

UW Bothell/UW Tacoma, Seattle College/School Name: **FOSTER SCHOOL OF BUSINESS**

1. Please provide a **1-2 page description with visualizations if possible of how you intend to grow or contract over the next five years**. Please provide these strategic plans at the college or departmental level, if you so choose. Where significant growth is anticipated, please provide specific fund source names and projections (in dollars). If these plans assume additional Provost Reinvestment Funds (supplement), please make that clear. If you wish to include a summary of growth plans, services or activities supported by sources other than GOF/DOF, please do so. If cross subsidy is required from other sources, please summarize the extent of that subsidy.

UNDERGRADUATE PROGRAMS:

Our five year plan for the Undergraduate Program is to maintain both size and quality (average GPA and SAT scores are listed below). We are seeing an increasing number of admitted students enroll in multiple tracks due to the Satisfactory Progress Policy, which allows for graduation plans that extend beyond the 210 credit limit. At the current size, we are able to accommodate admitted student demand within our existing facilities, as well as provide advising and career services without putting additional strain on existing funding.

Freshman admits	2010-11	2011-12	2012-13	2013-14	2014-15
<i>Incoming Class Size</i>	207	203	186	203	210
<i>Ave. GPA</i>	3.85	3.85	3.86	3.87	3.88
<i>Average SAT</i>	1339	1339	1319	1350	1357
Junior UW & all External Transfers	2010-11	2011-12	2012-13	2013-14	2014-15
<i>Incoming Class Size</i>	423	365	424	373	378
<i>Ave. GPA</i>	3.56	3.56	3.51	3.52	3.52
<i>Average SAT</i>	1290	1290	1290	1290	1290

In an effort to address the excess demand for our undergraduate major, we are interested in offering a competitive Undergraduate minor in Business. Based on applicants to our major, we estimate that more than 600 students would be interested in obtaining a minor; this does not include students outside the Foster School currently enrolled in our Sales Certificate Program (100 students) or in the Foster School's Entrepreneurship Minor (40 students).

The proposed curriculum of 31 credits includes course work in basic areas such as accounting, finance and marketing. Five new courses would need to be developed to roll-out this minor, with the remainder of the curriculum coming from existing courses. We've explored the costs associated with admitting 90 and 180 students; those are listed below. While ultimately it may be optimal to consider 180 students due to economies of scale, it would seem prudent to start off with 90 students during a "start-up" phase when problems that are difficult to anticipate are likely to arise.

Estimated total cost for 90 students in excess of ABB allocation: **\$622,600**
Estimated total cost for 180 students in excess of ABB allocation: **\$679,000**

MASTERS PROGRAMS:

Our master's program offerings are both tuition (Full Time MBA) and fee-based (Evening MBA, Technology Management MBA, Executive MBA, Global Executive MBA, Global MBA, Masters in Accounting, Masters in Information Systems). This year, we have a record number of master's students with 958 total enrolled. Overall enrollment in our master's programs is up 6% over 2014, 33% since 2005 and 100% since 1995.

Full Time MBA enrollment at Foster is higher in 2014-15 than in any year since 2002, however, Full Time MBA enrollment is now lower than Evening MBA enrollment (250 students vs. 317). In 1986, Full Time MBA students were 82% of our master's enrollment; in 2014-15, they make up 26%. Ultimately this portfolio shift is evidence of changing market conditions as well as our ability to respond to them. We continue to introduce innovations into the master's program marketplace that represent new, more valuable, and more valued ways of addressing market needs.

The latest Foster innovation is the Master of Supply Chain Management, another fee-based, work-compatible program with a rigorous 12-month curriculum that prepares candidates for careers in supply chain management, one of the fastest growing areas of employment in our economy as projected by the US Bureau of Labor Statistics. In addition to receiving UW Graduate School approval, the program also has the backing of key global employers based in the region (Amazon, Boeing, Costco, Starbucks and PACCAR). We will seek Regents' approval at their next meeting November 13. Pending approval, we'd begin taking applications in fall 2015 and launch in summer 2016.

The following summarizes our enrollment projections for the first five years of the Master of Supply Chain program:

	2016-17	2017-18	2018-19	2019-20	2020-21
<i>FTE</i>	35	60	60	60	60
<i>Resident Tuition (4 qtrs)</i>	\$19,500	TBD	TBD	TBD	TBD
<i>Nonresident Tuition (4 qtrs)</i>	\$29,500	TBD	TBD	TBD	TBD

While applications to the Foster School's Full Time MBA program are very strong (we saw a 74% increase in applications for the 2014-15 incoming class), that has not been the trend nationally. In order to mitigate the risks of fewer MBA's in our Full Time and fee-based programs, the Foster School intends to respond with measured growth in our specialty Masters portfolio. We will do so in a way that is on-strategy and on-brand, meaning, we will only create programs where:

- There's a sizeable population of students with an interest in the program;*
- Foster has faculty with both world-class expertise and the bandwidth to support the teaching needs of the program;*
- We can identify employers who are interested in hiring the program's graduates.*

DOCTORAL PROGRAM:

We have no changes planned for our PhD program. We will maintain both size and quality with overall program size of roughly 85 students and an average GMAT score of 724 (in 2014-15).

2. Please identify significant administrative, academic or other obstacle(s) present in achieving the growth or strategic plans identified as part of Question 1. **Please plan to discuss these with the Provost.** If applicable, please summarize any operational risks that the UW must work to mitigate over time from your perspective.

We see three significant obstacles in achieving the strategic plans presented in Question 1:

- *Lack of stability in state funding is disruptive for long-range planning.*
- *As the number of one-year Masters Programs in our portfolio increases, we will need to explore how best to reorganize our administrative structure so as to provide a high level of support to students and faculty teaching in those programs.*
- *Our continued reliance on fee-based programs for funding exposes us to substantial market risk.*

3. Using the “Tuition Rec Worksheet” tab of the “Worksheets and Reference Materials –Academic” Excel workbook (http://opb.washington.edu/sites/default/files/opb/Budget/Worksheets_and_Reference_Materials_Academic.xlsx) please identify proposed changes to current tuition rates in FY16 (2015-16) and FY17 (2016-17).

If you are recommending the creation of a **new tuition category**, please describe those changes below and be sure to identify the original tuition category, the proposed category, a suggested tuition rate for FY16 and (if applicable) a percentage increase for FY17. If you plan to move only a subset of your programs into a new category, please identify those programs by major name, pathway, level, and type.

Do you have any long-term plans for tuition that warrant discussion? If yes, please describe them below.

These are the recommended operating fee increases for the Full-Time MBA program (please note – building and other fees are not included in the amounts listed below):

FY16

MBA resident operating fee – 1st year incoming: \$29,223 (3% increase over FY15 incoming)

MBA resident operating fee – 2nd year continuing: \$28,372 (no change from FY15)

MBA nonresident operating fee – 1st year incoming: \$42,825 (3% increase over FY15 incoming)

MBA nonresident operating fee – 2nd year continuing: \$41,578 (no change from FY15)

FY17

MBA resident operating fee – 1st year incoming: \$30,392 (4% increase over FY16 incoming)

MBA resident operating fee – 2nd year continuing: \$29,223 (no change from FY16)

MBA nonresident operating fee – 1st year incoming: \$44,538 (4% increase over FY16 incoming)

MBA nonresident operating fee – 2nd year continuing: \$42,825 (no change from FY16)

Consistent with the policy approved in spring 2006, this tuition will apply to students’ first two years in the FT Program; more specifically, if students graduate on time they are guaranteed no tuition increase. We request no new tuition categories.

4. Please **describe your school or college's emerging or changing faculty needs**, including information about faculty hiring trends and the recruitment and appointment of lecturers.
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The Foster School's pool of tenure track faculty is one fewer than in 2009, despite our successful recruitment of 35 faculty members over the last five years. In order to meet instructional needs of all our programs, including the proposed Master of Supply Chain Management, we must continue to aggressively recruit faculty.

Unfortunately, the top schools (of which we are a part) are all pursuing the same top 5 candidates in each discipline in order to be recognized as the premiere school in that area. Faculty salaries in Business are increasing more than the rate of inflation.

With respect to lecturers, the improving economy is creating more opportunities for qualified candidates. This makes it challenging to offer competitive salaries for academic appointments.

5. In the event that state funding for compensation adjustments in FY16 is not available, **all units** should have plans to **cover GOF/DOF salary increases out of other fund sources**. Should no tuition revenue be available, Provost Reinvestment Funds may be dispatched to provide support for increases. Please provide your units' plans to cover expenses associated with salary increases. A salary and tuition revenue model is available on the OPB website at <http://opb.washington.edu/content/fy16-budget-development>; this model is designed to give you a sense of the magnitude of the support that will be required at various percentage increases.
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Assuming the following merit increases for faculty, staff and grad students:

- *Faculty: 4%*
- *Professional Staff: 4%*
- *Classified Staff: 3%*
- *Graduate Students: 10%*

The cost to the Foster School for GOF/DOF funded positions: \$905k

The cost to the Foster School for fee-based funded positions: \$338K

Through ABB, our GOF/DOF merit increases would be fully funded if the following tuition increases were approved:

- *3% increase in undergraduate resident tuition,*
- *1% increase in undergraduate nonresident tuition,*
- *And our proposed 3% increase for incoming Full Time MBA students.*

In the event that tuition increases were approved at rates lower than those listed above (or not at all), we would fund GOF/DOF merit increases with funds in vacant salary lines, as well as by moving a number of our professional staff off GOF/DOF budgets and on to those funded by fee-based program revenues. A downside of this increased pressure on fee-based resources is that it could trigger a push for higher enrollment in those programs, and subsequently, decreased quality.

6. This summer, the UW has been the sole subject of a state-required audit of net operating fee (tuition) and local fund accounts. This audit has revealed the importance of monitoring expenditures against budgets on a biennial basis, ensuring that colleges, schools and administrative units have plans to spend fund balance in a reasonable and mission-driven manner and that these plans are acted upon. As such, we ask that colleges and schools provide itemized obligations against fund balance, as estimated by OPB for the close of FY14. These obligations may be categorized by the following general classifications in the example provided, but greater detail is expected and will be relevant in discussions with the Provost.
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The Office of Planning & Budgeting projects the Foster School's carryover balance of one-time use funds is \$4,824,000. We intend to use these funds as follows:

- **Up to \$1mil for additional scholarship support to our first two rounds of MBA applicants**
Annually we award roughly \$660k in scholarship support to our Full Time MBA candidates. Given the highly competitive market for MBA students, we often lose out on high-quality candidates, particularly in our first two application rounds. In the upcoming admissions cycle, we intend to offer this \$1mil in additional scholarship support to the candidates with the best GMAT scores and work experience. Our ultimate goal is to have the strongest possible incoming class in 2015-16; the target class size of 120-130 would remain the same as in prior years.
- **\$711,260 for prepayment of the Debt Service and Provost Repayment costs of Workday**
In order to save the school from paying interest on the HR/Payroll modernization project, we will prepay the costs for the debt service and the Provost repayment.
- **The \$3.1 mil remaining balance we will maintain as reserves**
Assuming we distribute the full \$1mil to high-quality MBA candidates as described above, we would maintain a reserve balance equal to 11% of our FY15 ABB budget (\$28.2 mil). This will give us an ability to respond appropriately to future variability in state funding.

7. **Though we believe that few, if any, state funds will be available and any new Provost Funds may be dispatched for mitigating cuts or providing salary increases, please indicate what Provost Reinvestment Funds are being requested.** Requests for funds should be identified by a unique title, accompanied by the amount requested, the year funding is requested, whether the request is for permanent or temporary funds, the number of years funding is needed in the case of a temporary request and a brief description, not to exceed 500 words. **Successful requests will provide better experiences for students and faculty, contribute to the long-term financial health of the University, and/or reduce institutional risk¹.**

Importantly, requests for new funding will be considered alongside carryover spending plans. Schools or colleges with growing temporary fund balances will be asked to explain why new funding is needed to support program enhancements.

Aside from our interest in working with the Provost's Office in rolling out an undergraduate minor, we have no formal request for Provost Reinvestment Funds.

¹ Please refer to the FY16 Budget Development web page at <http://opb.washington.edu/content/fy16-budget-development> for more information about the University's Sustainable Academic Business Plan goals and top institutional risks.

Recommended Tuition for FY 2016 and FY 2017

Using the table below, please identify **proposed changes to current tuition rates** (operating fee only) in FY16 (2015-16) and FY17 (2016-17). Updating the "% Change" cell for a tuition category will automatically update the associated tuition rate.

*If you are recommending the creation of a **new tuition category** or if you plan to move a subset of your programs into a new category, please use the narrative space provided on the "FY2016_Budget_Submission_Supplement_Academic" document to describe those changes (including the original tuition category, the proposed category, a suggested tuition rate for FY16, and a percent increase for FY17 if applicable).*

		FY 2015	FY 2016		FY 2017	
			% Change	Tuition	% Change	Tuition
Seattle Campus						
Undergraduate <i>(read only)</i>	Resident	\$11,305	0.0%	\$11,305	0.0%	\$11,305
	Non-Resident	\$32,424	0.0%	\$32,424	0.0%	\$32,424
Graduate Tier I	Resident	\$15,207	0.0%	\$15,207	0.0%	\$15,207
	Non-Resident	\$27,255	0.0%	\$27,255	0.0%	\$27,255
Graduate Tier II	Resident	\$15,594	0.0%	\$15,594	0.0%	\$15,594
	Non-Resident	\$27,837	0.0%	\$27,837	0.0%	\$27,837
Graduate Tier III	Resident	\$15,948	0.0%	\$15,948	0.0%	\$15,948
	Non-Resident	\$28,422	0.0%	\$28,422	0.0%	\$28,422
College of the Environment Graduate Programs	Resident	\$15,594	0.0%	\$15,594	0.0%	\$15,594
	Non-Resident	\$27,837	0.0%	\$27,837	0.0%	\$27,837
Master of Education and Master in Teaching	Resident	\$15,015	0.0%	\$15,015	0.0%	\$15,015
	Non-Resident	\$27,837	0.0%	\$27,837	0.0%	\$27,837
Doctor of Education and Education PhD	Resident	\$15,015	0.0%	\$15,015	0.0%	\$15,015
	Non-Resident	\$27,837	0.0%	\$27,837	0.0%	\$27,837
Master of Library and Information Science (MLIS)	Resident	\$14,778	0.0%	\$14,778	0.0%	\$14,778
	Non-Resident	\$28,614	0.0%	\$28,614	0.0%	\$28,614
Master of Social Work	Resident	\$16,632	0.0%	\$16,632	0.0%	\$16,632
	Non-Resident	\$28,569	0.0%	\$28,569	0.0%	\$28,569
Master of Public Health	Resident	\$16,614	0.0%	\$16,614	0.0%	\$16,614
	Non-Resident	\$33,738	0.0%	\$33,738	0.0%	\$33,738
Public Health Graduate Programs (other than MPH)	Resident	\$15,948	0.0%	\$15,948	0.0%	\$15,948
	Non-Resident	\$28,422	0.0%	\$28,422	0.0%	\$28,422
College of Built Environments Masters - Construction Mgmt. Landscape Architecture, Urban Design & Planning	Resident	\$15,954	0.0%	\$15,954	0.0%	\$15,954
	Non-Resident	\$28,413	0.0%	\$28,413	0.0%	\$28,413
College of Built Environments Masters - MArch and MSRE (Real Estate)	Resident	\$16,875	0.0%	\$16,875	0.0%	\$16,875
	Non-Resident	\$35,535	0.0%	\$35,535	0.0%	\$35,535
Master of Chemical Engineering	Resident	\$19,923	0.0%	\$19,923	0.0%	\$19,923
	Non-Resident	\$31,410	0.0%	\$31,410	0.0%	\$31,410
Masters of Industrial and Systems Engineering	Resident	\$19,923	0.0%	\$19,923	0.0%	\$19,923
	Non-Resident	\$31,410	0.0%	\$31,410	0.0%	\$31,410
Master of Material Science and Engineering	Resident	\$19,923	0.0%	\$19,923	0.0%	\$19,923
	Non-Resident	\$31,410	0.0%	\$31,410	0.0%	\$31,410
Master of Public Affairs (MPA)	Resident	\$19,239	0.0%	\$19,239	0.0%	\$19,239
	Non-Resident	\$34,530	0.0%	\$34,530	0.0%	\$34,530
Nursing Master and Doctor of Nursing Practice	Resident	\$25,461	0.0%	\$25,461	0.0%	\$25,461
	Non-Resident	\$45,804	0.0%	\$45,804	0.0%	\$45,804
Doctor of Pharmacy	Resident	\$26,496	0.0%	\$26,496	0.0%	\$26,496
	Non-Resident	\$49,215	0.0%	\$49,215	0.0%	\$49,215
Master of Business Administration (Incoming)	Resident	\$29,250	3.0%	\$30,129	4.0%	\$31,335
	Non-Resident	\$43,086	3.0%	\$44,379	4.0%	\$46,155
Master of Business Administration (Continuing) ¹	Resident	\$27,855	5.0%	\$29,250	3.0%	\$30,129
	Non-Resident	\$41,037	5.0%	\$43,086	3.0%	\$44,379

Law (JD)	Resident	\$30,891	0.0%	\$30,891	0.0%	\$30,891
	Non-Resident	\$43,932	0.0%	\$43,932	0.0%	\$43,932
Master of Laws (LLM)	Resident	\$17,889	0.0%	\$17,889	0.0%	\$17,889
	Non-Resident	\$34,839	0.0%	\$34,839	0.0%	\$34,839
Law PhD	Resident	\$17,889	0.0%	\$17,889	0.0%	\$17,889
	Non-Resident	\$34,839	0.0%	\$34,839	0.0%	\$34,839
Dental Professional (DDS) Year 1 ²	Resident	\$38,565	0.0%	\$38,565	0.0%	\$38,565
	Non-Resident	\$59,466	0.0%	\$59,466	0.0%	\$59,466
Dental Professional (DDS) Year 2 ²	Resident	\$38,565	0.0%	\$38,565	0.0%	\$38,565
	Non-Resident	\$59,466	0.0%	\$59,466	0.0%	\$59,466
Dental Professional (DDS) Year 3 ²	Resident	\$38,562	0.0%	\$38,562	0.0%	\$38,562
	Non-Resident	\$59,466	0.0%	\$59,466	0.0%	\$59,466
Dental Professional (DDS) Year 4 ²	Resident	\$35,646	0.0%	\$35,646	0.0%	\$35,646
	Non-Resident	\$59,466	0.0%	\$59,466	0.0%	\$59,466
Graduate Dental - Oral Biology	Resident	\$14,178	0.0%	\$14,178	0.0%	\$14,178
	Non-Resident	\$27,381	0.0%	\$27,381	0.0%	\$27,381
Graduate Dental - Oral Medicine, Pediatric Dentistry, Periodontics, and Prosthodontics	Resident	\$15,747	0.0%	\$15,747	0.0%	\$15,747
	Non-Resident	\$28,737	0.0%	\$28,737	0.0%	\$28,737
Graduate Dental - Endodontics	Resident	\$17,319	0.0%	\$17,319	0.0%	\$17,319
	Non-Resident	\$28,737	0.0%	\$28,737	0.0%	\$28,737
Graduate Dental - Orthodontics	Resident	\$22,053	0.0%	\$22,053	0.0%	\$22,053
	Non-Resident	\$28,737	0.0%	\$28,737	0.0%	\$28,737
Medical Professional (MD)	Resident	\$31,131	0.0%	\$31,131	0.0%	\$31,131
	Non-Resident	\$60,117	0.0%	\$60,117	0.0%	\$60,117
Bothell Campus						
Bothell - MBA Incoming	Resident	\$22,596	0.0%	\$22,596	0.0%	\$22,596
	Non-Resident	\$28,329	0.0%	\$28,329	0.0%	\$28,329
Bothell - MBA Continuing ¹	Resident	\$22,371	0.0%	\$22,371	0.0%	\$22,371
	Non-Resident	\$28,329	0.0%	\$28,329	0.0%	\$28,329
Tacoma Campus						
Tacoma - MBA Incoming	Resident	\$20,124	0.0%	\$20,124	0.0%	\$20,124
	Non-Resident	\$33,492	0.0%	\$33,492	0.0%	\$33,492
Tacoma - MBA Continuing ¹	Resident	\$19,536	0.0%	\$19,536	0.0%	\$19,536
	Non-Resident	\$32,517	0.0%	\$32,517	0.0%	\$32,517

¹ The MBA programs have a cohort tuition structure (that is, there are different rates for incoming and continuing students). For these programs, it must be understood that the change in tuition is not applied to students but is applied to the rate for a category. For example, a Seattle MBA resident student who entered in Fall 2012 paid tuition of \$26,530; although the MBA resident continuing rate shows a 4% increase, the increase is applied only to that tuition category; the MBA student entering her/his second year will be charged tuition of \$26,530 for 2013-14.

²The DDS program also has a cohort tuition structure. Again, the tuition increase for a given tuition category should not be confused with the tuition increase that will be faced by students in a given cohort. For example, in the rate for second year DDS students increases 19% in FY14. This does not mean, however, that that the Class of 2017 faces a 19% tuition increase. Rather, resident students in the Class of 2017 were charged \$31,870 in 2012-13, and they will be charged \$35,060 in 2013-14. This represents a 10% increase for those students - not a 19% increase.