

## **Marquette University Academic Senate**

### **Resolution AHC-1a**

#### **A Resolution Implementing University Faculty Committee on Budget and Financial Planning Recommendations #s 1, 6, and 7**

WHEREAS, the University Faculty Committee on Budgets and Financial Planning's March 14 report documents a need for organizational changes that "dramatically improve transparency, notably increase involvement of faculty and academic staff, and create conditions for impactful input – \_i.e., a demonstrated impact on decisions – by faculty and academic staff in the decision-making process on the budget and broader areas financial planning"<sup>1</sup>; and

WHEREAS, the UFCBFP report highlights a need to "focus on significantly improving the ability to generate college- and department-level data for deans and chairs, with a longer-term goal of generating program-level data" including data on "net surplus/net loss calculations for each department" which will provide "deans and academic units with the information they need to make sound and timely financial decisions about their programs." Now therefore:

BE IT RESOLVED, that it is the sense of the Marquette University Academic Senate that:

1. At least two months before presenting an annual budget for a forthcoming fiscal/academic year to the Marquette University Board of Trustees for approval, Marquette University administration should provide a report detailing expected revenues and expenses (both operational and capital) to the University Faculty Committee on Budgets and Financial Planning, which includes the following:
  - a. Key assumptions used in creating the budget (e.g., new student enrollment, average discount rate for new and existing students, inflation).
  - b. Expected revenues associated with each College and all other aspects of the University.
  - c. Planned spending associated with each College and all other aspects of the University, including discretionary funds that have been reserved to address challenges or new opportunities, operations (e.g., facilities, housing, food service), and athletics.
    - i. Spending categories in excess of \$500,000 should be reported as separate line items.

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<sup>1</sup> Report by the University Faculty Committee on Budgets and Financial Planning of Marquette University on the Fiscal Year 2024 Budget Shortfall Announced in December 2023, March 13, 2024, pp. 13–14. p. 48.

- ii. Spending categories with planned spending equal to or less than \$500,000 should be grouped in an "all remaining categories" line item.
      - d. A summary, which can be shared with the University Academic Senate, that shows the overall budget (revenues and expenditures) for each College and each major area at the University level including administration, facilities, athletics, and housing.
  2. As financial plans, including budgets, for fiscal/academic years are developed by Marquette University's administration and approved by the Marquette University Board of Trustees, Marquette University administration should provide an updated version of the financial plan to the University Faculty Committee on Budgets and Financial Planning within four months of the beginning of the applicable fiscal/academic year.
  3. Following each calendar quarter (specifically three weeks after March 31st, June 30<sup>th</sup>, September 30<sup>th</sup>, December 31<sup>st</sup>), a designee of the Office of Finance should provide the University Faculty Committee on Budgets and Financial Planning with a Quarterly Variance Report, which will include the following:
    - a. Updates on revenue for each College and the University. Such updates should include overall variance from expected revenues for each College and the University, as well as detail on specific changes (positive or negative) in excess of \$100,000.
    - b. Updates on spending for each category within each College and all other aspects of the University in which annual spending exceeds, or is expected to exceed \$500,000, during the academic year.
    - c. For each category at the College and University level: the originally budgeted amount, spending to date, amount which the category is currently over/under budget, projected spending for the remainder of the year, and a projection of whether spending will be over/under the originally budgeted amount.
    - d. For each category in which either current spending is greater than 15 percent over/under the expected spending at that point in the academic year or projected spending is expected to be 15 percent greater or less than expected spending for the academic year, a brief explanation of the variance will be provided.
    - e. For each capital project in which the total cost is expected to exceed \$1,000,000, information on overall expected cost, expected spending in the current academic year, total spending to-date and in the current academic year, and projected spending for the remainder of the academic year.
    - f. For each capital project, explanations of variances in which the difference of annual spending or overall project spending is greater than 10 percent of the annual or overall expected spending.
  4. Following each calendar quarter (i.e., three weeks after March 31st, June 30<sup>th</sup>, September 30<sup>th</sup>, December 31<sup>st</sup>), a designee of the Office of Finance should

provide the University Faculty Committee on Budgets and Financial Planning with a list of all transactions (inbound and outbound) in excess of \$500,000 for each.

5. At the request of the University Faculty Committee on Budgets and Financial Planning, a designee of the Office of Finance shall provide the committee with a Net Present Value analysis for each strategic or discretionary capital project in excess of \$1,000,000. This will include information on:
  - a. Expected capital and incremental maintenance costs;
  - b. Incremental revenues, over time;
  - c. An estimate of the financial value to Marquette University that is adjusted to the present.

BE IT FURTHER RESOLVED, that it is the sense of the Marquette University Academic Senate that, upon completion, a copy of each College Financials report—which includes details on revenues, costs, and other financial details for each College—shall be provided to the Deans, Associate Deans, and Directors for Academic Business Affairs, of each College in the University as well as the members of the University Faculty Committee on Budgets and Financial Planning.

BE IT FURTHER RESOLVED, that the Marquette University Academic Senate directs the University Faculty Committee on Budgets and Financial Planning to schedule meetings no less than once per semester for all members of the University Academic Senate, open to the entire campus community, at which the summary updates can be provided on matters including, but not limited to:

- A. Planned spending;
- B. Quarterly budget variance reports;
- C. Net Present Value analysis;
- D. Financial transactions;
- E. Detailed financial reports.

BE IT FURTHER RESOLVED, that, in the event that the Office of Finance lacks the resources, including but not limited to staff and software, necessary to provide any of the above information, the Office of Finance will provide a report detailing the resources needed to provide the information detailed above.

BE IT FURTHER RESOLVED, that the text of this resolution—if passed—should be made available on the University Academic Senate Website.