

UNIVERSITY of WASHINGTON
FY2022 Annual Review Narrative Survey

Unit: Foster School of Business

Section 1: Programmatic & Academic Vitality Narratives

- 1) Have you made any changes to your unit's strategic plan and/or budget process in the past year? If yes, what are 3-5 key elements of your unit's new/revised strategic plan and/or budget process? If no, please comment on the progress you've made in 3-5 key areas of your strategic plan.**

Foster leadership gathered for a strategic retreat during the summer of 2020. During the retreat, we developed a new purpose statement:

Together...
We Foster Leaders
We Foster Insights
We Foster Progress
...To Better Humanity

We also prioritized five strategic objectives in support of our new purpose statement:

- Expand our thought leadership
- Recruit, retain, and promote outstanding faculty, staff and students
- Innovate in teaching, research, and service
- Incorporate inclusion, diversity and equity perspectives into every decision
- Align resources with Foster's strategic objectives

We have teams working on defining the metrics by which we will measure our success in achieving each objective. We will review these metrics as a leadership team in January, and revisit them again during our next strategic retreat (summer 2021).

The annual budget process has not changed, apart from the timing, which was pushed back to have more accurate information to make decisions.

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Section 7: Tuition Based Program Rate Recommendations - Narrative Section

- 1) Please explain why each proposed change is needed and how your unit/campus will use new incremental tuition revenue increases or absorb incremental tuition revenue losses.**

For the MBA categories, no student will pay increased tuition. The continuing rate reflects a 4% increase; however, the result will be that students pay the same rate as FY21. We believe this is appropriate given the ongoing pandemic, the many calls for reduction in tuition levels voiced by students suffering financially due to the pandemic, online learning, and our belief—informed by informal word-of-mouth from peer schools—that many peers will also not increase tuition given market conditions. We anticipate that holding the current tuition level constant will increase yield on admitted student offers slightly for the cohort joining in FY2022, and thus total revenue for the MBA tuition category will increase slightly. We anticipate using the incremental tuition revenue to offset inflation increases in mission critical operating activities as well as anticipated incremental operating costs attributable to remote instruction and the pandemic (e.g., additional ASE support for students and faculty experiencing hardship, additional hourly staff support required to meet a larger student counseling burden, etc.)

- 2) Explain whether and how each proposed change will affect peer comparisons and/or whether a market analysis was conducted.**

Conducting a backward looking market analysis is a part of our standard operating procedure. Our Full-Time MBA tuition levels (Resident and Non-Resident) are appropriate for our current top 25 ranking and reputation. As mentioned above, our forecast of tuition trajectories at peer schools suggests most will not increase their tuition. We intend to keep our current tuition relative to peers constant. Should our forecast prove incorrect and peers end up raising tuition substantially, we would presumably receive a 1-year incremental bump in yield in admitted offers and thus a larger class size in FY2022. We could then readjust tuition to market norms in FY2023. The yield cost we would incur by instigating a tuition increase in FY2022 would likely put us out of step with the market and expose us to a significant competitive disadvantage.

- 3) Tuition and fee increases have a disproportionate impact on low-income students. Please comment on how each fee change will affect student debt loads, and specifically how the program will offset this impact.**

Student debt loads would presumably remain as they are today given that we are recommending no change in tuition levels for current and incoming students. We anticipate that any increase in scholarship endowment operating accounts due to a growing corpus will be offset by the increase in yield and thus admitted student volume.

- 4) 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.**

We anticipate that keeping tuition levels constant will result in an increase in enrollment to 125 - 130 incoming students. In FY2021 we admitted a class of 109 students (smaller than average) following an increase in our tuition level. It is possible that our mix of students will change to reflect a greater number of nonresident students both in total and as a percentage of the incoming cohort; the addition of a STEM designated Degree



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Option (the first of its kind in the MBA space at UW-Foster) is likely to produce a larger number of well-qualified international applicants, and it also seems likely that Foster's yield on admitted offers in this space will increase.

- 5) **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.**

N/A. No change is being proposed.

- 6) **For each tuition category that you have proposed changing, please discuss your unit/campus'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?)**

As noted above, we are not proposing a tuition change. It remains our expectation, however, that we can and should increase our tuition level in accordance with peers who will likely pursue modest annual increases in tuition in FY2023-2027. We believe that we are likely to hold our current top-20 ranking, and thus our year-over-year tuition increases will be targeted to match other top-20 schools.

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Section 8: Communication with Faculty & Student Stakeholders

- 1) Communication of your unit's annual review materials, including fiscal vitality data, narrative responses and tuition rate Please select the date that FACULTY leadership within your unit/campus was consulted and provided the opportunity to provide input as part of this budget planning exercise. If, due to scheduling difficulty, you are unable to consult with faculty leadership before the February 1, 2021 submission deadline, please select the date you are scheduled to consult with FACULTY leadership and, immediately after that date, please provide an update to Jed Bradley.**

Tuesday, January 26, 2021

- 1) Please list a point of contact for your FACULTY leadership (name and UW email address).**

Elizabeth Blankespoor blankbe@uw.edu

- 2) Please select the date that STUDENT leadership within your unit/campus was consulted and provided the opportunity to provide input as part of this budget planning exercise. If, due to scheduling difficulty, you are unable to consult with student leadership before the February 1, 2021 submission deadline, please select the date you are scheduled to consult with STUDENT leadership and, immediately after that date, please provide an update to Jed Bradley.**

Friday, January 29, 2021

- 3) Please list a point of contact for your STUDENT leadership (name and UW email address).**

Ryan Jung rjung123@uw.edu
Neesha Pinnaduwaage npinnadu@uw.edu

- 4) Enrolled students affected by tuition rate increases should be consulted on proposed increases before proposals are finalized. Please describe when and how students were consulted and summarize the feedback they provided regarding EACH of your tuition recommendations.**

No tuition increases are proposed, however Foster has met with student leaders to gain their feedback. There was a good discussion on the annual review materials and questions focused on the budget, reserves, and impacts to student funds.