

1993-94: Lower expenditures for reserve related expenditures in food service will allow that reserve to increase by \$2,564.

Superior:

1991-92: The \$104,779 residence hall increase includes \$88,001 previously approved, and savings from lower than expected maintenance costs. Segregated fee supported reserves increased \$45,229 because of higher than expected ice arena revenues, and the deferral of capital projects in the student center.

1992-93: The \$6,526 increase to the residence hall reserve was previously approved as part of the 1992-93 budget.

1993-94: Reallocations will allow the residence hall reserve to increase by \$10,308 without a reserve related fee increase.

Whitewater:

1991-92: The \$434,233 increase to segregated fee supported reserves includes \$91,974 previously approved. Another \$342,259 came from revenue/expenditure savings in organized activities (\$155,000); deferred projects in the student center, e.g., replacing entrance doors/remodeling offices (\$95,000); savings from vacant positions and setting aside a contract for additional physician services in health services (\$67,000); and the savings from debt refinancing, and lower supply, service and student help costs at the stadium (\$34,000).

Center System:

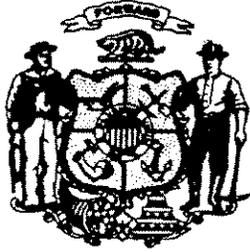
1991-92: The \$50,322 increase to the residence hall reserve includes \$20,000 previously approved. The other \$30,322 came from cautious hiring of staff and a reluctance to add new services. Marathon assumed responsibility for the dormitory on July 1, 1991, and has since made an effort, through planned increases and expenditure savings where feasible, to build adequate reserves. The \$17,662 increase to segregated fee supported reserves reflects scaling back on the cost of student activities/fine arts programs due to concerns for potential enrollment shortfalls.

1992-93: \$10,000 of the \$14,678 increase to the resident hall reserve was previously approved as part of the 1992-93 budget. The \$4,678 reflects Marathon's continuing effort to achieve a stronger financial position.

State of Wisconsin

SENATE CHAIR
JOE LEEAN

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ASSEMBLY CHAIR
BARBARA J. LINTON

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JOINT COMMITTEE ON FINANCE

July 13, 1993

TO: JOINT COMMITTEE ON FINANCE MEMBERS

FROM: Senator Joe Leean
Representative Barbara J. Linton
Co-Chair, Joint Committee on Finance

Attached is a copy of a request from the University of Wisconsin System dated July 9, 1993, under ss. 36.46 of the statutes.

Please review this item and notify Senator Leean's office not later than Monday, July 26, 1993, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need additional information.

JL:BJL:ns

Attachments



The University of Wisconsin System

Vice President for Business and Finance

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1220 Linden Drive
Madison, Wisconsin 53706
(608) 262-1311 FAX (608) 262-3985

July 9, 1993

James R. Klauser, Secretary
Department of Administration

Senator Joseph Leean
Representative Barbara J. Linton
Co-Chairs, Joint Committee on Finance

Dear Secretary Klauser, Senator Leean and Representative Linton:

In accord with s. 36.46 Wis. Stats., the UW-System requests approval to add \$3.0 million to select student fee supported reserves. The \$3.0 million will be part of a larger plan to reduce reserves systemwide by \$2.1 million in 1993-94. On July 16th, the Board of Regents will act upon a proposal that combines \$3.0 million in increases with \$5.1 million of reductions. The request is being sent at this time to meet the July 10th statutory filing date; however, given the Board will not have acted on the plan, the request must be conditional. If the Regents choose to make changes, an amended request will be submitted.

Unplanned increases also need approval. In 1991-92, the UW-system experienced \$4.5 million of unplanned increases, and \$1.5 million in 1992-93. The primary reasons were unanticipated revenues (e.g., more students than expected on meal plans and in residence halls), operating savings (e.g., lower utility costs and vacant positions), and project deferrals (e.g., roof and electrical/plumbing updates). The request is to have these amounts added to reserves.

Attachment #1 presents a systemwide summary of balances and changes to balances. The documents to be presented to the Board are enclosed as Attachments #2 and 3. Attachment #2, shows reserve balances, and changes to balances by institution and program from July 1, 1991 to July 1, 1994. The reasons for increases are explained in Attachment #3. All increases are consistent with prescribed maximum allowances, and the purposes for which reserve funds can be used (e.g., new facilities, remodelings/additions, debt obligations, deferred maintenance, contingencies, high cost equipment, and low-cost-high-volume supplies).

Plans are reviewed at the system level twice each year, in October and again in May, for adequacy and reliability. If programs are judged to have deficient or excessive balances, appropriate steps are taken at the institutions to correct and explanations provided System Administration. This plan, together with select increases through 1997-98, is expected to maintain sufficient reserve balances while at the same time carrying out the purposes described above.

The statutory provision states: "...the board may not accumulate any auxiliary reserve funds from student fees unless the fees and reserve funds are approved by the Secretary of DOA and the JCOF", and any such proposal must include "...a plan specifying the amount of reserve funds the board wishes to accumulate and the purposes to which the reserve funds would be applied, if approved., s.36.46. The UW-System plan is consistent with this provision.

We are prepared to provide additional information and answer questions as needed.

Sincerely,



Raymond A. Marnocha
Vice President

cc: President Lyall
Regent Steil
Regent Grebe
Regent Gelatt
Chancellors
Vice Presidents
Debbie Durcan
Tom Sonnleitner

Kent Hill
Joint Committee on Finance Members
Bob Hanle, DOA
Marty Olle, DOA
Bob Lang, LFB
David Suchman, LFB
Legislative Reference Bureau

Attachment #1

University of Wisconsin System
 Student Fee Funded Reserve Accumulations
 (s.36.46 Wis. Stats. Compliance)

Presented in Attachment #2, followed by the explanations in Attachment #3, are the reserve balances and accumulations by institution and program for those programs funded by student fees. The table below presents a systemwide summary of the actual increases for 1991-92, estimated increases for the just completed 1992-93, and proposed increases for 1993-94.

The purpose of this report is to comply with the requirement that increases to student fee funded reserves, and fee increases used for that purpose, are subject to the approval of the Joint Committee on Finance (JFC) and Department of Administration (DOA). "...the board may not accumulate any auxiliary reserve funds from student fees unless the fees and funds are approved by the Secretary of DOA and the JFC..."; the table and accompanying explanations represent "...the amount of reserve funds the board wishes to accumulate and the purpose to which the reserve funds would be applied, if approved...", s.36.46 Wis. Stats.

The plan is to increase select reserves by \$3.0 million in 1993-94 and reduce others by \$5.1 million, for a net reduction of \$2.1 million and a June 30, 1994 balance of \$35.3 million. Unanticipated increases from prior years that have not yet been approved are separately identified; the UW-System requests these amounts be added to reserves. Previous approvals are reported as an information item.

	1991-92	1992-93	1993-94
July 1 Reserve Balance	\$39.5	\$43.4	\$37.4
Previously Approved	2.0	1.1	
Unplanned Increases	4.5	1.5	
Proposed Increases			3.0
Reductions to Balances	(2.6)	(8.6)	(5.1)
Net Changes	3.9	(6.0)	(2.1)
June 30 Reserve Balance	\$43.4	\$37.4	\$35.3

Funding for the \$3.0 increase will be base reallocations, projects scheduled for 1993-94 but deferred, and increases to student fees. Wherever fees (room, board and/or segregated fees) are increased for reserve purposes, the increase amount is separately identified and explained in the attachment.

**UNIVERSITY OF WISCONSIN SYSTEM
STUDENT FEE FUNDED RESERVES
(S.36.46 WIS. STATS. COMPL.)**

INST	PROGRAM	07/01/91		07/01/92		07/01/93		07/01/94		07/01/94 RESERVE MAXIMUMS
		RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	
MSN	HOUSING AND FOOD SERVICE	\$2,170,909	\$367,800 **	\$2,538,700	(\$2,752,700)	(\$214,000)	\$1,838,400 **	\$1,824,400	\$7,497,429	
	SEGREGATED FEES	1,736,883	1,408,809 **	3,145,692	(155,092)	2,990,600	(54,100)	2,936,500	7,083,524	
	TOTAL FEE FUNDED	3,907,583	1,776,609	5,684,392	(2,907,792)	2,776,400	1,784,300	4,560,700	14,560,953	
MIL	HOUSING	3,241,796	145,217 **	3,387,013	251,487 **	3,638,500	(88,400)	3,550,100	4,222,000	
	FOOD SERVICE	85,894	(51,223)	34,671	8,013 **	42,684	300 **	42,984	1,128,900	
	SEGREGATED FEES	4,570,300	662,734 **	5,233,034	81,354 **	5,314,388	(1,086,709)	4,227,688	5,778,300	
	TOTAL FEE FUNDED	7,897,990	756,728	8,654,718	340,854	8,995,572	(1,174,809)	7,820,772	11,127,200	
EAU	HOUSING	641,381	267,827 **	909,218	(43,521)	865,697	(133,050)	732,647	2,776,450	
	FOOD SERVICE*									
	SEGREGATED FEES	1,560,454	100,073 **	1,660,527	(7,352)	1,653,175	(147,845)	1,505,330	2,418,550	
	TOTAL FEE FUNDED	2,201,845	367,900	2,568,745	(50,873)	2,518,872	(280,695)	2,238,177	5,195,000	
GBY	HOUSING	35,123	371,147 **	406,270	73,452 **	479,722	(161,212)	318,510	1,411,289	
	FOOD SERVICE*									
	SEGREGATED FEES	1,496,217	238,531 **	1,734,748	(35,567)	1,699,181	(986,176)	703,005	1,658,758	
	TOTAL FEE FUNDED	1,531,340	609,678	2,141,018	37,885	2,178,903	(1,157,389)	1,021,515	3,068,047	
LAC	HOUSING	291,646	185,354 **	477,000	274,092 **	751,092	189,255 **	940,347	2,211,427	
	FOOD SERVICE	338,748	314,488 **	653,234	47,555 **	700,789	20,803 **	721,392	1,038,726	
	SEGREGATED FEES	1,806,835	667,266 **	2,273,901	264,231 **	2,538,132	588,988 **	3,127,120	4,470,124	
	TOTAL FEE FUNDED	2,237,027	1,167,108	3,404,135	585,878	3,990,013	798,846	4,788,859	7,720,277	
OSH	HOUSING	291,210	52,766 **	343,976	429,438 **	773,414	249,165 **	1,022,579	2,507,844	
	FOOD SERVICE	882,886	(8,052)	874,834	(268,451)	606,383	(29,509)	576,874	704,475	
	SEGREGATED FEES	805,133	222,702 **	1,027,835	51,874 **	1,079,709	706 **	1,080,415	1,148,489	
	TOTAL FEE FUNDED	1,979,029	267,416	2,246,445	212,861	2,459,306	220,362	2,679,668	4,358,588	
PKS	HOUSING	0	(28,611)	(28,611)	765,919 **	739,308	(148,709)	592,599	1,503,566	
	FOOD SERVICE									
	SEGREGATED FEES	732,431	35,975 **	768,406	(67,639)	700,767	(115,899)	584,868	1,305,534	
	TOTAL FEE FUNDED	732,431	9,364	741,785	698,280	1,440,075	(282,608)	1,177,467	2,809,100	
PLT	HOUSING	1,625,313	154,943 **	1,780,256	(331,548)	1,448,708	(30,728)	1,417,980	1,457,160	
	FOOD SERVICE*									
	SEGREGATED FEES	1,751,748	(325,499)	1,426,249	(37,377)	1,388,872	(141,885)	1,246,987	1,484,002	
	TOTAL FEE FUNDED	3,377,061	(170,556)	3,206,505	(368,925)	2,837,580	(172,713)	2,664,967	2,921,162	
RVF	HOUSING	553,861	(381)	553,480	(155,475)	398,005	(9,321)	394,684	1,152,469	
	FOOD SERVICE	600,047	(9,936)	590,111	64,878 **	654,989	(119,360)	535,629	1,015,985	
	SEGREGATED FEES	613,329	(45,076)	568,251	(101,442)	466,809	(10,412)	456,397	1,075,842	
	TOTAL FEE FUNDED	1,767,237	(55,395)	1,711,842	(192,039)	1,519,803	(133,093)	1,386,710	3,244,086	

* Food service is combined with Student Center to reflect organizational assignment. ** Reserve increases - see attached for explanations.

**UNIVERSITY OF WISCONSIN SYSTEM
STUDENT FEE FUNDED RESERVES
(S.36.46 WIS. STATS. COMPL.)**

INST	PROGRAM	07/01/91		07/01/92		07/01/93		07/01/94		07/01/94 RESERVE MAXIMUMS
		RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	RESERVE BALANCES	INCREASE/ DECREASE	
STP	HOUSING	872,800	(312,146)	560,654	(128,369)	432,255	(68,100)	364,155	(68,100)	2,124,000
	FOOD SERVICE	891,715	(718,797)	172,918	296,300 **	469,218	122,855 **	592,073	122,855 **	871,000
	SEGREGATED FEES	1,218,385	(15,110)	1,203,275	(164,820)	1,038,455	(148,737)	889,718	(148,737)	1,908,350
	TOTAL FEE FUNDED	2,982,900	(1,046,053)	1,936,647	3,281	1,940,128	(63,982)	1,846,146	(63,982)	4,793,350
STO	HOUSING	1,511,876	408,010 **	1,919,886	(509,329)	1,410,357	(103,125)	1,307,232	(103,125)	1,964,806
	FOOD SERVICE	1,661,395	71,938 **	1,733,333	(999,800)	733,733	2,564 **	736,297	2,564 **	1,129,192
	SEGREGATED FEES	738,262	218,714 **	956,976	31,916 **	988,892	(433,685)	555,207	(433,685)	1,404,801
	TOTAL FEE FUNDED	3,911,333	698,662	4,609,965	(1,477,013)	3,132,982	(534,246)	2,598,736	(534,246)	4,498,799
SUP	HOUSING	200,297	104,779 **	305,076	6,526 **	311,602	10,308 **	321,910	10,308 **	705,755
	FOOD SERVICE*									
	SEGREGATED FEES	1,235,762	45,229 **	1,280,991	(92,867)	1,188,324	(182,507)	1,005,817	(182,507)	1,515,427
	TOTAL FEE FUNDED	1,438,059	150,008	1,586,067	(86,141)	1,498,926	(172,199)	1,327,727	(172,199)	2,221,182
WTW	HOUSING	1,628,590	(513,008)	1,115,582	(628,382)	487,200	(117,380)	369,820	(117,380)	1,801,550
	FOOD SERVICE	1,189,241	(581,220)	608,021	(455,217)	152,804	(47,898)	104,906	(47,898)	1,085,860
	SEGREGATED FEES	2,287,483	434,233 **	2,731,716	(1,658,029)	1,075,687	(651,100)	424,587	(651,100)	1,837,824
	TOTAL FEE FUNDED	5,115,314	(659,995)	4,455,319	(2,739,828)	1,715,691	(816,378)	899,313	(816,378)	4,725,234
GEN	HOUSING	0	50,322 **	50,322	14,878 **	65,000	(8,000)	57,000	(8,000)	75,000
	FOOD SERVICE	97,283	(743)	96,540	(5,296)	91,244	(26,086)	65,158	(26,086)	160,000
	SEGREGATED FEES	316,827	17,662 **	334,489	(33,650)	300,839	(65,842)	215,197	(65,842)	370,000
	TOTAL FEE FUNDED	414,110	67,241	481,351	24,268	457,083	119,728	337,355	119,728	605,000
TOTAL	HOUSING	13,064,603	1,256,019	14,320,622	(2,733,762)	11,586,860	1,427,103	13,013,963	1,427,103	31,410,545
	FOOD SERVICE	5,747,007	(983,545)	4,763,462	(1,311,818)	3,451,644	(76,531)	3,375,113	(76,531)	6,932,138
	SEGREGATED FEES	20,879,849	3,866,241	24,345,890	(1,922,060)	22,423,830	(3,464,894)	18,958,936	(3,464,894)	33,505,305
	TOTAL FEE FUNDED	\$39,491,259	\$3,938,715	\$43,429,874	(\$5,967,640)	\$37,462,334	(\$2,114,322)	\$35,348,012	(\$2,114,322)	\$71,847,988
INCREASES	HOUSING		\$2,108,165		\$1,815,592		\$2,287,128		\$2,287,128	
	FOOD SERVICE		386,426		416,746		146,322		146,322	
	SEGREGATED FEES		4,051,928		428,375		589,894		589,894	
	TOTAL FEE FUNDED		6,546,519		2,661,713		3,023,144		3,023,144	
DECREASES	HOUSING		(852,146)		(4,549,354)		(660,025)		(660,025)	
	FOOD SERVICE		(1,369,971)		(1,728,564)		(222,853)		(222,853)	
	SEGREGATED FEES		(385,687)		(2,351,439)		(4,054,589)		(4,054,589)	
	TOTAL FEE FUNDED		(\$2,607,804)		(\$8,629,353)		(\$5,137,468)		(\$5,137,468)	

* Food service is combined with Student Center to reflect organizational assignment. ** Reserve increases - see attached for explanations.

Attachment #3

Madison

1991-92: Housing increased reserves by \$367,800 through cost savings (e.g., food, utilities and supplies and services). Segregated fee supported programs increased \$1.4 million. Intercollegiate athletics produced over \$1.0 million of the increase (e.g., lower grant-in-aid, salaries, general maintenance, and interest, with the savings used to reduce the deficit); the student union also used cost savings to increase reserves.

1993-94: The \$1.8 million increase to housing will come primarily from a \$1.5 million bond sale. The proceeds will be used to cover the costs incurred in 1992-93 to renovate student family apartments. The rate increase in 1993-94 will not be used to accumulate reserves; rather the funds will be used to improve major maintenance efforts which in turn will reduce the burden on reserves in the future.

Milwaukee:

1991-92: The \$145,217 residence hall increase was previously approved. Previous approvals are reported for information purposes. The \$662,734 increase to segregated fee reserves was primarily in the student union where a driveway repair project was deferred (\$100,000), authorized positions not filled (\$150,000), and income from segregated fees, interest and merchandise sales higher than expected (\$100,000). Other programs with additional income and salary savings were student health (\$75,000) and organized activities (\$75,000).

1992-93: Residence halls were able to increase reserves by \$251,487 through salary savings, service and supply reductions, and cost savings on a hot water replacement project. Food services increased \$8,013 through salary savings, and the student union and health services by \$81,354 through unanticipated revenues and salary savings.

1993-94: Milwaukee realizes a reserve of \$42,984 is inadequate for the food service program, and is taking steps to deal with the problem. In the student union, they are moving from a kitchen-cafeteria operation to a fast food operation to better meet student preferences; in 1992-93, labor costs were also reduced by \$123,000. Other steps include targeting faculty, staff and commuter students for additional sales, downsizing/consolidating kitchens, reducing the number of food outlets, and further reducing overhead costs. Over time, these plus other changes are expected to improve operating margins and allow for rebuilding reserves.

Eau Claire:

1991-92: The \$267,827 residence hall increase includes \$65,221 previously approved, and \$202,606 from higher occupancies (\$73,000), utility savings (\$57,000), and cost savings (\$75,000) on two projects (electrical transformer and roof replacement). Lower than expected food costs in food service and lower inventory replacement costs in the bookstore allowed the university center to increase reserves by \$100,000.

1993-94: Eau Claire will increase textbook rental fees \$15.50 for reserve purposes to reduce what would otherwise be a larger reduction to reserves.

Green Bay:

1991-92: The \$371,147 residence hall increase includes \$210,718 previously approved, and \$160,429 from higher than anticipated occupancy and interest income (\$58,400), lower student help costs (\$40,700) and lower service and supply costs (\$60,000). The \$238,531 increase to segregated fee supported programs was previously approved.

1992-93: The \$73,452 residence hall increase includes \$3,886 previously approved; the other \$69,566 is primarily from actual occupancies being 22 students over budget.

La Crosse:

1991-92: The \$185,354 residence hall increase, \$191,149 of the \$314,488 increase to food service, and \$501,789 of the \$667,266 increase to segregated fee supported programs were previously approved. Reductions to the set aside for prior year encumbrances (\$71,000), and additional contract revenues (\$52,000) added to the increase to the food service reserve. Segregated fee supported programs generated savings by refinancing the student center debt (\$60,700), additional revenues and salary savings in the health center (\$68,000), increased gate receipts from inter-collegiate athletics (\$16,000), and increased sales of used textbooks (\$25,000).

1992-93: The increases to residence halls (\$274,092), food service (\$47,555), and segregated fee supported programs (\$264,231) were previously approved as part of the 1992-93 budget.

1993-94: The plan is to increase residence hall reserves by \$189,255, and bring the balance to \$940,347 against a maximum allowed of \$2,211,427; the funding will come from a \$24.53 fee increase (\$66,000) and increased summer revenues (\$123,000), e.g., camps for elementary/secondary students, programs for continuing education adults, and the New Orleans Saints. The funds are intended for furniture, washers/dryers, refrigerators, window restorations, tuck pointing, etc.

Food service proposes to increase reserves \$20,603, with about 50% coming from a \$3.24 rate increase and the other 50% from reallocations. Projects that will draw on the reserve include an elevator replacement (\$180,000) in 1994-95, and remodeling in the Whitney Center (\$250,000) in 1995-96. By the end of 1995-96, the reserve is expected to be just under \$500,000.

A major share of the proposed segregated fee increase will go for reserve purposes. \$22.95 will help fund the student life building; the plan is to add \$569,800 to the reserve in 1993-94, with a goal of \$3.0 million at the time of construction in late 1994-95. The student center will increase fees by \$4.62 in a move to begin restoring the reserve; the balance will increase from \$78,000 to \$113,400 with a maximum allowed of \$780,000. \$1.18 will go to student health; health services was to move to the new student life building, but will now stay at its present site; reserve funds will be used to help remodel and purchase additional equipment.

Oshkosh:

1991-92: The \$52,766 residence hall increase was previously approved. The \$222,702 increase to segregated fee supported programs includes a previous approval (\$145,682), lower than anticipated services/supply costs in the student center (\$77,020), and lower debt costs from refinancing the stadium debt (\$27,000).

1992-93: The \$429,438 residence hall increase includes \$333,890 previously approved, and \$95,548 of unanticipated revenues (e.g., fitness center memberships, washer/dryer commissions and conference center income). The \$51,874 increase to segregated fee supported reserves includes \$32,715 previously approved, and \$19,159 from higher than expected organized activity revenues and lower than expected student center costs.

1993-94: Residence halls will add \$249,165 to reserves, bringing the balance to \$1,022,579 against a maximum of \$2,507,644. About 50% of the funds will come from a \$40 rate increase and the other 50% from internal reallocations. Segregated fee supported reserves will increase \$706.

Parkside:

1991-92: The \$35,975 increase to segregated fee supported reserves includes \$20,537 previously approved, and salary savings from lower than anticipated staffing costs in the health center.

1992-93: At the time the state acquired the student housing complex from the UW-Parkside Benevolent Foundation, a provision was included in the agreement to use a portion of the bond proceeds to establish a reserve for facility maintenance and repair. The \$765,919 represents that reserve.

Platteville:

1991-92: The \$154,943 increase to the residence hall reserve was the result of higher than anticipated revenues (housing contracts, \$34,000; interest income, \$12,000), and lower than anticipated capital expenditures.

River Falls:

1992-93: The \$64,878 food service increase was anticipated and previously approved as part of the 1992-93 budget.

1993-94: Segregated fees will be increased \$6.75 for reserve purposes to reduce what would otherwise be a larger reduction to reserves (\$32,000).

Stevens Point:

1992-93: The \$296,300 food service increase includes \$28,700 previously approved; another \$260,000 came from the release of revenues that were committed to the renovation of Debot Commons (\$350,000) in 1991-92.

1993-94: The revenue stream that provided the \$260,000 in 1992-93 will add another \$122,855 to reserves in 1993-94; the balance will be used to fund increased operating costs (e.g., compensation and inflation). Revenues from a \$21 residence hall rate increase will reduce what would otherwise be a larger reduction to the reserve (\$60,000).

Stout:

1991-92: The \$408,010 residence hall increase was caused by equipment/project deferrals, e.g., microfridges and a computerized laundry system, (\$63,000); lower than expected operating expenditures, e.g., salaries, utilities, insurance, garbage collection and custodial/building supplies, (\$169,000); reductions to set asides for prior year encumbrances (\$110,000); and reassigning the cost of a steamline project to dining services (\$66,000).

The food service reserve increased by \$71,938 due to increased contract revenues, and lower than expected food, paper and cleaning supply costs. The \$218,714 increase to segregated fee supported programs was caused by lower than expected building/equipment repairs in the student center (\$137,000), and higher than anticipated revenues in organized activities and student health (\$42,000).

1992-93: The \$31,916 increase to segregated fee supported reserves was previously approved as part of the 1992-93 budget.

1993-94: Lower expenditures for reserve related expenditures in food service will allow that reserve to increase by \$2,564.

Superior:

1991-92: The \$104,779 residence hall increase includes \$88,001 previously approved, and savings from lower than expected maintenance costs. Segregated fee supported reserves increased \$45,229 because of higher than expected ice arena revenues, and the deferral of capital projects in the student center.

1992-93: The \$6,526 increase to the residence hall reserve was previously approved as part of the 1992-93 budget.

1993-94: Reallocations will allow the residence hall reserve to increase by \$10,308 without a reserve related fee increase.

Whitewater:

1991-92: The \$434,233 increase to segregated fee supported reserves includes \$91,974 previously approved. Another \$342,259 came from revenue/expenditure savings in organized activities (\$155,000); deferred projects in the student center, e.g., replacing entrance doors/remodeling offices (\$95,000); savings from vacant positions and setting aside a contract for additional physician services in health services (\$67,000); and the savings from debt refinancing, and lower supply, service and student help costs at the stadium (\$34,000).

Center System:

1991-92: The \$50,322 increase to the residence hall reserve includes \$20,000 previously approved. The other \$30,322 came from cautious hiring of staff and a reluctance to add new services. Marathon assumed responsibility for the dormitory on July 1, 1991, and has since made an effort, through planned increases and expenditure savings where feasible, to build adequate reserves. The \$17,662 increase to segregated fee supported reserves reflects scaling back on the cost of student activities/fine arts programs due to concerns for potential enrollment shortfalls.

1992-93: \$10,000 of the \$14,678 increase to the resident hall reserve was previously approved as part of the 1992-93 budget. The \$4,678 reflects Marathon's continuing effort to achieve a stronger financial position.