The purpose of the Marquette Financial Performance dashboard is to give the reader a clear depiction of Marquette’s financial health.

Click on any chart to see trends and explanations of each topic. For more information or to ask a question about any topic, click on the Ask a Question button.

For an analysis of this information, visit the Treasurer’s Comments.
Treasurer's Comments

General Comments
The university is currently moving forward on a number of new initiatives. The Global Water Center offers an opportunity for Marquette to be involved in cutting edge research and scholarship with a consortium of water technology companies and other educational institutions. To further advance new ideas and opportunities, President Lovell also recently announced the creation of an Innovation Fund. The Fund will be permanently resourced on an annual basis by the university with $1 million in operating and $1 million capital funds. An Innovation Council is being formed to review proposals and will have representation from various constituencies. These and other innovative initiatives will enable Marquette to create an opportunistic intellectual environment for our faculty, staff and students.

For this report, we are introducing new dashboards for enrollment and enrollment targets, Bursar Cash Receivables and Financial Aid. The enrollment dashboard will introduce the Full-Time Equivalent Paying student metric (FTEP) that is used to calculate projected revenue streams. The Bursar cash receivables is important because it measures the amount of cash received by the university to pay it bills. Finally, the Financial Aid disbursed represents the amount of dollars distributed to students as unfunded discount. In coming months, we will introduce new dashboards and alternate current dashboards depending upon the time of the year. Previous dashboards can still be accessed from the Finance Reporting web site.

Economic News
Recently, the Congressional Budget Office and some committee members of the Federal Open Market Committee lowered their projections of US Treasury yields and estimates of interest rates, respectively, citing the expectation of slower growth in the economy. This sentiment is shared by the consumer as the Consumer Confidence Index dropped sharply in November. However, conditions in the labor market continue to improve as the unemployment rate dipped to 5.8%, well ahead of the Fed's projection for year-end.

October Highlights
For the month of October, the university is still predicting a positive year-end net operating income with Net Tuition Revenue greater than budget. Cash from collections, contributions, and auxiliary operations remain strong. At the December meeting of the Board of Trustees, the university will propose balanced operating and capital budgets, which include recommendations for tuition, room and board and merit increases. Announcements of these approvals will be made by the university in January.
Enrollment

What is Full-Time Equivalent Paying (FTEP) Enrollment?
Undergraduate enrollment revenue is budgeted using an enrollment calculation known as FTEP. FTEP includes the number of students who are officially enrolled paying full-time tuition (12 credits or more) and the number of part-time enrolled student credit hours equivalent to 1 full-time student tuition.

Current Results
Undergraduate enrollment FTEPs are 90 students greater than budget for the fall 2014 semester. The increase is primarily in Business Administration and Communication offset by decrease in Arts and Sciences and Engineering. Graduate and Professional Students are 8 above budget due to Health Sciences, Direct Entry Nursing, and Law offset by declines in Executive MBA. Programs measured in student credit hours are below budget due to decreases in Professional Studies and the Graduate School of Management.

How Does Marquette Measure Enrollment?
An FTEP (Full-Time-Equivalent-Pay) is an officially enrolled student (including audit/withdrawal if applicable) who pays full-time tuition. Programs measured in FTEPs are: traditional undergraduates, Dental School, Executive MBA, Health Sciences Professional Students, Direct Entry Nursing, and Law. Programs are measured in student credit hours when fewer of the students enroll full-time. These programs are: Part-time Law School, Professional Studies, Graduate Programs and Summer School.

Why is Enrollment Important?
Revenue from tuition and room and board comprises approximately 70% of the overall revenue in the university's budget. This revenue directly supports the day-to-day expenses of the business operation including employee compensation, technology, and maintaining facilities. As a tuition dependent institution, Marquette must maintain its enrollment to provide sufficient financial support for its educational activities.

What is Marquette’s Enrollment Goal?
For FY15, the new freshmen undergraduate budgeted enrollment goal is 1,900, plus 150 new transfers.

For More Information About Undergraduate Budgeting, Visit the Budget Web Page by Clicking Here.
Cash Investments

What Comprises Marquette’s Cash Investments?
Operating Funds, Restricted Funds, Strategic Funds.

October Results
Cash management balance for the month totaled $112.2 million, down from the previous month’s total of $122.5 million. A decrease is normal for this time of the year as we continue to draw down cash for operating needs. Relative to October 2013, the cash investment balance is ahead by $38.1 million. The cash balance is boosted by a $4.2 million requisition from the 2012 bond series. The annualized yield for the cash management investment was 0.49%, which outperformed the weighted index benchmark by 44 basis points.

How is Marquette's Cash Invested?
Investments are made according to the university's Short-Term Investment guideline. Cash surpluses are laddered out with maturities occurring at the end of each month. This process provides a constant source of cash flow to meet Marquette's liquidity needs.

What are the Concerns for Cash Investments?
Three main concerns for the cash investments are:
Market Risk – investment is diversified to minimize risk.
Liquidity – investments must be readily convertible into cash.
Interest Rate – a low interest rate environment can negatively impact investment income.

What Internal Influences Affect Marquette's Cash Investments?
The type of cash investment, time to maturity, and return on investment (yield) are dictated by the specific demand and usage of the cash. Cash needed to fund operational expenses, strategic initiatives or other priorities such as construction projections all may require different investment instruments. Monthly operational expenses such as payroll, utilities, supplies, etc. demand a highly liquid investment such as a money market instruments that generally sacrifice yield for security. Strategic initiatives usually have a longer time horizon that allow for investments with slightly greater risk, longer duration, less liquidity, and higher yields. Other types of cash demands such as construction projects that have known timelines and specific drawdown requirements may use investment instruments that allow “laddering” or staggering of the maturity periods.

What are Marquette’s Cash Investment Goals?
1. Preservation of principal – ensure the safety of cash being invested.
2. To fund the university’s liquidity needs – provide cash flow for the university.
3. Yield – generate investment income for the university.

For More Information, Visit the Treasury Office by Clicking here.
Endowment

What is an Endowment?
The Marquette endowment represents financial donations given to the university that are restricted for a specific purpose and invested with the intent of providing a perpetual stream of financial support. The purpose of the endowment is to enhance fiscal stability and strengthen the mission of the university.

Current Results
The monthly return of 0.1% represents an outperformance of 1.6% when compared to the -1.5% return of the Approved Policy Index (API). Public Equity, Hedged Funds, and Real Assets outperformed their respective benchmarks.

How is Marquette's Endowment Used?
Annual spendable funds are broadly disbursed to support student scholarships, academic programs, and the general operations of the university.

How is Marquette's Endowment Managed and Protected?
The Endowment Office attempts to partner with the highest quality external investment managers in a manner that is consistent with the Board of Trustee approved Investment Policy.

What Internal Operations Influence the Success and Growth of the Endowment?
The three key variables that influence the endowment are:
1) Donor Gifts
2) Investment Returns
3) Spendable Income

For More Information, Visit the Endowment Office Web Page by Clicking Here.
Operating Budget

What Comprises the Operating Budget?
The university operates within a unrestricted operating budget that is annually approved by the Board of Trustees. For fiscal year 2015 the budget will be $358.8 million and is comprised of revenues and expenses, which are further detailed within this report.

Current Results
Projected revenues of $361.1 million with corresponding expenses of $344.5 million are expected to provide an operating income of $8.0 million for fiscal year 2015 (FY15). Projected revenues are $1.8 million higher than the budget. Net tuition revenues of $263.4 million are over budget by $2.2 million, due essentially to a larger freshman class. All other revenue categories are expected to be collectively under budget by $3.9 million, due primarily to declines in contributions and government and private grants.

Total compensation is projected to be $224.4 million, which is $4.1 million lower than budget due essentially to vacant lines and fringe benefits. Operating expenditures are projected to reach $126.7 million for FY15 compared to the budget of $135.0 million. Lower spending can be attributed to maintaining the university’s contingency fund of $8.0 million.

The “Budget” column is the revised budget, which is $2.5 million higher in revenues and expenses than the Board approved permanent budget. These increases include budgets for: gift accounts, summer international study programs, nursing clinic operations, and the Nurse Midwifery Clinic. The other changes are not included in the permanent budget because these gifts and programs are temporary in nature.

FY15 Revenues
Tuition and fees, along with room and board are some of the major sources of revenue for the university. Net tuition revenue accounts for 72.7% of the university’s unrestricted revenue with room and board attributing 12.2%. The total of these two revenue components is 84.9%, and well depicts the dependence the university places on enrollment to support its annual operations.

The remaining sources of university unrestricted revenue is 15.1%, these sources include contributions, endowment income used in operations, sales by educational departments, and other auxiliary activities (e.g. services to students, faculty, and staff such as AMU and Parking).

FY15 Expenses
Compensation
Compensation is the largest expense category for the university with a total budget of $224.6 million; 62.6% of operational expenses. Within compensation are two categories: salary and fringe benefits. The salary budget is $170.2 million or 47.4% of operating expenditures and the fringe benefit budget is $54.5 million or 15.2%.

Discretionary Expenses
The discretionary operating budget deals with the general day-to-day activities and expenses of the university. For the discretionary operating budget, $57.0 million is allocated among the units. Discretionary budgets of the university account for approximately 15.9% percent of the total expense budget. This expense category includes, but is not limited to, supplies, travel, telephone, professional fees and advertising.

Non-discretionary Expenses
The non-discretionary operating budget deals with the contractual obligations of the university. The non-discretionary expenditure budget is $77.1 million, 21.5% has been allocated. This expense category includes, but is not limited to, contract maintenance, utilities, insurance, interest, and depreciation.

Contingency
For FY15, the university will have an $8.0 million contingency fund. These funds are not allowed to be spent and are intended for future strategic efforts and plans.

Is Marquette’s Budget Fiscally Healthy?
Overall, the university’s financial situation is stable, but there is a strong dependency on net tuition revenue generated by enrollments to balance the budget. The university needs to diversify its revenue streams by increasing gift contributions, investment income, grants, endowment income, and other income sources.

What are the Budget’s Major Triggers?
There are two major “triggers” that currently have a strong impact on the university’s operations: enrollment and employee health care. As the university is highly dependent on net tuition revenue to run its operations, any decline in enrollment will have ramifications on revenue and will need to be offset in expense reductions. Part of the university’s compensation package is health care. Health care costs continue to rise and catastrophic participant health care events can drive those costs higher at any time in the fiscal year.

For More Information, Visit the Budget Office Web Page by Clicking Here.
What is a Capital Expense?
Capital expenditures are expenses used by the university to acquire or upgrade physical assets such as equipment, property, or buildings. Any one of these assets with a life longer than the accounting year are considered a capital expense. In the case when a capital expenditure constitutes a major financial decision, $1.0 million or more, the expenditure must be approved by the Board of Trustees in the annual budget approval process.

Year-to-Date Results
Year-to-date capital expenditures for the university are $18.0 million compared to a budget of $50.4 million. Proposed new commitments and facility projects include work or repairs in: façades, electrical transformers, roofing, elevators, security camera replacement, as well as other projects totaling $3.6 million. Major project expenditures include renovations to the historic core (Sensenbrenner, Marquette, and Johnston Hall) and are at $3.7 million; the Dental School expansion has expensed $0.1 million. Technology upgrades (smart classrooms, MFS upgrade, and voice over IP) have expensed $0.9 million and computer replacement program expensed for $0.1 million. Other nonrecurring capital items are at $0.4 million. Prior commitment capital items which include principle payments and books and periodicals have expensed $8.2 and $1.0 million respectfully.

What Comprises Marquette's FY15 Capital Budget?
The total university capital budget, approved by the Board of Trustees for fiscal year 2015 is $50.4 million. This budget is composed of unrestricted funds of $27.7 million and restricted funds of $22.7 million. The breakdown is as follows:

A) $24.2 million or 48.1% for improvements to, or new construction of, academic facilities, a Jesuit Residence, classrooms, and faculty and administrative facilities.

B) $18.1 million or 36.0% to satisfy the university’s prior commitments such as principal payments, library books, academic start-up, and other expansion projects started in the prior year.

C) $6.9 million or 13.6% to purchase equipment, and improve existing academic and student facilities, and provide technology upgrades.

D) $1.2 million or 2.3% for student and campus safety initiatives.

For More Information, Visit the Budget Office Web Page by Clicking Here.
Bursar Report

What Comprises Outstanding Receivables?
Outstanding receivables are payments owed to the university by students for tuition, room and board, and other student fees (e.g. Student Health Fees, Student Activity Fees, U-Pass, etc.).

Current Results
As of month end, 717 students, a decrease of 111 accounts compared to last year, were notified that they would be unable to register for the spring term until their accounts were paid in full. The majority of these students have received all of the financial aid they were eligible for and the remaining balance reflects the student portion of the payment due.

How are Marquette's Billing, Receivables and Cash Collections Managed?
The Office of the Bursar is responsible for the billing of tuition, fees and housing as well as crediting the student account with financial aid and payments received. Bursar administrators provide guidance and counseling to students and their families by informing them of payment options that can help make an education at Marquette attainable. The Office of Student Loan Accounts (SLAC) reports to the Bursar and serves to assist students in their loan inquiries. SLAC is entrusted with the responsibility to collect loans on behalf of the federal government and Marquette University, as well as to help students throughout the repayment period.

What is Important About Receivables and Cash Collections?
As with any business, Marquette’s operations include expenses for salaries, fringe benefits (e.g. health care, retirement contributions, social security and medicare payments, etc.), facilities, technology and day to day operational costs. Cash collections are vitally important to meet these monthly outlays and to also maintain and build a healthy financial position that sustains the university for future generations.

Visit the Bursar Web Page (Marquette Central) for More Information, click here.
Financial Aid

What Comprises Financial Aid?
Student financial aid is comprised of scholarships, grants, loans and work-study. Aid sources can be from federal, state or local governments, private institutions or individuals and from the university’s endowment or operating budget. Scholarships and grants do not need to be repaid. Work-study is an employment program in which students are paid for the work they perform. Loans must be repaid, although some programs have forgiveness or deferment provisions.

Current Year Results.
Committed funds are at 101% of the approved budget. The total committed will be at or below the approved budget by June 30, 2015, as students adjust their enrollment plans over the academic year.

How is Financial Aid Used?
Student financial aid is used to defray a student's cost of attendance. This typically includes tuition, room and board, student fees and other related costs.

How is Financial Aid Managed?
The Office of Student Financial Aid (OSFA) provides Federal, State and institutional financial assistance to students who might not otherwise be able to avail themselves of a Marquette education due to inadequate financial resources. Aid is awarded consistently, while maintaining compliance with State, Federal and institutional regulations and policies. Institutional resources are stewarded per donor or benefactor’s wishes as outlined in the gift agreement. OSFA partners with Undergraduate Admissions to provide timely and accurate information to prospective students and their families. OSFA and Admissions participates in local, state and national outreach efforts through local high school financial aid nights and state-wide events like College Goal Wisconsin.

How Much Aid Does Marquette Provide?
The university currently funds approximately $100 million in discount directly from operations and uses approximately another $15 million from endowment and restricted funds.

To Visit Marquette Central, Click Here.