



UNIVERSITY of WASHINGTON

FY2025 Operating Budget Development Narrative Prompts

Seattle/Foster

Programmatic & Academic Vitality Narrative

Text submitted within this section **will** be published to OPB's Annual Budget Development website

Where possible, you are encouraged to leverage published materials already created

- 1) Please provide a web link to your campus/unit strategic framework and provide three to five bullet points outlining the relationship between your resource plan and your strategic framework. *Word Limit: 750*

<https://foster.uw.edu/about-foster-school/foster-the-future/>

- *We have not made any substantive changes to our strategic plan or budgeting process over the last year, though we are undergoing a strategic assessment during the first half of 2024. We plan to have an updated three-year strategic plan in place by Autumn quarter 2024. Our Purpose Statement remains:*

PURPOSE STATEMENT

Together...

We Foster Leaders

We Foster Insights

We Foster Progress

...To Better Humanity

In pursuing our purpose to better humanity through business, our overall strategic priorities remain:

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

For 2022 – 2024 we narrowed our focus to the following four strategic initiatives, which fit within our strategic priorities:

- 1. Live our Purpose by hosting and promoting impactful events that explore 1) how equity, social justice, and business intersect, and 2) how environmental issues and sustainability interact with business.*
 - 2. Establish a welcoming and inclusive onboarding experience that emphasizes our Purpose Statement and values while providing important details about how things work at the UW and Foster.*
 - 3. Investigate a new incentive structure for faculty to encourage meaningful thought leadership and impact on our communities.*
 - 4. Create a Foster-wide organizational structure for classroom support, instructional media, and instructional design. The new unit will be called "Instructional Services."*
- Our first four strategic priorities are focused on recruiting, assisting, and developing our people in an inclusive manner. Our fifth priority reminds us that significant progress on these priorities will only happen if they are resourced, in terms of time, talent, and treasure.



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- 2) Please discuss your campus/unit's planned utilization of resources, in support of the [2022-2026 UW Diversity Blueprint](#) themes and goals. *Word Limit: 750*

*The Fostering Diversity website provides an overview of resources, efforts, and programming designed to achieve our strategic priority of incorporating inclusion, equity, and diversity into every decision we make at the Foster School. In addition, the 2023 Annual Report, details our recent initiatives and progress. Broadly speaking, our efforts are focused in three main areas **(1) Expanding thought leadership** to expose students to a greater diversity of experts, leaders, and authorities. Some recent accomplishments in this area include launching The Tenure Project, which is designed to support Black, Latine, and Native American junior faculty obtain tenure in business schools. The Dean's Impact Scholar initiative advances this commitment by bringing corporate pillars of color to the school to teach, adding more faculty of color to the Foster community. **(2) Increasing belonging** so that every Foster student feels that Foster is a place that they can learn and thrive both inside and outside of the classroom. We achieve this by providing support to faculty to increase their inclusive teaching skills and investing in community building efforts that celebrate the diversity of our community. Recent accomplishments in this area include the establishment of the Foster ID framework, which allows students, faculty, and staff to build inclusive leadership and effective allyship skills across the self, relationship, and systems levels. This Foster ID framework is presented in all thirteen degree programs currently operating at Foster. Finally, **(3) increasing access** involves welcoming a greater diversity of people into our community and is supported by investing in pipeline programs (such as Young Executives of Color and Building Networks) and partnership programs (such as The Consortium and Forte).*

We also are very proud of the work that the Consulting and Business Development Center [CBDC] does to use management education, access to markets and capital to support businesses who need the most support. In its first 25 years, the CBDC has helped small businesses in Washington add more than \$250 million in new revenues while creating and retaining more than 200,000 jobs. More than 5,000 Foster School students have leveraged their experience with the CBDC to help secure that all-important first job after graduation and outperform their peers due to a proven track record in finding solutions to real-world business problems. The CBDC's Ascend program, is growing businesses owned by people of color, women, veterans, and inner-city businesses in 11 cities across the US using the center's "3M Model" of Management education, Money through loans and investments, and Market access through contracts with anchor institutions such as universities and hospitals, government agencies and large corporations.

This work is championed by the Associate Dean for Inclusion and Diversity and is supported by a team of 7.5 FTE who work across undergraduate and graduate programs to recruit and support a diverse student population. The Foster School has also established faculty and staff diversity committees, along with resource student groups to increase communication between and among our community members on DEI progress. As in the previous year, we track progress in multiple ways including the DEI Dashboard (which tracks diversity of students over time), a bi-annual Inclusive Climate Survey, and regular listening sessions with Foster leadership.



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Required Budget Development Consultative Process Summary – Faculty, Staff and Students

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-- If specific questions are not applicable to your unit, simply indicate n/a --

Consultation with your elected faculty councils, student councils and unit/campus staff, regarding your unit's/campus's budget proposal materials, including your proposed FY25 operating budget, narrative responses, tuition rate recommendations and fee-based rate recommendations are an important and necessary component of the UW's budget development process. Your responses to the questions below will be documented and included as part of the FY25 operating budget development review materials provided to Executive Leadership of the UW.

PLAN NOW to ensure that all unit/campus review and consultative processes are completed by the March 4, 2024 due date.

- 1) Please indicate 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
2/26/24

- 2) Please list a point of contact for your FACULTY leadership (name and UW email address).
Masha Shunko, Foster Faculty Council Chair
mshunko@uw.edu

Please indicate 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.
2/27/24

- 3) Please list a point of contact for your STUDENT leadership (name and UW email address).
Evening MBAA President - Benjamin Zuercher (bbz@uw.edu)
Undergraduate Business Council Co-President Kelley Zeng: kelleyz@uw.edu
Undergraduate Business Council Co-President Molly Ye: mollyye@uw.edu

- 4) Please discuss how you involved campus or unit staff in the consultative process.
Foster has an internal budget process where a budget committee meets with unit leaders to discuss challenges, opportunities, DEI initiatives, student enrollment trends, and requests for new funding.

- 5) Since submission of your tuition and/or fee-based rate recommendations on February 1, 2024, has your campus or unit received any additional feedback from students? If so, please summarize here.

In a budget meeting with student undergraduate and graduate representatives, there was a discussion about price increases and the effect it has on demand (contacts listed above). In addition, the proposed set of rates and narrative were shared with both the student leaders that serve on the Masters Programs Committee (MPC) and the appointed faculty members. The following feedback was provided:

- *Continuation of the model whereby students who make progress to degree pay the same operating portion of tuition each year that they are in the program (e.g. in years 2 and 3 of Evening MBA, in year 2 of Executive, Full-Time, Hybrid, and Technology Management MBA).*



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- *Continuation of the philosophy where operating fee increases mirror the **multi-year moving average** of inflation in the general economy and in the cost of Foster activities rather than a more rigid model of 2% increases one year for that year's inflation, 8% increases the next year for the following year's inflation, etc. The norm of 0%-5% increases is inferior to a range closer to 2%-6%. Both 0% and 5% rate increases deserve greater scrutiny, and the range should change to something slightly higher.*

Do Not Submit This File



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Foster School of Business

Tuition-based Program Rate Recommendation Narrative

*Text submitted within this section **will** be published to OPB's Annual Budget Development website*

Responses to the questions below are required for each tuition category that your unit/campus recommends adjusting (as submitted to OPB by 2/1/24). **Please note question #4 is required for any programs for which no tuition increase is requested.** If you are recommending changes for multiple tuition categories, please differentiate your responses within each question.

- 1) Please explain how the proposed rate increase will enhance student experience and promote student success?
The 3% increase in the Master of Business Administration-Incoming (Resident) category will cover a portion of increased costs (both in 3% unfunded merit for faculty/staff and inflation-adjusted operating activities) of maintaining current activity levels to support student success and continued inclusive excellence in the Full-Time MBA Program.

We propose a 3% increase for the Master of Business Administration-Incoming (Resident) category, a 0% increase (no change) for the Master of Business Administration-Incoming (Non-Resident) category, a 4% increase in the Master of Business Administration-Continuing (Resident) category, and 3% increase in the Master of Business Administration-Continuing (Non-Resident) category.

The latter two increases should be automatic by prior agreement with the Office of the Provost and in accordance with tuition policy norms in the MBA space. Full-Time MBA students who are in continuing status and are making expected progress toward degree requirements pay under the same tuition structure that they did as incoming students. In other words, students pay the same in year(s) 1+ of their program as they did in year 1 so long as they make expected progress toward degree requirements. Deviation from this market norm would be highly detrimental to application, admitted student, and enrolled student volume.

- 2) 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.
We anticipate modest increases (3% or less) in student debt load owing to the substantial scholarship volume we will continue to offer to attract large, well-qualified, and collectively diverse cohorts in a very competitive Full-Time MBA market. Given that macroeconomic inflation is running at a similar annual rate and that real salary growth for our graduates is positive, we do not anticipate this being a significant challenge for a broad range of students. The Foster Full-Time MBA continues to offer one of the highest returns on investment of all top 50 MBA programs as verified by independent parties.
- 3) Please discuss your unit/campus's overall tuition strategy for the next 3-5 years. Describe if you expect the proposed change to result in changes to enrollment (including changes to resident/nonresident composition) or the volume of tuition waivers awarded.
We anticipate modest increases (3% or less) in tuition and fees over the next several years aimed at offsetting higher operating costs imposed by the general level of inflation in salaries, benefits, and operating costs. We do not anticipate a change in enrollment levels relative to peers or in resident/nonresident cohort composition on this basis. The Foster School is a high return-on-investment, top 20 Full-Time MBA offering for all prospective students who seek a 2-year residential MBA with a residential option and in a vibrant regional economy. We plan to remain so. Any future activity growth at the Foster School will have to be funded by the addition of new programs and not with higher-than-market tuition increases.

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- 4) If you are not planning to increase tuition for any program, please respond to the following: Generally, small, inflationary increases (1-2% annually) are preferred over no increase or large increases every few years. Please answer the following questions for each program where no increase is requested.

- a) Please explain why this program's rate does not warrant an increase by describing the program's financial position, structure, peer comparisons, or other relevant information.

We propose no increase for the Master of Business Administration-Incoming (Non-Resident) category. Currently, no Foster MBA students pay this tuition category owing to the generous use of graduation student fellowships under University of Washington Executive Order 30. We believe that this is necessary to attract the well-qualified, large, and collectively diverse cohort needed to further excellence in student learning and growth in what is a very competitive national residential MBA market. Effectively, the non-resident tuition rate only serves to set a reference price benchmark used by MBA rankings bodies to calculate return on investment for prospective students. Any increase in non-resident operating fees would dampen our ability to compete for students and also put downward pressure on the program's ranking, adversely impacting the Foster School's ability to attract prospective students and dulling recruiter interest in employing program graduates.

- b) What do you currently anticipate annual rate change requests will be for the next two years?

If the Foster School's Full-Time MBA ranking improves in the next two years and we become a more competitive destination for non-resident applicants, we will consider raising the non-resident operating fee and reducing our use of fellowships such that some enrolled students pay into this tuition category. We do not currently expect a material improvement in rankings in the next two-year window.

- 5) Enrolled students affected by rate increases must 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 rate recommendations.

Student leaders of the Full-Time MBA Program's MBA Association were briefed on these recommendations in Autumn 2023. The MBAA's Executive Committee endorses maintaining the tuition model in which continuing students making expected progress to degree pay at their own incoming rates. They also support modest tuition increases in resident tuition categories to cover escalating costs for current activity levels, and they agree with the logic of maintaining tuition levels of the incoming nonresident category to paint a more accurate, and more compelling, picture of the financial return on investment of joining the Full-Time MBA Program.