

UNIVERSITY of WASHINGTON

FY2020 Annual Review Narrative Response for: **256 - Foster School of Business**Programmatic Vitality

- 1) Please briefly describe your unit's annual internal budget development process. *Question Type: Free Text, Word Limit: 500, Required For: All Units*

In the spring, operating units (departments, programs, centers, IT, etc.) complete an annual budget and operating plan for the next fiscal year. Individual units then meet with Foster's Budget Committee which is made up of the dean, three associate deans, the assistant dean of finance and facilities and the director of human resources. During this meeting, there is review of results versus goals in the prior year and new goals for the coming year. There is also a review of the proposed budget including year-over-year comparisons, new funding requests, and significant changes. The information is summarized and discussed by the committee, and funding decisions are made. Finalized budgets are then sent to each unit indicating approved funding for the coming year. The budgets are combined to develop a School wide budget which is discussed with the Faculty Council.

- 2) What are 3-5 key elements of your unit's current strategic plan? *Question Type: Free Text, Word Limit: 500, Required For: All Units*

Our vision is to be the "best public business school in the U.S." Various initiatives to achieve the vision relate to Students, Faculty and Staff, Facilities, the Business Community, Financial Support, Differentiation and a Global Mindset. The top three initiatives are: 1. Replace Mackenzie Hall with Founders Hall; 2. Improve diversity in our master's degree programs; 3. Ensure financial stability through high demand master's programs.

- 3) What major obstacles or institutional barriers currently do, or likely will, hinder execution of your strategic plan? What are you doing to address these challenges? *Question Type: Free Text, Word Limit: 500, Required For: All Units*

The most significant barrier is relatively low funding. If you divide total ABB funding by the sum of base tuition and base ICR, the ratio is 1.36 for Foster. For comparison, the ratio is 1.41 for Law, 1.55 for education, and 1.71 for Social Work. We have started a number of new programs to generate incremental funds (e.g., Hybrid Online MBA, Master of Science in Business Analytics).

- 4) Over the next year, could any of your planned strategic activities result in material changes to revenues or expenditures, faculty or staff workload, or the student experience within your unit and/or another unit/campus? *Question Type: Free Text, Word Limit: 500, Required For: All Units*

The student experience will be greatly improved by the opening of Founders Hall and enhancements to career services at the EY Center for Career Advancement. Revenue and staffing are impacted by new master's degree programs.

- 5) What is your unit doing to effectively use resources in a way that benefits your unit and/or other units/campuses? *Question Type: Free Text, Word Limit: 500, Required For: UWB, UWT, UWS Administrative Units*

Not Applicable

- 6) What are you doing to improve the experience and outcomes of students in your unit? What could the University do to support your efforts? *Question Type: Free Text, Word Limit: 500, Required For: UWB, UWT, UWS Academic Units, UAA, Graduate School*

We have joined organizations that are likely to improve diversity in our full-time MBA program. We have added a case competition in the undergraduate program in the capstone required strategy class. And, as noted above, we are enhancing career services for undergraduates. In the MBA program, we have the top placement rate of any U.S. business school.



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Faculty Hiring Trends

- 1) Please discuss your unit's Faculty/Librarian hiring trends and strategies from the last 2-3 years. *Question Type: Free Text, Word Limit: 500, Required For: UWB, UWT, UWS Academic Units, UWS Library*

In the last 3 years Foster's faculty has grown 7% due to new degree offerings in specialty master's programs. In the next year, we anticipate reaching a maximum tenure faculty size of 100, and plan to accommodate future needs with non-tenure track faculty.

- 2) How do these Faculty/Librarian hiring trends and strategies relate to your previously stated strategic goals and/or priorities? *Question Type: Free Text, Word Limit: 250, Required For: UWB, UWT, UWS Academic Units, UWS Library*

New programs have created a need for more faculty.



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Tuition Rate Change Narrative

- 1) Which existing tuition categories are you recommending a change to? *Question Type: Select Multiple, Required For: UWB, UWT, UWS Academic Units*

Seattle - Master of Business Administration (Incoming), Seattle - Master of Business Administration (Continuing)

- 2) Please explain why each proposed change is needed and how your unit will use new incremental tuition revenue increases or absorb incremental tuition revenue losses. *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*

Foster is proposing modest increases in tuition to continue to fund a world-class academic, leadership, and personal development experience for Full-Time MBA students in the face of increasing faculty and staff costs. In addition to covering these higher cost levels, we will also fund new initiatives related to diversity, equity, and inclusion at the Master's level. This includes our membership fees for The Consortium for Graduate Study in Management, The Forte Foundation, and Management Leadership for Tomorrow as well as more robust programming for students and faculty as executed by staff aimed at creating a more inclusive learning environment and community.

- 3) Explain whether and how each proposed change will affect peer comparisons and/or whether a market analysis was conducted. *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*

Each year, we compare our tuition levels to those at peer schools. Our proposed modest changes will not significantly affect our tuition levels vis a vis those at peer schools.

- 4) Discuss the impact of each proposed change on student debt load. *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*

We expect modest increases in student debt loads attributable to our increase in proposed tuition. Average debt loads should increase by no more than 2-4% (and likely less) as a significant portion of tuition is funded by scholarships. Continuing and graduating students self-report debt levels as part of the annual program survey conducted each Spring quarter, and we monitor reported values for unanticipated increases in student debt.

- 5) Describe whether you expect the proposed tuition rate(s) to result in any substantial changes to enrollment (including a change in the resident/nonresident composition) or to the volume of waivers awarded. *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*

We do not anticipate a substantial change in enrollment or enrollment composition based upon the proposed increase in tuition levels. Average compensation (salary plus signing bonus plus other compensation) for students graduating from the Foster Full-Time MBA is approximately \$150,000, Foster leads the market in student career outcomes with over 98% of students receiving at least one job within 3 months of graduation. Enrollment levels and class composition will, of course, change as a function of elements exogenous to tuition, e.g., ranking, reputation, immigration policy, etc.

- 6) For each proposed change, please explain what would happen if the change were not implemented (e.g. deficit, loss of staff positions, etc.). If a proposed change is part of a plan to eliminate a current deficit, please indicate that. *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*

Failure to adopt the proposed tuition level increase will lead to 1) a decline in the volume and/or quality of academic, personal, and professional development experiences for students, 2) a reduction in staff support dedicated to maintaining high quality recruiting, admissions, and/or student services, and/or 3) an increase in class sizes beyond those deemed optimal by graduate faculty for graduate student learning.

- 7) For each tuition category that you have proposed changing, please discuss your unit's overall tuition rate strategy for the next 3-5 years. In your response, please explain whether and how your long-term strategy connects to "market" rates (e.g. where do you want to be, rate wise, compared to peers?) *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*



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Tuition Rate Change Narrative

Foster is currently considered a good value for students relative to our ranking and reputation. If our rankings continue to increase, we will have more flexibility to increase tuition levels without dollar-for-dollar increases in scholarship support while also maintaining our current yield on offers of admission to the Foster Full-Time MBA Program. In the interim, we anticipate 2-4% annual increases in tuition levels to fund quality development experiences in the face of escalating costs.



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Communication with Stakeholders

- 1) Please enter the date that FACULTY leadership within your unit/campus was consulted and given the opportunity to provide input as part of this budget planning exercise. If not yet shared, please enter the date you are scheduled to consult with FACULTY leadership and, immediately after that date, please send an update to Becka Johnson Poppe, jbecka@uw.edu. *Question Type: Date Select, Required For: UWB, UWT, UWS Academic Units*

Jan 30, 2019

- 2) Please list a point of contact for your FACULTY leadership (including name and email address) *Question Type: Short Answer, Required For: UWB, UWT, UWS Academic Units*

Jonathan Karpoff Karpoff@uw.edu

- 3) Please enter the date that STUDENT leadership within your unit/campus was consulted and given the opportunity to provide input as part of this budget planning exercise. If not yet shared, please enter the date you are scheduled to consult with STUDENT leadership and, immediately after that date, please send an update to Becka Johnson Poppe, jbecka@uw.edu. *Question Type: Date Select, Required For: UWB, UWT, UWS Academic Units*

Jan 30, 2019

- 4) Please list a point of contact for your STUDENT leadership (including name and email address). *Question Type: Short Answer, Required For: UWB, UWT, UWS Academic Units*

Frank Mueller fpm2@uw.edu (UG); Marshelle Slayton mshayton@uw.edu (Grad)

- 5) Enrolled students affected by tuition rate increases should be consulted on proposed increases before proposals are finalized. In the space below: (1) please describe when and how students were consulted and (2) please summarize the feedback they provided regarding EACH of your tuition recommendations. *Question Type: Free Text, Required For: UWB, UWT, UWS Academic Units*

Student leaders were invited from both undergraduate and graduate student organizations to meet with the Dean, the Assistant Dean of Finance, and the Faculty Council Representative to review the budget and provide input and feedback. Dean Jiambalvo also presents the budget every year to students, solicits feedback and answers questions. The questions we received focused around the new building and MBA scholarship funding. They were very engaged and supportive of the plans for the coming year(s).