

Multi-Year Plan for Professional Degree Supplemental Tuition (PDST) Levels 2016-17 through 2018-19: Long Form

PART A

I. PROJECTED PROFESSIONAL DEGREE SUPPLEMENTAL TUITION

Specify your projected Professional Degree Supplemental Tuition for each of the next three years. Please refer to the planning assumptions for further details about fee increase rates.

	Actual	New Proposed Fee Levels				Increases/Decreases		
	2015-16	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	
Prof. Degr. Suppl. Tuition (CA resident)	\$24,507	\$25,242	\$25,999	\$26,779	3%	3%	3%	
Prof. Degr. Suppl. Tuition (Nonresident)	\$24,507	\$25,242	\$25,999	\$26,779	3%	3%	3%	
Mandatory Systemwide Fees (CA resident)*	\$12,240	\$12,294	\$12,684	\$13,086	0.4%	3.2%	3.2%	
Health Insurance**	\$3,954	\$4,349	\$4,784	\$5,263	10%	10%	10%	
Campus-based Fees	\$924	\$930	\$936	\$943	1%	1%	1%	
Nonresident Suppl. Tuition	\$12,245	\$12,245	\$12,245	\$12,245	0%	0%	0%	
Other (explain below)***	\$40				-100%			
Total Fees (CA resident)	\$41,665	\$42,815	\$44,403	\$46,071	3%	4%	4%	
Total Fees (Nonresident)	\$53,910	\$55,060	\$56,648	\$58,316	2%	3%	3%	

* Mandatory systemwide charges include Tuition and Student Services Fee.

**Include disability insurance fee for medicine and dentistry.

*** Include Course Materials and Services Fees but not health kits.

Additional comments:

New proposed fee levels for mandatory systemwide fees and nonresident supplemental tuition are based on the direction and assumptions given by the UCOP budget office. New rates for health insurance and campus-based fees come from the UC Davis Budget and Institutional Analysis (BIA) division. The UC Davis Graduate School of Management (GSM) is proposing annual increases of 3% in Professional Degree Supplemental Tuition (PDST) in each of the three years of this proposal (2016-17, 2017-18 and 2018-19) to maintain the quality and range of current services for the state-supported full time MBA program. The GSM will eliminate the \$40 course materials fee starting in 2016-2017 and students will purchase the specific software directly as a more cost-effective option for both students and the school.

II. PROGRAM GOALS AND EXPENDITURE PLANS

Please explain why Professional Degree Supplemental Tuition increases are necessary. What goals are you trying to meet and what problems are you trying to solve with these increases? What are the consequences if proposed Professional Degree Supplemental Tuition levels are not approved?

What will be the educational benefits for students given the new Professional Degree Supplemental Tuition revenue?

In the GSM's most recent Multi-Year Plan for Professional Degree Fee Levels, for 2011-2012 through 2013-2014, the focus for increases was on career development and career services. The incremental PDST funded additional staff support and new leadership and soft skill programs to better prepare students for placement. These investments have been successful. The GSM class of 2015 had a placement rate of 94% and an average total compensation of \$112,202, the highest in the GSM's history. The modest increases proposed in this multi-year plan are necessary to maintain these improvements in the services offered to our students. If these increases are not approved, it will eventually be necessary to reduce service levels, either by reducing staffing or eliminating certain programs and services. The educational benefit for students given the new PDST revenue will be from maintaining the quality of the leadership and soft skill programs and other preparation for placement.

Please indicate how you intend to use the revenue generated by the Professional Degree Supplemental Tuition increase.

The increased revenue in this multi-year proposal will be used for financial aid under the "return to aid" formula (33%) and increases in expenses based on the planning assumptions given by the UCOP budget office and BIA.

Proposed Use of Incremental PDST Revenue	Incremental 2016-17 PDST revenue	Incremental 2017-18 PDST revenue	Incremental 2018-19 PDST revenue	Total
Faculty Salary Adjustments	\$ 13,306	\$ 13,942	\$ 14,609	\$41,858
UCRP Contributions	\$ 3,676	\$ 3,775	\$ 3,878	\$11,329
Benefits Cost Increases	\$ 10,272	\$ 10,668	\$ 11,083	\$32,023
Providing Student Services	\$ 12,948	\$ 13,021	\$ 13,095	\$39,064
Improving the Student-Faculty Ratio				\$0
Expanding Instructional Support Staff				\$0
Instructional Equipment Purchases				\$0
Providing Student Financial Aid	\$ 20,580	\$ 21,196	\$ 21,840	\$63,616
Other Non-salary Cost Increases				\$0
Facilities Expansion/Renewal				\$0
Other (UCOP Tax)	\$957	\$986	\$1,016	\$2,958
Total projected change in revenue	\$61,740	\$63,588	\$65,520	\$190,848

Additional Comments:

At current enrollments, the proposed 3% PDST increase will not fully cover the cost increases expected according to salary and benefits adjustments and inflation guidance from UCOP and BIA. The table above is a conservative estimate based on static enrollments. Small increases in enrollments will reduce or eliminate any deficits generated by salary and benefits adjustments and inflation. If enrollments do not increase, the GSM will seek other funds to cover these deficits.

Please indicate how you plan to use or are using total actual Professional Degree Fee revenue in 2015-16.

	Total 2015-16 PDF revenue
Faculty Salary Adjustments	\$278,377
UCRP Contributions	\$77,973
Benefits Cost Increases	\$233,575
Providing Student Services	\$556,949
Improving Student-Faculty Ratio	
Instructional Support Staff	
Instructional Equipment Purchases	
Providing Student Financial Aid	\$602,000
Other Non-salary Cost Increases	\$309,714
Facilities Expansion/Renewal	
Other	
Total projected use of revenue	\$2,058,588

Please describe cost-cutting and/or fundraising efforts related to this program undertaken to avoid Professional Degree Supplemental Tuition increases even greater than proposed. Please be as specific as possible.

The GSM continuously works to operate efficiently. The structure of the budget and mandated increases for salaries and benefits limits what can be achieved by cost-cutting without reducing service levels to students. The GSM also aims to sustain and expand our self-funded programs to support the overall cost structure of the school. We engage in intensive fundraising efforts to enhance our annual fund, our business partnerships, and major gift funds to support the MBA programs.

If your program proposes uneven increases (e.g., increases that are notably larger in some years than in others), please explain why.

The proposal is for uniform increases during the years of this proposal.

Please indicate the degrees for which Professional Degree Supplemental Tuition will be assessed and expected enrollment by degree.

	Enrollment			
Degree	2015-16	2016-17	2017-18	2018-19
Full Time MBA	84	84	84	84
Total	84	84	84	84

III. MARKET COMPARISONS: TOTAL CHARGES

Please provide the total student tuition and fee charges of comparison institutions. Select a minimum of 3 and *up to* 12 institutions, including, *where possible*, a minimum of 3 public institutions. If a program does not have a large number of comparators, or does not have any public comparators, please provide what institutions the program does consider comparators even if that is a small number only or includes only private institutions.

A comparison of total cost of degree may be more meaningful, for example, for programs whose comparator programs vary in length. If this applies to your program, you may provide total cost of degree figures in addition to annual first-year comparison institutions' amounts shown below. Please attach the cost of degree template provided by Budget Analysis and Planning; if you have any questions about how to calculate the total cost of degree, please contact richard.michaelson@ucop.edu.

DO NOT CONTACT OTHER INSTITUTIONS DIRECTLY FOR THIS INFORMATION. USE ONLY PUBLICLY AVAILABLE INFORMATION. Refer to the best practices document for additional information.

	2015-16	2016-17	% Increase
Residents			
USC - Marshall	\$65,206	\$65,601	1%
Southern Methodist University - Cox	\$54,921	\$58,123	6%
Boston College - Carroll	\$51,070	\$52,882	4%
Boston University - Questrom	\$50,127	\$50,127	0%
University of Maryland - College Park	\$49,453	\$54,329	10%
University of Minnesota - Carlson	\$40,407	\$40,407	0%
University of Pittsburgh - Katz	\$28,952	\$29,770	3%
Public Average	\$39,604	\$41,502	5%
Public and Private Average	\$48,591	\$50,177	3%
UC Davis - GSM	\$41,705	\$42,815	3%
Nonresidents			
USC - Marshall	\$65,206	\$65,601	1%
Southern Methodist University - Cox	\$54,921	\$58,123	6%
University of Maryland - College Park	\$51,070	\$52,882	4%
University of Minnesota - Carlson	\$50,127	\$50,127	0%
Boston College - Carroll	\$58,363	\$64,130	10%
Boston University - Questrom	\$50,767	\$50,767	0%
University of Pittsburgh - Katz	\$36,582	\$37,705	3%
Public Average	\$48,571	\$50,867	5%
Public and Private Average	\$52,434	\$54,191	3%
UC Davis - GSM	\$53,910	\$55,060	2%

Source(s): program web sites for school-specific rates for tuition and fees

Health insurance was included where available, and the UCD rate used where campus-specific rates were not available

Public information is unavailable for 2016-2017 rates. Increases were calculated on YOY increases from 2014-15 to 2015-16 rates where available, and 0% was used where this information was not available

Why were these institutions chosen as comparators? Include specific reasons why they are considered peers – for example, competition for the same students and faculty, admitted student pools of similar quality, similar student-faculty ratios, the program’s ranking is what this program would like to achieve, etc. What other characteristics do they have in common? If you have included aspirational programs, explain why your program aspires to be comparable to these programs and how it expects to do so within 5 years. Be specific. (If a program is unlikely to achieve comparability to an aspirational program within 5 years, the aspirational program should not be included.)

These institutions were selected as comparators because they are similar in terms of admitted student qualifications and competition for faculty, and are generally ranked very close to the GSM by USNews and World Report. Several aspirational schools (University of Virginia-Darden, University of Michigan - Ross and University of Texas, Austin - McCombs) were used as comparators in the prior request and

have been eliminated from this analysis because their USN&WR rankings (10, 11 and 17 respectively) are considered out of reach for the GSM in the next five years. The GSM was at 48th in the most recently published rankings. USC Marshall was selected as the only non-UC business school in California that is ranked by US News and World Report (at 25th) within 25 places of the GSM.

How were the projected tuition and fee increases for your comparison institutions determined?

The 2015-2016 rates were drawn from the school websites, including tuition, fees and health insurance costs. Where the cost of health insurance was not specified, the rate was adjusted using the UCD cost for student health insurance. The averages are from the schools listed. Rates for 2016-2017 are not publicly available. The 2016-2017 column is based on either no increase, or a calculated increase based on the YOY increase from 2014-15 to 2015-16 where available for the specific school.

Please comment on how your program's costs compare with those of the comparison institutions (public and/or private) with which you compete for students.

The GSM full time MBA program cost is competitive compared to institutions with rankings and similar student body profiles. Among public institutions the GSM shares the middle of the range with University of Minnesota - Carlson. The GSM is above the average for nonresidents, both among public and private institutions.

IV. ENROLLMENT TRENDS AND DIVERSITY STRATEGY

Note: UCOP will provide campuses with data from the Corporate Student System that should be used to complete the table below for your program. Please note that, as used here, established programs consist of programs that have enrolled students prior to 2016-17; new programs are those that seek to enroll students for the first time in 2016-17. For established programs, provide data for academic years 2012-13 to 2014-15 and estimates for 2015-16 and 2016-17. New programs should provide estimates for 2016-17. All programs should provide figures for comparison public and private institutions in the columns shown.

						Comparison (2014-15)	
	2012-13	2013-14	2014-15	2015-16	2016-17	Publics	Privates
Ethnicity							
Underrepresented							
African American	0%	1%	1%	0%	1%	7%	9%
Chicano/Latino	3%	3%	8%	6%	8%	8%	6%
American Indian						1%	1%
<i>Subtotal Underrepresented</i>	3%	4%	9%	6%	9%	16%	15%
Asian/East Indian	9%	7%	9%	13%	13%	9%	9%
White	18%	17%	29%	37%	33%	56%	52%
Other/ Unknown	36%	32%	15%	9%	9%	13%	11%
International	33%	39%	37%	36%	36%	15%	19%
Total	99%	99%	99%	101%	100%	110%	106%
Socioeconomic							
% Pell recipients	15%	16%	13%	15%	15%	NA	NA

Sources:

UC ethnicity, socioeconomic status: UC Corporate data (2016-2017 is a projection)

Comparison institutions: Association to Advance the Collegiate Schools of Business (AACSB) – Data Direct database

For established programs, how does your program compare with other programs in terms of racial and ethnic diversity, with particular attention to U.S. domestic underrepresented minorities? For new programs, how do you anticipate your program will compare with other programs in terms of racial and ethnic diversity, with particular attention to U.S. domestic underrepresented minorities?

The table above compares the GSM diversity statistics to all US business schools that are members of the Association for the Advancement of Collegiate Schools of Business (AACSB) that reported this information. The GSM has much work to do to attract underrepresented minorities to the full time MBA program. The recent increase in the number of Chicano/Latino students is favorable, but the GSM continues to have few or zero African American or American Indian students.

For established programs, please comment on the trend in enrollment of underrepresented groups in your program over the past five years.

The trend is positive for Chicano/Latino students. There is no trend for African American and American Indian students since, at best, the program has had one African American at a time in a cohort.

What is your strategy for increasing the enrollment of U.S. domestic students from underrepresented groups (African American, Chicano/Latino, American Indian), U.S. domestic students from all minority groups, and, if any, for international students in your program? What indicators of success do you monitor?

The GSM Admissions team participates in recruiting events sponsored by organizations that focus on members from underrepresented groups. The forums are arranged by organizations such as the National Society of Hispanic MBAs, the National Black MBA Association, the National Black Pre-MBA

Association, and the Forte Foundation. We have the opportunity to address the admissions and financial aid processes with them and to meet in small groups for more individualized attention.

The GSM is an active participant in the UC consortium that sponsors the Summer Institute for Emerging Managers and Leaders. SIEML brings together exceptional undergraduates from historically black colleges and universities and Hispanic-serving institutions to learn about MBA programs and the opportunities available at UC business schools. The GSM was the host of the summer institute in 2014.

The GSM will continue to seek out and encourage members of underrepresented minorities to apply and attend the MBA program.

For established programs, please comment on the trend in enrollment of students from low socioeconomic backgrounds (i.e., students who received Pell Grants as undergraduates).

The rate of enrollment of students who received Pell Grants as undergraduates has been very consistent at the GSM for the past five years, varying from 13% to 16%.

V. FINANCIAL AID STRATEGY AND PROGRAM AFFORDABILITY

What are your financial aid / affordability goals for your program? How do you measure your success in meeting them?

Our goals are to provide financial aid to students based on merit and seek to make the program affordable to all qualified students. We track the % of Pell recipients in each class, which has remained practically constant for the past five years.

How will your financial aid strategies (e.g., eligibility criteria, packaging policy) help achieve these goals?

The GSM Scholarship Committee uses the following criteria to assign scholarships: GMAT scores, previous academic work, professional goals, and other pertinent background information shared by the student. During the admissions process, the GSM works with every admitted student to make the program affordable including identifying donor-designated scholarships for which the student is eligible and packaging financial aid for the candidate's unique circumstances.

Please describe any programs available to students in your program, while enrolled or following graduation, to promote public service or provide services to underserved populations, such as targeted scholarships, fellowships, summer or academic-year internships, and Loan Repayment Assistance Plans.

The GSM does not currently have programs to promote public service or provide services to underserved populations.

Please describe your marketing and outreach plan to prospective students to explain your financial aid programs.

GSM recruiters conduct hundreds of information sessions per year, mainly around the State of California, and provide complete information about the MBA degree costs and available financial aid to allow potential applicants to clearly understand all financing options. Attendance at these sessions ranges from 5 - 50 potential applicants. These small settings enable our staff to discuss the different types of financial aid available for GSM students in a personalized setting. Later in the process, GSM recruiters work with each admitted student individually to explore financing options. We also explain our financial aid programs in detail on our website where students can apply for the program online.

Note: UCOP will provide you with figures from the Corporate Student System that should be used to complete the table below.

Graduating Class	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Cumulative Debt	\$ 37,246	\$ 36,772	\$ 50,346	\$ 46,225	\$ 59,511	\$ 38,528	\$ 73,845
Percent with Debt	48%	57%	50%	70%	56%	37%	33%

For established programs, please comment on the trend in the indebtedness of students in your program. What impact do you expect your proposed Professional Degree Supplemental Tuition levels and financial aid plan to have on this trend?

There is a great deal of variability in both the cumulative debt and the percent of students with debt at the GSM, due in part to the small number of students per class. The trend appears to be that a smaller number of students are taking on debt to complete the program, but the amount of debt per indebted student is greater than in the past. We do not expect the proposed PDST levels and financial aid plan to have a significant impact on this metric.

Note: UCOP will provide you with figures from the Corporate Student System that should be used to complete a portion of the table below. However, each program is responsible for providing its own estimate of the median (or average, or typical) starting salary for its graduates. If possible, provide comparable figures for your comparison public and private institutions in the rows shown. UCOP will also provide you with a formula for you to use to calculate the last column.

	2013-14 Average Debt at Graduation among Students with Debt	Graduates with Debt	Median Salary at Graduation	Est. Debt Payment as % of Median Salary
This program	\$ 73,845	33%	\$96,870	11%
Public comparisons	NA	NA	\$91,697	NA
Private comparisons	NA	NA	\$93,479	NA

Sources:

UC: Corporate data

Comparison institutions: program web sites for school-specific rates, indebtedness data not publicly available

Please describe your program’s perspective on the manageability of student loan debt for your graduates in light of their typical salaries, the availability of Loan Repayment Assistance Programs, loan repayment plans, and/or any other relevant factors.

In what may be the most remarkable feature of the last three years, nearly 60% of GSM graduates have no cumulative debt. For the remaining 40%, the GSM MBA is an excellent investment given

typical salaries. The average pre-MBA salary for GSM students graduating in 2014 was \$45,123, and the average (mean) post-MBA salary was \$90,023. The average total compensation for the class that graduated 2015 was \$112,202 with a placement rate of 94%. With these results, we consider student loan debt at the GSM to be reasonable and manageable for our alumni.

Do graduates of your program who pursue public interest careers (as defined by your discipline) typically earn substantially less upon graduation than other students? If so, what steps does your program take to ensure that these careers are viable in light of students' debt at graduation?

Historically, graduates who pursue public interest careers typically earn less than other graduates working in the private sector. In the past two years, however, only one student pursued a public interest career after graduation, by starting her own education-services company.

VI. OTHER

Please describe any other factors that may be relevant to your three-year plan (such as additional measures relating to your program's affordability, etc.). No additional comments.

PART B

STUDENT AND FACULTY CONSULTATION

The Regents' *Policy on Professional Degree Supplemental Tuition* requires each plan to include information about the views of the program's student body and faculty on the proposed fee level, which may be obtained in a variety of ways. Campuses are expected to have consulted with students and faculty. At the program level, consultation should include information on (a) proposed new or increased PDSTs for 2016-17 and three-year plans for any proposed increases thereafter, (b) uses of PDST revenue, (c) PDST levels/increases in the context of total charges, (d) issues of affordability and financial aid, (e) opportunities and support to pursue lower-paying public interest careers, (f) selection of comparator institutions, (g) diversity, and (h) outcomes for graduates of the program (e.g., career placement of graduates, average earnings, indebtedness levels).

Consultation with students

How did you consult with students about the PDST levels proposed for 2016-17? Check all that apply.

- Scheduled town-hall style meetings with students in the program to discuss the plan and solicit feedback
- Convened focus groups of students in the program to discuss the plan and solicited feedback
- Described the plan to students in the program via email, solicited their feedback, and reviewed the comments received
- Other (please describe): Text

Attach the feedback written by students during the opportunities for consultation checked above and describe below any proposal changes as a result of this feedback. Also attach a summary of feedback written by designated student leaders in the program. Examples of appropriate leadership include the relevant program or school student association leadership, if one exists, and the campus graduate student association or equivalent.

Please see attached the slide deck and notes from the town-hall meeting with students. Students did not provide any written feedback.

In addition to consultation with program students and faculty, please confirm that this long-form template has been provided to the program graduate student organization, if applicable, and the campus graduate student organization. Each program is also encouraged to engage campus graduate student organization leadership (i.e., your GSA president) in the program's student consultation opportunities. The program should provide each with an opportunity to provide feedback on the proposals. Full comments or a summary of those comments must be provided by the program.

Plan shared with Ralph Washington, GSA President on 10/27/2015 .
Campus graduate student organization (i.e., your campus' GSA president)

- Comments or feedback was provided.
 Comments or feedback was not provided.
 Nature of feedback or full comments:

If applicable, plan shared with Associated Students of Management on 10/22/2015.
Program graduate student organization (i.e., your program council or department GSA)

- Comments or feedback was provided.
 Comments or feedback was not provided.
 Nature of feedback or full comments:

The PDST fee proposal was shared with the ASM on 10/22/2015 in preparation for the town hall meeting on 10/26/2015. The ASM feedback was provided during the town hall, and their questions and comments are reflected in the notes from that meeting included with this submission.

Consultation with faculty

How did you consult with faculty about the PDST levels proposed for 2016-17? Check all that apply.

- Scheduled town-hall style meetings of faculty to discuss the plan and solicit feedback
 Convened focus groups of faculty in the program to discuss the plan and solicit feedback
 Described the plan to faculty in the program via email, solicited their feedback, and reviewed the comments received
 Other (please describe): The plan was shared with the Faculty Executive Committee and discussed in two separate meetings.

Attach the feedback written by faculty during the opportunities for consultation checked above and describe below any proposal changes as a result of this feedback. Also attach a summary of feedback written by designated faculty leaders in the program. Examples of appropriate leadership include other appropriate faculty and affiliated faculty leadership (e.g., faculty executive committee or other faculty leadership).

Faculty did not provide written feedback. The results of the meeting were documented by the Assistant Dean of Finance and Administration. Relevant correspondence is attached.

Please confirm that this long-form template was provided to the campus Graduate Dean and endorsed by the Chancellor.

Plan shared with Dean Gibeling, on 10/27/2015 .
Graduate Dean

Plan endorsed by _____ on _____ .
Chancellor¹

¹ Per the *Policy on Professional Degree Supplemental Tuition* section 7(B), found at <http://www.universityofcalifornia.edu/regents/policies/3103.html>

