

**Academic Unit Name: Foster Business School**

Please complete this Word document and the accompanying Excel workbook (both of which were provided to your unit via email), and submit them to the Office of Planning & Budgeting (OPB) on or before **Friday, November 18**. Please email your materials to [Becka Johnson Poppe](#).

1. In the “**Planned Expenditures**” tab of the Excel workbook, please:
  - a) Describe what your unit (school, college, or campus) is doing to **pursue excellence within existing resources**;
  - b) Describe what your unit is doing to **streamline activities, and pursue additional efficiencies**; and,
  - c) Provide information regarding your unit’s **projected FTEs and planned expenditures for FY17 and FY18**:
    - i) When reporting FTE, please assume that 1.0 FTE faculty is equivalent to a nine-month appointment, and 1.0 FTE staff is equivalent to a twelve-month appointment. If this is problematic for any reason, you may report FTE in different terms, but please clearly state your assumptions.
    - ii) Expenditure estimates should be broken down by:
      - *Fund type*: permanent ABB funds (i.e. GOF and DOF, excluding carryover) and, if applicable, funds derived from self-sustaining efforts, grants and contracts, philanthropy, and other sources.
      - *Expenditure type*: salaries and benefits, goods and services, contractual services, travel, and other.
    - iii) Please describe any assumptions you are making in your response, such as those related to the availability of state or federal funding or projections based on the first complete month of expenditures in FY17, etc. Also, please explain the “other” category, if you put expenses into that column.

For guidance, please see the example posted at the [FY18 Budget Development webpage](#).

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2. Using the “**Tuition Recommendations**” tab of the Excel workbook, please provide your **tuition rate recommendations for 2017-18 (FY18) and 2018-19 (FY19)**.<sup>1</sup> Please note that units will have an opportunity to revisit their 2018-19 tuition recommendations during the FY19 unit budget process.

As always, **if your recommendation involves creating a new tuition category**, please be sure to identify the original tuition category, the proposed category and suggested tuition rates for FY18 and/or FY19 (depending on the year the new category would begin). 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.

			Fiscal Year		FY15		FY16		FY17		FY18		FY19	
			Academic Year		2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
			% Δ	Tuition	% Δ	Tuition	% Δ	Tuition	% Δ	Tuition	% Δ	Tuition	% Δ	Tuition
Full-time	Incoming	Resident	5%	\$ 29,253	3%	\$ 30,129	4%	\$ 31,335	3%	\$ 32,274	3%	\$ 33,243		
		NR	5%	\$ 43,089	3%	\$ 44,379	4%	\$ 46,155	3%	\$ 47,538	3%	\$ 48,965		
MBA	Continuing	Resident	5%	\$ 27,858	5%	\$ 29,250	3%	\$ 30,129	4%	\$ 31,335	3%	\$ 32,274		
		NR	5%	\$ 41,040	5%	\$ 43,086	3%	\$ 44,379	4%	\$ 46,155	3%	\$ 47,538		
PhD	Grad Tier I	Resident	7%	\$ 15,207	0%	\$ 15,207	0%	\$ 15,207	0%	\$ 15,207	0%	\$ 15,207		
		NR	3%	\$ 27,255	0%	\$ 27,255	0%	\$ 27,255	0%	\$ 27,255	0%	\$ 27,255		

<sup>1</sup> Tuition is stated as an annual rate which includes three quarters at the full-time rate for "state-supported" programs (Total tuition includes Operating fee and Building fee).

**For each recommended tuition increase, please provide the following information in 500 words or fewer (total):**

- Please provide information to justify the increase. This can include information about enrollment plans, peer comparisons, and/or market analyses. Please include information about how the incremental revenue generated will be spent by the school/college/department.
  - Tuition is in line with peer institutions. The increase in the MBA program will allow for rising costs including a modest increase for faculty and staff salaries.
- Please describe whether you expect any substantial enrollment changes (including a change in the resident/nonresident composition) or any changes in the waivers likely to be awarded to your unit’s students.
  - No significant changes are anticipated.
- Discuss the impact on student debt load.
  - Foster expects modest impact to student debt.
- Confirm (yes/no) that tuition recommendations were discussed with students.<sup>2</sup>
  - Foster tuition recommendations are to be discussed with MBA Association President on November 21, 2016. An update will be submitted if needed.

<sup>1</sup> Please note rate recommendations for *fee-based* programs are handled through a separate process than tuition-based programs.

<sup>2</sup> If the meeting schedules of faculty and student leadership groups present a challenge, please make accommodations to get approval within the necessary timeframe. However, please note that OPB reviews tuition recommendations on a monthly basis. If necessary, you may submit an update to OPB at a later date, after faculty and students have had an opportunity to review.

3. A number of variables (e.g. the outcome of the 2017 legislative session) will heavily influence the availability of funds for FY18 merit increases and unit adjustments. Despite these unknowns, planning for compensation increases has no doubt begun already. **Please describe how your unit plans to deploy existing resources, establish new revenue streams, and/or pursue additional efficiencies to support merit increases and unit adjustments in FY18.** If tuition increases are a critical aspect of your plan, please make sure to contemplate potential new revenue streams or increased efficiencies. *Please respond in 300 words or fewer.*

A salary and tuition revenue model will be available on the [FY18 Budget Development webpage](#) by **Tuesday, November 1**. This model is designed to give you a sense of the magnitude of support that will be required at various salary percentage increases.

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The Foster Business School estimates the cost of 4% merit on state GOF funds to be approximately \$1.17M in salaries and benefits. We anticipate that half of this cost will be funded centrally and the other half (\$585K) will be funded by Foster. We have planned for this increase and therefore have sufficient state funds to cover this portion of the merit cost.

4. In-depth conversations about academic personnel needs and policies will occur in other settings throughout the year. However, since such needs and policies are inextricably linked to budgeting, **please provide a high-level overview of your unit's emerging or changing personnel needs.** In your response, please contemplate faculty, including lecturers, *and* staff. *Please answer in 300 words or fewer.*

At your unit's meeting with the Provost, **please be prepared to discuss** your unit's succession planning activities and adherence to the [instructional responsibility policy](#), the Provost's [guidelines for appointment of full-time and part-time lecturers](#), and faculty compensation policies.

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The Foster Business School is adding a new Master's program in Entrepreneurship as well as a new Hybrid MBA program. Additional faculty and staff are anticipated. These costs will be covered by the additional program revenue.

5. **Please identify any significant obstacles or challenges** that your unit faces, other than resource constraints. **Please plan to discuss these with the Provost.** If applicable, please summarize any operational risks that, from your perspective, the UW must work to mitigate over time. *Please answer in 300 words or fewer.*
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The Foster Business School has no significant obstacles other than resource constraints.

6. What is your unit doing to promote and engage in **new research and educational collaborations with other UW schools, colleges, and campuses?** *Please answer in 200 words or fewer.*
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Examples of how the Foster Business School is engaged in research and educational collaborations include:

- 1) Global Innovation Exchange (GIX)- The Foster School is pleased to offer 3 courses (Building Effective Teams, Finance and Accounting, and Essentials of Entrepreneurship) as part of our collaboration with the Schools of Engineering and Law in the Global Innovation Exchange's Master of Science in Technology Innovation Program.
- 2) Health Innovation Challenge- A Foster hosted event (co-sponsored with Engineering and Global Health) in which cross disciplinary teams develop various devices and systems to improve health care.
- 3) Husky Leadership Initiative (HLI)- Foster partnered with HLI to co-sponsor and develop a course targeted towards first year students across campus on leadership development. In addition, Foster faculty and staff work with HLI to create and support important leadership events including ULeadWeLead and the Husky Leadership Certificate program where Foster faculty and staff mentor students.

7. Please **update the carryover usage plan you submitted as part of last year’s budget development process**. To do so, please complete the **“Updated Carryover Usage Plan”** tab of the Excel workbook. Please note:
- Your worksheet is pre-populated with the carryover usage plan you submitted last year and new estimated carryover totals.<sup>3</sup>
  - Please provide updated numbers under "Updated Plan" (Column F).
  - If you have new line items, please add rows, as needed.
  - For any major updates, please provide a brief description of the change (Column G).

Please note, although cost allocations for the HR/Payroll Modernization Program won’t be available until the new system goes live, units are encouraged to incorporate the original allocations (from the HR/Payroll Cost Allocation plan) into their carryover spending plans. For units that made prepayments, all funds have been held in reserve, and will be applied to your future cost allocations.

If you would like to describe any items from the worksheet in greater detail, please use the space below. For **additional guidance**, please see the example posted at the [FY18 Budget Development webpage](#).

If your unit has a **deficit** instead of a carryover, please confirm that you have an updated deficit mitigation plan in place with OPB. If you do not, please explain why.

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A significant portion of our carryover is dedicated to one of the school’s highest priorities, replacement of MacKenzie Hall, a 56 year old facility. The current building is inadequate in both size and infrastructure.

8. For FY18, the Provost will be deploying *permanent* Provost Reinvestment Funds (PRF) primarily, if not exclusively, to cover compensation increases. Thus, **units are asked to limit PRF requests to temporary funding needed to address critical compliance and/or high institutional priority needs.**<sup>4</sup>

If your unit has a PRF request that fits within these strict parameters, please describe it in the **“PRF Request”** tab of the Excel workbook. Please also indicate what resources you are willing to commit as a match for PRF support.

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No requests.

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<sup>3</sup> As a reminder, carryover balances are calculated at the end of each biennium and can only be *estimated* mid-biennium.

<sup>4</sup> Please refer to the University’s [Sustainable Academic Business Plan](#) for more information about top institutional goals.

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9. **Please confirm that faculty councils AND student leaders within your unit/campus have been consulted** and given the opportunity to provide input as part of this budget planning exercise.

To confirm this, please do **one** of the following:

- Briefly describe who was consulted and when, and provide points of contact for your faculty council and student leadership.  
**OR**
  - Include signed letters from your faculty council chair and student leadership (a scanned PDF is fine) when you submit the rest of your materials.
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The Foster Business School confirms that both students and faculty have been represented, consulted, and given the opportunity to provide input during the creation of this document. Their contact information is included below:

Student representatives:

Josh Anderson  
President of the MBA Association  
[Sandher@uw.edu](mailto:Sandher@uw.edu)

Kim Platz  
President of the Undergraduate Business Council  
[Kim.a.platz@gmail.com](mailto:Kim.a.platz@gmail.com)

Faculty representative:

Kathy Dewenter  
Faculty Council Chair  
5-7893  
[dewe@uw.edu](mailto:dewe@uw.edu)

## FY17 & FY18 Planned Expenditures - Academic Units

Please use the fields below to provide information for your school, college or campus.

For guidance, please see the example posted at the FY18 Budget Development webpage: <http://opb.washington.edu/fy18-unit-budget-development>

BT = Budget Type    OC = Object Code

<b>NAME OF AREA: Foster Business School</b>							
<p><b>Please describe (in 200 words or fewer) what your unit is doing to pursue excellence within existing resources.</b> (1) Foster is expanding outreach to firms via career services. This will enhance job opportunities for our students. (2) We are developing a comprehensive partnership with the University of Science and Technology of China (USTC) to create an institute that will have research centers focused on finance, data analytics, and operations management. As part of this partnership, Foster will host students from USTC in the School's various Masters Programs. (3) Foster is undergoing a comprehensive review of its undergraduate curriculum and disseminating best practices that generate student engagement, facilitate transformative student learning, and support our culture of inclusiveness. (4) The School is holding diversity forums for both undergraduate and MBA students. We have also improved our MBA programs' focus on serving diverse communities (e.g. professionals of color, LGBT, women, and veterans).</p>							
<p><b>Please describe (in 200 words or fewer) what your unit is doing to streamline activities and pursue additional efficiencies.</b> (1) Cost efficiencies have been realized through expanding freshman direct admissions without increasing expenditures; (2) Foster has introduced a new video/skype format for students interviewing for the Master's program where previously costs were incurred to conduct the interviews in person; (3) We are sharing resources across the school, such as a new diversity recruiter who supports all 11 programs in the Master's portfolio; (4) The Ernst &amp; Young Center for Career Advancement now serves not only Foster undergraduate students but also students enrolled in the School's Master of Professional Accounting, Master of Information Systems, and Master of Supply Chain Management Programs to provide a full suite of services for student professional development. In addition, the Center includes an employer relations arm that connects business community stakeholders to Foster students through career fairs, networking events, job postings, and both on-campus and virtual recruiting.</p>							
FISCAL YEAR 2017							
Fund Source	FTE	Projected Expenditures (in \$)					
		Salaries & Benefits (OC: 01, 07)	Goods & Services (OC: 03, 05, 06)	Contractual Services (OC: 02)	Travel (OC: 04)	Other (OC: 08-21)	
GOF/DOF, excluding carryover (BT 01)	180.47	\$ 32,561,371	\$ 585,792	\$ -	\$ -	\$ -	
Self-Sustaining Funds (BT 10, 11)	114.74	\$ 15,416,493	\$ 6,801,771	\$ 654,465	\$ 1,177,386	\$ 935,267	
Grants & Contracts (BT 05)	4.82	\$ 508,086	\$ 49,676	\$ 5,626	\$ 40,560	\$ 194,340	
Philanthropy, or Gifts & Discretionary (BT 06)	32.56	\$ 5,326,111	\$ 2,694,236	\$ 137,595	\$ 331,132	\$ 3,162,650	
Total	332.59	\$ 53,812,061	\$ 10,131,475	\$ 797,686	\$ 1,549,078	\$ 4,292,257	
FISCAL YEAR 2018							
Fund Source	FTE	Planned Expenditures (in \$)					
		Salaries & Benefits (OC: 01, 07)	Goods & Services (OC: 03, 05, 06)	Contractual Services (OC: 02)	Travel (OC: 04)	Other (OC: 08-21)	
GOF/DOF, excluding carryover (BT 01)	184.47	\$ 34,575,914	\$ -	\$ -	\$ -	\$ -	
Self-Sustaining Funds (BT 10, 11)	114.74	\$ 16,178,569	\$ 7,609,190	\$ 674,099	\$ 1,212,707	\$ 963,325	
Grants & Contracts (BT 05)	4.82	\$ 535,225	\$ 51,166	\$ 5,795	\$ 41,777	\$ 200,171	
Philanthropy, or Gifts & Discretionary (BT 06)	32.56	\$ 5,595,519	\$ 2,775,063	\$ 141,722	\$ 341,066	\$ 3,257,530	
Total	336.59	\$ 56,885,227	\$ 10,435,419	\$ 821,616	\$ 1,595,550	\$ 4,421,025	
<p><i>Assumptions: FTE will increase in FY18 as 4 new faculty will be hired. A portion of vacant GOF funds will be utilized to fund these positions. A net state tuition budget increase of \$343K is expected for FY18 (FY16 negative proj true-up of \$160K, Incremental tuition \$503K) in addition to \$585K in supplement for half of Foster's merit costs. Since the UW's state budget submission requested funding for a 4% compensation increase in FY18, our calculations include: 4% merit for faculty, 4% for professional staff, 1.8% for classified, and 2% for ASE's over the FY17 base. We assume central administration is to fund half of the increases (\$585K). FY17 benefit load rates were used for FY17 and FY18. The Other category is mostly comprised of student scholarships and stipends. Finally, we assumed a 3% increase in all non-salary cost categories.</i></p>							

## Updated Carryover Usage Plan - Academic Units

Please use this template to provide an update on the carryover usage plan you submitted last year.

**INSTRUCTIONS:** Please do not change the numbers under "Previous Plan" (Column D). Instead, please provide updated numbers under "Updated Plan" (Column F). If you have new line items, please add rows, as needed. For any updates, please provide a brief description of the change (Column G). As a reminder, you are not expected or required to have carryover line items for each Expense Category. See the Word template for notes regarding HR/Payroll cost allocations.

For additional guidance, please see the example posted at the FY18 Budget Development webpage: <http://opb.washington.edu/fy18-unit-budget-development>

**Unit:**

**Foster School of Business**

**Carryover Balance  
going into FY16:**

**\$ 3,804,798**

**Est. Carryover  
going into FY17:**

**\$ 5,142,454 \***

Expense Categories & Descriptions	Previous Plan DO NOT UPDATE	Updated Plan PLEASE COMPLETE	Explanation of Changes/Updates
<b>General Reserves/Uncertainty</b>			
<i>Reserve balance equal to 9.8% of FY16 ABB budget</i>	\$ 3,168,632	\$ 3,364,791	Emergency Reserve-10% of state operations
<b>Education Initiatives</b>			
<b>Equipment</b>			
<b>Facility/Space Investments</b>		1,777,663	New building to replace MacKenzie Hall
<b>Faculty Start-Up Expenses</b>			
<b>Professional Development</b>			
<b>Recruitment</b>			
<b>Research Initiatives</b>			
<b>Student Aid &amp; Waivers</b>			
<b>Temporary Salaries</b>			
<i>Anticipated VEBA payouts for retiring faculty</i>	\$ 150,000		
<b>Other (Please be specific)</b>			
<i>Supplemental scholarship support for top admits in full-time MBA program</i>	\$ 486,166		
<b>TOTAL</b>	<b>\$ 3,804,798</b>	<b>\$ 5,142,454 **</b>	

\* As a reminder, carryover balances are calculated at the end of each biennium and can only be *estimated* mid-biennium.

\*\* Because carryover balances are estimated and many of these priorities transcend multiple years, we do not expect this total to exactly match your unit's carryover total.